

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH (COURT-II)
IN
COMPANY APPLICATION NO. – C.A.(CAA)-44/ND/2024

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

M/s ESHAN FINANCIAL SERVICES PRIVATE LIMITED

...Applicant/Transferor Company No. 1
AND

M/s RIKROLL (INDIA) PRIVATE LIMITED

...Applicant/Transferor Company No. 2
AND

M/s SATWIK SECURITIES PRIVATE LIMITED

...Applicant/Transferor Company No. 3
AND

M/s SHANTI VIJAY INVESTMENTS PRIVATE LIMITED

...Applicant/Transferor Company No. 4
AND

M/s TULA FINANCE LIMITED

...Applicant/Transferor Company No. 5
AND

M/s CORROBORATE VENTURE SERVICES PRIVATE LIMITED

...Applicant/Transferor Company No.6
AND

M/s PRABUDH SECURITIES PRIVATE LIMITED

...Applicant/Transferor Company No. 7
AND

M/s VIMAL FINSTOCK PRIVATE LIMITED

...Applicant/Transferor Company No.8

WITH

M/s A. JAIN & COMPANY PRIVATE LIMITED

...Applicant/Transferee Company
AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Order delivered on 08.05.2024

Under Section: 230 to 232 of the Companies Act, 2013

CORAM:

SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)

SH. SUBRATA KUMAR DASH, HON'BLE MEMBER (T)

PRESENT:

For the Applicant :

For the Respondent : Adv. Rakesh Bajaj

ORDER

The present petition has been preferred jointly by **M/s Eshan Financial Services Private Limited** (hereinafter referred to as "Applicant Company/Transferor Company No. 1"), **M/s Rikroll (India) Private Limited** (hereinafter referred to as "Applicant/Transferor Company No. 2"), **M/s Satwik Securities Private Limited** (hereinafter referred to as "Applicant/Transferor Company No.3"), **M/s Shanti Vijay Investments Private Limited** (hereinafter referred to as "Applicant/ Transferor Company No. 4"), **M/s Tula Finance Limited** (hereinafter referred to as "Applicant/ Transferor Company No. 5"), **M/s Corroborate Venture Services Private Limited** (hereinafter referred to as "Applicant/ Transferor Company No. 6"), **M/s Prabudh Securities Private Limited** (hereinafter referred to as "Applicant/ Transferor Company No. 7"), **M/s Vimal Finstock Private Limited** (hereinafter referred to as "Applicant/ Transferor Company No. 8"), **M/s A. Jain & Company Private Limited** (hereinafter referred to as "Applicant/Transferee Company") seeking the following reliefs:-

"1. Dispensation from convening meetings of equity shareholders, secured and unsecured creditors of the Applicant Companies;

2. *Pass necessary directions for issue of notices to the following authorities in terms of Section 230 (5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangement and Amalgamations) Rules, 2016:*

a) *Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs at B-2 Wing, 2nd Floor, Paryavaran Bhawan, CGO Complex, New Delhi-110003;*

b) *Registrar of Companies, National Capital Territory of Delhi and Haryana at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019;*

c) *Official Liquidator at Lok Nayak Bhawan, 8th Floor, Khan Market, New Delhi-110001;*

d) *Concerned Income-tax authorities having jurisdiction on the Applicant Companies at Center Circle 1, Noida, Uttar Pradesh - 201301.*

3. *Allow this present Joint Application; and*

4. *Passing such other and further orders as are deemed necessary in the facts and circumstances of the case.”*

2. **M/s Eshan Financial Services Private Limited**, having CIN U74899DL1995PTC066946, is a private limited company, incorporated on 20.03.1995 under the Companies Act, 1956. The Registered Office of the Applicant/Transferor Company No. 1 is situated at 11, Babar Lane, Bengali Market, New Delhi, India, 110001. The Authorized Share Capital of the Company is Rs.2,50,00,000/- and its Paid-up Share Capital is Rs. 2,24,30,000/-

3. **M/s Rikroll (India) Private Limited**, having CIN U74899DL1993PTC056143 is a private limited company, incorporated on 19.11.1993 under the Companies Act, 1956. The Registered Office of Applicant/Transferor Company No. 2 is situated at 11, Babar Lane, Bengali Market, New Delhi, India, 110001. The Authorized Share Capital of the

Company is Rs.15,00,000 /- and its Paid-up Share Capital is Rs.14,34,000/-

4. **M/s Satvik Securities Private Limited,** having CIN U74899DL1995PTC066496, is a private limited company, incorporated on 20.03.1995 under the Companies Act, 1956. The Registered office of Applicant/Transferor Company No. 3 is situated at 11, Babar Lane, Bengali Market, New Delhi, India, 110001. The Authorized Share Capital of the Company is Rs.2,50,00,000/- and its Paid-up Share Capital is Rs.1,81,30,000/-.

5. **M/s Shanti Vijay Investments Private Limited,** having CIN U74899DL1992PTC050622, is a private limited company, incorporated on 14.10.1992 under the Companies Act, 1956. The Registered office of Applicant/Transferor Company No. 4 is situated at 11, Babar Lane, Bengali Market, New Delhi, India, 110001. The Authorized Share Capital of the Company is Rs. 5,25,00,000/- and its Paid-up Share Capital is Rs. 1,52,04,000/-.

6. **M/s Tula Finance Limited,** having CIN U67120DL1985PLC022715, is a private limited company, incorporated on 06.12.1985 under the Companies Act, 1956. The Registered office of Applicant/Transferor Company No. 5 is situated at 11, Babar Lane, Bengali Market, New Delhi, India, 110001. The Authorized Share Capital of the Company is Rs. 4,50,00,000/- and its Paid-up Share Capital is Rs.4,37,00,000/-.

7. **M/s Corroborate Ventures Services Private Limited,** having CIN U51109DL1994PTC301249, is a private limited company, incorporated on

15.03.1994 under the Companies Act, 1956. The Registered office of Applicant/Transferor Company No. 6 is situated at 11, Babar Lane, Bengali Market, New Delhi, India, 110001. The Authorized Share Capital of the Company is Rs. 2,25,00,000/- and its Paid-up Share Capital is Rs.2,15,16,200/-.

8. **M/s Prabudh Securities Private Limited**, having CIN U74899DL1995PTC066491, is a private limited company, incorporated on 20.03.1995 under the Companies Act, 1956. The Registered office of Applicant/Transferor Company No. 7 is situated at 11, Babar Lane, Bengali Market, New Delhi, India, 110001. The Authorized Share Capital of the Company is Rs. 6,50,00,000/- and its Paid-up Share Capital is Rs.6,49,90,000/-.

9. **M/s Vimal Finstock Private Limited**, having CIN U74899DL1995PTC070690, is a private limited company, incorporated on 11.07.1995 under the Companies Act, 1956. The Registered office of Applicant/Transferor Company No. 8 is situated at 11, Babar Lane, Bengali Market, New Delhi, India, 110001. The Authorized Share Capital of the Company is Rs. 3,25,00,000/- and its Paid-up Share Capital is Rs.2,61,80,000/-.

10. **M/s A. Jain & Company Private Limited**, having CIN U67120DL1997PTC091156, is a public limited company, incorporated on 15.12.1997 under the Companies Act, 2013. The Registered office of Applicant/Transferee Company is situated at 11, Babar Lane, Bengali Market,

New Delhi, India, 110001. The Authorized Share Capital of the Company is Rs. 2,50,00,000/- and its Paid-up Share Capital is Rs.2,30,02,000/-.

11. The present Application has been preferred by the 'Transferor Company No. 1-8' and 'Transferee Company' (hereinafter referred to as the '**Applicant Companies**'). The Registered offices of all the Applicants Companies being in Delhi, they are amenable to the territorial jurisdiction of this Bench.

12. As far as the present application is concerned, it is seen from the record that the Board of Directors of all the Applicant Companies vide their meetings held on 15.03.2024 have approved the proposed 'Scheme of Amalgamation'. Copies of Resolution of the Board of Directors of all Applicant Companies are found on record at Annexure C-20.

13. The Appointed Date of the Scheme is 25.02.2024 as defined in Section – A, Clause 1.2 (b) of the Scheme of Amalgamation.

14. The rationale of the proposed Scheme of Amalgamation, as espoused by the Applicants read thus:

- a) *"The proposed Merger would result in simplification of the holding structure.*
- b) *The proposed Merger will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry and will help build a profitable financial advisory business in India for the Transferee Company;*
- c) *The proposed Merger will result in consolidation of business of the companies resulting in reduction in management overlaps and duplication of legal and regulatory compliances due to operation of multiple entities.*

- d) *The proposed Merger will result in improved organizational capability and leadership through effective board, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly regulated and competitive industry.*
- e) *The Scheme provides for the Amalgamation of the Transferor Companies with the Transferee Company, as per the terms of this Scheme and pursuant to Section 230 to 232 of the Companies Act, 2013 and the other relevant provision made under the said Act as applicable; and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.”*

12. The Applicant Companies have furnished the following documents in its proposed Scheme of Amalgamation annexed as Annexure A-8 of the Application: -

- i. Master Data along with Memorandum and Articles of Association of Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3, Transferor Company No. 4, Transferor Company No. 5, Transferor Company No. 6, Transferor Company No. 7, Transferor Company No. 8, Transferee Company (Annexures C1, C3, C5, C7, C9, C11, C13, C15, & C17 respectively of the application).
- ii. List of Shareholders of Transferor Company No. 1 as on 15.03.2024, along with Consent Affidavits (Annexure C-21 of the application).
- iii. List of Shareholders of Transferor Company No. 2 as on 15.03.2024, along with Consent Affidavits (Annexure C-24 of the application).

- iv. List of Shareholders of Transferor Company No. 3 as on 15.03.2024, along with Consent Affidavits (Annexure C-27 of the application).
- v. List of Shareholders of Transferor Company No. 4 as on 15.03.2024, along with Consent Affidavits (Annexure C-30 of the application).
- vi. List of Shareholders of Transferor Company No. 5 as on 15.03.2024, along with Consent Affidavits (Annexure C-33 of the application).
- vii. List of Shareholders of Transferor Company No. 6 as on 15.03.2024, along with Consent Affidavits (Annexure C-36 of the application).
- viii. List of Shareholders of Transferor Company No. 7 as on 15.03.2024, along with Consent Affidavits (Annexure C-39 of the application).
- ix. List of Shareholders of Transferor Company No. 8 as on 15.03.2024, along with Consent Affidavits (Annexure C-42 of the application).
- x. List of Shareholders of Transferee Company along with Consent Affidavits has been filed separately by way of an Additional Affidavit dated 23.04.2024 (Annexure-A3 of Additional Affidavit).
- xi. List of 'NIL' Secured Creditors for the Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3, Transferor Company No. 4, Transferor Company No. 5, Transferor Company No. 6, Transferor Company No. 7, Transferor Company No. 8, Transferee Company (Annexures C-22, C-25, C-28, C-31, C-34, C-37, C-40, C-43 of the application & Annexure-A-2 of (Additional Affidavit).

- xii. Certificates of Statutory Auditors to the effect that Accounting treatment proposed in the Scheme conforms with Section 133 of the Companies Act, 2013 are attached as Annexure C-23, C-26, C-29, C-32, C-35, C-38, C-41, C-44 of the application and Annexure A-1 of of the (Additional Affidavit).
- xiii. Proposed Share Entitlement Ratio, provided under the Report on Valuation of Shares & Share Exchange Ratio of Mr. Ajay Kumar Siwach, Registered Valuer, attached as Annexure -C-45 of the application.
- xiv. Audited financial statements as of 18.07.2023, of the Transferor Company No.1, Transferor Company No.2, Transferor Company No.3, Transferor Company No.4, Transferor Company No.5, Transferor Company No.6, Transferor Company No.7, Transferor Company No.8, Transferee Company have been annexed and marked as Annexure C-2, C-4, C-6, C-8, C-10, C-12, C-14, C-16 & C-18 respectively.
- xv. Provisional Financial Statements for the period from 01.04.2023 to 29.02.2024 of the Transferor Company No.1, Transferor Company No.2, Transferor Company No.3, Transferor Company No.4, Transferor Company No.5, Transferor Company No.6, Transferor Company No.7, Transferor Company No.8, Transferee Company have been annexed and marked as Annexure C-2, C-4, C-6, C-8, C-10, C-12, C-14, C-16 & C-18 respectively.

13. It is further submitted by the counsel for applicant companies that as per the Valuation Report dated 12.03.2024 submitted by Mr. Ajay Kumar Siwach, Registered Valuer, IBBI Registration No. IBBI/RV/05/2019/11412 attached as Annexure C-45 of the Application, that the Share Exchange and

Entitlement Ratio is as given below: -

13. Opinion of Share Exchange Ratio:-

On the basis of above analysis, the share exchange ratio has been arrived as follows:

For Equity Shareholders of Transferor Companies

Particulars	Net Asset Value (INR 00')	No of Shares	Value Per Share (INR)	Exchange Ratio (Per 1000 Share)
ESHAN FINANCIAL SERVICES PRIVATE LIMITED	6,16,14,227	22,43,000	27.47	254
RIKROLL (INDIA) PRIVATE LIMITED	2,90,38,072	1,43,400	202.50	1873
SATVIK SECURITIES PRIVATE LIMITED	37,20,07,740	18,13,000	205.19	1897
SHANTI VIJAY INVESTMENTS PRIVATE LIMITED	7,02,02,612	15,20,400	46.17	427
TULA FINANCE LIMITED	5,17,75,084	43,70,000	11.85	110
CORROBORATE VENTURES SERVICES PRIVATE LIMITED	20,26,21,606	21,51,620	94.17	871
PRABUDH SECURITIES PRIVATE LIMITED	11,43,60,328	64,99,000	17.60	163
VIMAL FINSTOCK PRIVATE LIMITED	20,13,37,620	26,18,000	76.91	711

List of shares Issued in transferee Company :-

Exchange ratio after Cancellation of Inter - Transferor Companies holdings

S.No.	Name of Transferor Company	Name of Shareholders	Equity Shares held	Exchange Ratio per 1000 Shares	No. of shares to be issued in transferee Company
1	ESHAN FINANCIAL SERVICES PRIVATE LIMITED	Anoop Jain	100	27.47	3
2		Vimal Chand Jain	900	27.47	25
3		Pneumatic Services Pvt. Ltd.	14,99,000	27.47	41,178
4		Sanjay Dutt	3,00,000	27.47	8,241
5		Prashant & Sons	73,000	27.47	2,005
6		Dwarka Investments Private Limited	3,70,000	27.47	10,164
7	RIKROLL (INDIA) PRIVATE LIMITED	Anoop Jain HUF	1,00,000	202.5	20,250
8		Ritu Jain	41,700	202.5	8,444
9		VIMAL CHAND JAIN	1,700	202.5	344
10	SATVIK SECURITIES PRIVATE LIMITED	Anoop Jain	100	205.19	21
11		Vimal Chand Jain	900	205.19	185
12		Pneumatic Services Pvt. Ltd.	8,00,000	205.19	1,64,152
13		Sanjay Dutt	2,76,500	205.19	56,735
14		JMD Sounds Ltd.	36,500	205.19	7,489
15		SHANTI VIJAY INVESTMENTS PRIVATE LIMITED	Anoop Jain	76,500	46.17
16	Vimal chan jain		4,200	46.17	194
17	GYAN KUMARI JAIN		100	46.17	5
18	Pneumatic Services Pvt.Ltd.		7,00,000	46.17	32,319
19	RITU JAIN		76,100	46.17	3,514
20	Sajal Gambhir		10,000	46.17	462
21	TULA FINANCE LIMITED	Rakesh Jain	1	11.85	-
22		Manjula Jain	1	11.85	-
23		Vimal Chand Jain	1	11.85	-
24		Gyan Kumari	1	11.85	-
25		Ravi Kumar Sharma	1	11.85	-
26		Anoop Jain	1	11.85	-
27		Ravi Kumar Sharma	300	11.85	4
28		Rajesh Jain	1,300	11.85	15
29		Ravi Kumar	700	11.85	8
30		Basant Jain	800	11.85	9

31		Vijay Jain	800	11.85	9
32		Preeti Jain	800	11.85	9
33		Roshan Lal Chopra	1,000	11.85	12
34		Anuj Jain	1,000	11.85	12
35		Rajesh Kumar	1,600	11.85	19
36		Mukesh Baid	1,600	11.85	19
37		PoonamChand Maloo	1,900	11.85	23
38		Santosh Bothra	1,950	11.85	23
39		Anoop Jain HUF	2,000	11.85	24
40		Pushpa Daga	2,500	11.85	30
41		Nirmal Chand Jain	2,500	11.85	30
42		Lovely Gupta	2,700	11.85	32
43		Veena Gupta	2,800	11.85	33
44		Bijay Singh Taler	3,500	11.85	41
45		Priyanka	5,000	11.85	59
46		Pallavi	5,000	11.85	59
47		Sejal Jain	17,000	11.85	201
48		Varun	5,093	11.85	60
49		Manju Sharma	6,501	11.85	77
50		JRM Securities & Finance Pvt. Ltd	14,500	11.85	172
51		Supriya	18,500	11.85	219
52		Vimal Chand Jain	19,000	11.85	225
53		Gyan Kumari	19,000	11.85	225
54		Anoop Jain	19,000	11.85	225
55		Anoop Jain	3,30,000	11.85	3,911
56		Vingti Investment P. Ltd	4,95,000	11.85	5,866
57		Rishab Jain	11,000	11.85	130
58		Ritu Jain	5,25,650	11.85	6,229
59		Urjani Buildwell Pvt Ltd	8,70,000	11.85	10,310
60	CORROBORATE VENTURES	AJAY PRAKASH & SONS	2,30,000	94.17	21,659
61	SERVICES	Prashant & Sons	80,000	94.17	7,534
62	PRIVATE LIMITED	Dwarka Investments Pvt Ltd	4,00,000	94.17	37,668
63	PRABUDH SECURITIES	Anoop Jain	100	17.6	2
64	PRIVATE LIMITED	Vimal Chand Jain	900	17.6	16
65		Pneumatic Leasing Services Pvt. Ltd.	8,00,000	17.6	14,080
66		Sanjay Dutt	26,44,500	17.6	46,543
67		Tainany Chatterji	6,000	17.6	106
68		Sahni & sons	66,500	17.6	1,170
69		Ankur Dhingra	32,000	17.6	563
70		ArtiWalia	22,50,000	17.6	39,600
71	VIMAL FINSTOCK PRIVATE LIMITED	Vimal Chand Jain	900	76.91	69
72		Gyan Kumari Jain	100	76.91	8
73		Anoop Jain	1,25,000	76.91	9,614
74		Pneumatic Leasing Services Pvt.Ltd.	8,00,000	76.91	61,528
75		Sanjay Dutt	3,00,000	76.91	23,073
76		Sahni & sons	73,000	76.91	5,614
77		Dwarka Investments Pvt Ltd	6,20,000	76.91	47,684
Total Equity Shares to be issued in Transferee Company					7,04,113

14. It is contended by the learned counsel that the Scheme of Amalgamation (Annexure C-19) also takes care of the interests of the staff/workers and employees of the Transferor Companies. By Clause 8 of the Scheme, it is stated that upon the Scheme coming into effect, all staff and employees of the Transferor Company, on such date shall be deemed to have become staff and employees of the Transferee Company based on continuity of service without any break or interruption in service and terms and conditions of their employment with the Transferee Company shall not be less

favorable than those applicable to them with reference to the Transferor Company.

15. The Applicants have made a categorical averment in Application that With effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company Nos. 1 to 8.

16. The status of Equity Shareholders, Secured and Unsecured Creditors as also their Consent through Affidavits qua all the Companies as espoused in the Application filed by the Applicants can be summarised as below:

II. DETAILS OF STAKEHOLDER CONSENT W.R.T THE SCHEME

EQUITY SHAREHOLDERS									
Particulars	I	II	III	IV	V	VI	VII	VIII	IX
Total number of equity shareholders	6	3	6	7	42	9	9	8	2
Details of Certificate by the Auditor certifying the number of shareholders	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024
No. of Equity Shareholders, who gave Conseco to the Scheme by way of Affidavit	6	3	6	7	38	9	9	8	2
% of Conseco obtained from Equity Shareholders	100%	100%	100%	100%	94%	100%	100%	100%	100%

SECURED CREDITORS									
Total number of Secured Creditors	0	0	0	0	0	1	0	0	
No. of Secured Creditors who is a Company/Firm/any association of persons	-	-	-	-	-	-	-	-	
Total Secured Creditor Value	-	-	-	-	-	—	-	-	
Details of Certificate of Auditor certifying number of Secured Creditors	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	
UNSECURED CREDITORS									
Total number of Unsecured Creditors	5		6	3	4		3	3	
Total Unsecured Creditor Value	10,66,57,680		6,77,54,399	5,88,12,650	4,63,92,699		1,49,61,406	2,32,97,551	
Details of Certificate of Auditor certifying number of Unsecured Creditors	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	

17. All the shareholders of the Applicant Companies have given 'No Objection' to the Scheme on their respective affidavit. Therefore, the requirement of convening the Meetings of Shareholders in respect of the Applicant Companies is dispensed with.

18. Since more than 90% in value of the Unsecured Creditors of the

Applicant Companies have given 'No Objection' to the Scheme therefore, their meeting is dispensed with.

19. There are no secured creditors in any of the Applicant Companies, therefore, the need to convene their meeting does not arise.

20. So far as the prayer for serving a notice to the various authorities as espoused in Prayer (2) of the Application, Section – 230(5), read with Section – 230(3) of Companies Act, 2013, provides for issuance of notice in case a meeting is convened. However, as all the meetings are dispensed in terms of Section – 230(9) of Companies Act, 2013 in the present case, there is no requirement for issuing notice to the sectoral regulators at this stage.

21. The Application is allowed in the aforesaid terms.

Sd/-
(SUBRATA KUMAR DASH)
MEMBER (T)

Sd/-
(ASHOK KUMAR BHARDWAJ)
MEMBER (J)