

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI**

**CA (CAA) No.272/MB/2023**

*[Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]*

IN THE MATTER OF

**COMPOSITE SCHEME OF ARRANGEMENT BETWEEN**

**Varsity Education Management Private Limited**

[CIN: U80903MH2010PTC211466]

6A/1, Court Chambers, New Marine Lines

Sir Vitthaldas Thackery Marg

Mumbai-400020.

... Applicant Company 1 /Transferor Company 1

**Srichaitanya Students Facility Management Private Limited**

[CIN: U55101MH2015PTC265318]

**Registered Office:** 6A/1, Court Chambers, New Marine Lines

Sir Vitthaldas Thackery Marg

Mumbai-400020.

...Applicant Company 2/ Transferor Company 2

**Coeus Education Management Private Limited**

[CIN: U85500MH2023PTC407492]

**Registered Office:** 6A/1, Court Chambers, New Marine Lines

Sir Vitthaldas Thackery Marg

Mumbai-400020.

...Transferee Company / Demerged Company / Applicant Company 3

**Varsity South Education Management Private Limited**

[CIN: U85500MH2023PTC407584]

**Registered Office:** 6A/1, Court Chambers

Sir Vitthaldas Thackery Marg, New Marine Lines

Mumbai-400020.

... Resulting Company 1 / Applicant Company 4

**Varsity Edification Management Private Limited**

[CIN: U85500MH2023PTC407354]

**Registered Office:**6A/1, Court Chambers

Sir Vitthaldas Thackery Marg, New Marine Lines

Mumbai-400020.

...Resulting Company 2 / Applicant Company 5

**Pronounced: 28.06.2024**

**CORAM:**

**HON'BLE SHRI K. R. SAJI KUMAR, MEMBER (JUDICIAL)**

**HON'BLE SHRI SANJIV DUTT, MEMBER (TECHNICAL)**

**Appearances: Hybrid**

For the Applicant(s) : Adv. Hemant Sethi, Ms. Devanshi Sethi,  
i/b. Hemant Sethi & Co. Advocates

**ORDER*****[PER: SANJIV DUTT, MEMBER (TECHNICAL)]***

1. This is a Company Application jointly filed by five companies seeking appropriate directions from this Tribunal in relation to the **Composite Scheme of Arrangement** between Varsity Education Management Private Limited (hereinafter referred to as 'Transferor Company 1' or 'Applicant Company 1'), Srichaitanya Students Facility Management Private Limited (hereinafter referred to as 'Transferor Company 2' or 'Applicant Company 2'), Coeus Education Management Private Limited (hereinafter referred to as 'Transferee Company' or 'Demerged Company' or 'Applicant Company 3'), Varsity South Education Management Private Limited (hereinafter referred to as 'Resulting Company 1' or 'Applicant Company 4') and Varsity Edification Management Private Limited (hereinafter referred to as 'Resulting Company 2' or 'Applicant Company 5') and their respective shareholders under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (hereinafter referred to as "the CAA Rules"). All the five companies are hereinafter collectively referred to as 'the Applicant Companies'.
2. The registered offices of all the Applicant Companies are situated in Mumbai, Maharashtra and thus the subject matter of this Company Application is within the territorial jurisdiction of this Tribunal.
3. The Board of Directors of the Applicant Companies in their respective Board meetings held on 20.10.2023 have approved the proposed Composite Scheme of Arrangement (hereinafter referred to as 'the Scheme'). Certified copies of Board Resolutions of all five Applicant Companies are annexed to the Company Application.

4. It is submitted that **the Appointed Date** of the proposed Scheme is 01.04.2024.
5. It is submitted that the Applicant Company 1 is engaged in providing a range of services including teacher training, examination services, payroll management, transportation management, accounting support services, information technology management, coaching services and is also engaged in the sale of books, uniforms and tablets and other education materials pursuant to contracts with several trusts, educational institutions, etc. The Applicant Company 2 is engaged in the business of providing hostel accommodation to students. The Applicant Company 3 is engaged in the business of providing education products and services. The Applicant Company 4 is engaged in the business of providing services comprising examination services, student admission services and the sale of various education materials, including textbooks, note books, workbooks, examination pads, school uniforms and stationery to various trusts, educational institutions and individual students. The Applicant Company 5 is engaged in the business of providing services in the nature of accounting services, teacher training services, enterprise resource planning services, information technology management services, vendor management services, payroll services, sports training services, coaching and tuition services to various trusts, educational institutions and individual students.
6. The proposed Scheme among the Applicant Companies and their respective shareholders provides for (a) amalgamation of Applicant Company 1 with Applicant Company 3; and thereafter; (b) amalgamation of Applicant Company 2 with Applicant Company 3; and thereafter;(c) demerger of Demerged Undertaking 1 of Applicant Company 3 into Applicant Company 4 on a going concern basis; and thereafter; (d) demerger of Demerged Undertaking 2 of Applicant

Company 3 into Applicant Company 5 on a going concern basis and Applicant Company 4 being 100% parent Company of Applicant Company 5 to issue equity shares to the equity shareholders of Applicant Company 3 as a consideration pursuant to the demerger in accordance with the provisions of Sections 230 to 232 of the Act.

- 6.1 As per the Scheme, 'Demerged Undertaking 1' means the undertaking of the Demerged Company/Transferee Company/Applicant Company 3 comprising the businesses of providing services, which encompass examination services, student admission services, and the sale of various education materials, including textbooks, note book, workbooks, examination pads, school uniforms and stationery under the contracts entered into with various trusts, educational institutions and individual students, undertaken by the Demerged Company, as a going concern and comprising of all relevant business activities and services, assets, liabilities, operations, intangibles, employees. Further, 'Demerged Undertaking 2' means the undertaking of the Demerged Company comprising the businesses of providing services in the nature of accounting services, teacher training services, enterprise resources planning services, information technology management services, vendor management services, payroll services, sports training services, coaching and tuition services under the contracts entered into with various trusts, educational institutions and individuals students, undertaken by the Demerged Company, as a going concern and comprising of all relevant business activities and services, assets, liabilities, operations, intangibles, employees.
- 6.2 It is stated that Applicant Company 1 is a subsidiary of Applicant Company 3, Applicant Company 2 is a wholly owned subsidiary of Applicant Company 1 and Applicant Company 5 is a wholly owned subsidiary of Applicant company 4.

7. The rationale for the Scheme is elaborated as under:-

**A. Amalgamation of Applicant Company 1 With Applicant Company 3**

- (i) Rationalization and simplification of the overall group corporate structure considering that Applicant Company 1 And Applicant Company 3 have common shareholders;*
- (ii) Simplification of decision making, reduction in duplication of administrative responsibilities and regulatory compliances and saving of administrative and other costs associated with managing separate entities; and*
- (iii) The reorganization will enable the Applicant Company 3 to effect Internal Economies and optimize revenue from operations.*

**B. Amalgamation of Applicant Company 2 with Applicant Company 3**

- (i) Pursuant to the amalgamation of Applicant Company 1 With Applicant Company 3, Applicant Company 2 shall become a wholly owned subsidiary of Applicant Company 3.*
- (ii) This amalgamation is anticipated to yield several advantages, notably the simplification of the group's corporate structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, and rationalising operational costs.*

**C. Demerger of Demerged Undertaking 1 of Applicant Company 3 into Applicant Company 4 and of Demerged Undertaking 2 of Applicant Company 3 into Applicant Company 5**

- (i) *Facilitate the segregation of Demerged Undertaking 1 and Demerged Undertaking 2 (collectively referred to as ‘Demerged Undertakings’) from Applicant Company 3, with the primary objective of enhancing their potential to attract strategic and / or financial investors possessing the requisite abilities, experience, and interests in the business of the Demerged Undertakings;*
- (ii) *Enable Applicant Company 3 along with Applicant Company 4 and Applicant Company 5, to each formulate and pursue a focused strategy and specialization aimed at achieving sustained growth and profitability; and*
- (iii) *Enhance the group’s capacity to pursue distinct growth objectives for various segments of the business and to attract investments for growth for each business separately.*

8. The details of Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Companies are as under: -

8.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company 1/Applicant Company 1 as on 20.10.2023 is as follows:-

| <b>Authorised share capital</b>                     |  | <b>Amount in INR</b> |
|---|--|----------------------|
| 3,06,20,000   | Equity Shares of Rs.5/- each               | 15,31,00,00          |
| <b>Total</b>  |  | <b>15,31,00,000</b>  |
| <b>Issued, Subscribed and Paid-up share capital</b> |  | <b>Amount in INR</b> |
| 1,53,93,026   | Equity Shares of Rs.5/- each fully paid up | 7,69,65,130          |
| <b>Total</b>  |  | <b>7,69,65,130</b>   |

8.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company 2/Applicant Company 2 as on 20.10.2023 is as under:-

| <b>Authorised share capital</b>                     |   | <b>Amount in INR</b> |
|---|---|----------------------|
| 1,00,00,000   | Equity Shares of Rs.10/- each.              | 10,00,00,000         |
| <b>Total</b>  |   | <b>10,00,00,000</b>  |
| <b>Issued, Subscribed and Paid-up share capital</b> |   | <b>Amount in INR</b> |
| 1,00,00,000   | Equity Shares of Rs.10/- each fully paid up | 10,00,00,000         |
| <b>Total</b>  |   | <b>10,00,00,000</b>  |

8.3 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company/Applicant Company 3 or the Demerged Company as on 20.10.2023 is as under:-

| <b>Authorised share capital</b>                     |  | <b>Amount in INR</b> |
|---|--|----------------------|
| 30,00,000   | Equity Shares of Rs.10/- each                | 3,00,00,000          |
| <b>Total</b>  |  | <b>3,00,00,000</b>   |
| <b>Issued, Subscribed and Paid-up share capital</b> |  | <b>Amount in INR</b> |
| 30,00,000   | Equity Shares of Rs.10/ - each fully paid up | 3,00,00,000          |
| <b>Total</b>  |  | <b>3,00,00,000</b>   |



8.4 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company 1/ Applicant Company 4 as on 20.10.2023 is as under:-

| <b>Authorised share capital</b>                     |  | <b>Amount in INR</b> |
|---|--|----------------------|
| 10,000  | Equity Shares of Rs.10/- each                | 1,00,000             |
| <b>Total</b>  |  | <b>1,00,000</b>      |
| <b>Issued, Subscribed and Paid-up share capital</b> |  | <b>Amount in INR</b> |
| 10,000  | Equity Shares of Rs.10/ - each fully paid up | 1,00,000             |
| <b>Total</b>  |  | <b>1,00,000</b>      |

8.5 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company 2/ Applicant Company 5 as on 20.10.2023 is as under:-

| <b>Authorised share capital</b>                     |  | <b>Amount in INR</b> |
|---|--|----------------------|
| 10,000  | Equity Shares of Rs.10/- each                | 1,00,000             |
| <b>Total</b>  |  | <b>1,00,000</b>      |
| <b>Issued, Subscribed and Paid-up share capital</b> |  | <b>Amount in INR</b> |
| 10,000  | Equity Shares of Rs.10/ - each fully paid up | 1,00,000             |
| <b>Total</b>  |  | <b>1,00,000</b>      |

8.6 It is stated that after 20.10.2023, there has been no change in the share capital of any of the Applicant Companies.

9. As regards Consideration for Amalgamation of Transferor Company 1/Applicant Company 1 with Transferee Company/Applicant Company 3, it is submitted that upon the Scheme becoming effective and in consideration for the amalgamation of the Transferor Company 1 into the Transferee Company, the Transferee Company shall, without any further act or deed, issue and allot equity shares of Rs.10/- each as fully paid up to the extent indicated below, to all the shareholders of the Transferor Company 1 holding equity shares in the Transferor Company 1 other than the Transferee Company itself and whose names appear in the register of members of Transferor Company 1 as on the Record Date in the following proportion:

**19,442 (Nineteen Thousand Four Hundred and Forty-Two) fully paid-up equity shares of Transferee Company of Rs. 10/- (Ten) each for every 1,000 (One Thousand) equity shares of the Transferor Company 1 of Rs. 5/-(Five) each fully paid up.**

- 9.1 Copy of the Valuation Report dated 20.10.2023 issued by the Registered Valuer recommending the share exchange ration as above is annexed to the Company Application.
- 9.2 On the Scheme becoming effective, all the equity shares held by the Transferee Company/Applicant Company 3 itself in the Transferor Company 1/Applicant Company 1, shall stand cancelled and no shares or other consideration shall be issued by the Transferee Company for the cancellation of the equity shares.

- 9.3 It is submitted that Applicant Company 2 is a wholly owned subsidiary of Applicant Company 1 and upon amalgamation of Applicant Company 1 with Applicant Company 3, Applicant Company 2 shall become the wholly owned subsidiary of Applicant Company 3 and its entire share capital shall be held by the Transferee Company/ Applicant Company 3 and its nominees. Accordingly, upon the Scheme becoming effective, the entire share capital of the Applicant Company 2 whether in physical form or in the dematerialised form shall stand cancelled without any further application, acts or deeds and there shall not be any issue of new shares to the Applicant Company 3/Transferee Company in lieu or exchange of the holding of the Applicant Company 3/Transferee Company in the Applicant Company 2 (held directly and jointly with the nominee shareholders).
- 9.4 The authorised share capital of the Transferor Company 2/Applicant Company 2 shall be transferred and vested with the Transferee Company/ Applicant Company 3 in terms of the provisions of the Act after the approval of the Scheme.
- 9.5 As regards consideration for Demerger of Demerged Undertaking 1 of Applicant Company 3 into Applicant Company 4/Resulting Company 1, it is submitted that upon the coming into effect of the Scheme, and in consideration for the transfer of and vesting of the properties, assets and liabilities of the Demerged Undertaking 1 of the Demerged Company into the Resulting Company 1 in terms of this Scheme, the Resulting Company 1, shall, without any further act or deed, issue and allot fully paid-up equity shares of Rs.10/- (Ten Rupees) each up to the extent indicated below, to all the shareholders (i.e. holders of equity shares) of the Demerged Company whose

names appear in the Register of Members in the following proportion:

**1 (One) fully paid-up equity share of Resulting Company 1 of Rs.10/- (Ten) each for every 2 (Two) equity shares of the Demerged Company of Rs.10/- each fully paid.**

- 9.6 Copy of the Valuation Report dated 20.10.2023 issued by a Registered Valuer recommending the share entitlement ratio as above is annexed to the Company Application.
- 9.7 The equity shares to be issued by the Resulting Company 1/Applicant Company 4 to the shareholders of the Demerged Company/Applicant Company 3 shall rank *pari passu* in all respects to the existing equity shares of the Resulting Company 1.
- 9.8 The Resulting Company 1 shall, if necessary and to the extent required, increase or decrease or reclassify its authorised share capital to facilitate issue of shares under this Scheme.
- 9.9 As regards consideration for Demerger of Demerged Undertaking 2 of Demerged Company/Applicant Company 3 into Resulting Company 2/Applicant Company 5, it is submitted that upon the coming into effect of the Scheme, and in consideration for the transfer of and vesting of the properties, assets and liabilities of the Demerged Undertaking 2 of the Demerged Company into the Resulting Company 2 in terms of this Scheme, the Resulting Company 1 being the 100 % parent company of Resulting Company 2 shall, without any further act or deed, issue and allot fully paid-up equity shares of Rs. 10/- (Ten Rupees) each up to the extent indicated below, to all the shareholders (i.e. holders of equity shares) of the Demerged Company whose names appear in the Register of Members of

the Demerged Company as on the Record Date in the following proportion:

**1 (One) fully paid-up equity share of Resulting Company 1 (being the 100% parent company of Resulting Company 2) of Rs.10/- (Ten) each for every 2 (Two) equity shares of the Demerged Company of Rs.10/- each fully paid.**

- 9.10 Copy of the Valuation Report dated 20.10.2023 issued by a Registered Valuer recommending the above share entitlement ratio is annexed to the Company Application.
- 9.11 The equity shares to be issued by the Resulting Company 1 to the shareholders of the Demerged Company shall rank *pari passu* in all respects to the existing equity shares of the Resulting Company 1.
- 9.12 The Resulting Company 1 shall, if necessary and to the extent required, increase or decrease or reclassify its authorised share capital to facilitate issue of shares under this Scheme.
10. The Applicant Companies submit that no investigation or proceedings against any of the Applicant Companies have been instituted and/or are pending under Sections 210 to 217, 219, 220 and 223 to 227 of the Act and that no winding-up/ insolvency resolution petitions have been filed or are pending against them. It is submitted that there are no ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken against Applicant Company 1 to Applicant Company 5 and their current promoters and directors. The Applicant Company 1 has furnished details of pending litigation initiated against it. However, it is stated that there are no pending litigations against Applicant Company 2, Applicant Company 3, Applicant Company 4 and Applicant Company 5.

11. It is submitted that since Applicant Company 1 and Applicant Company 2 are the Amalgamating Companies, the requirement of Certificate on Accounting Treatment by the Statutory Auditors does not arise. However, as regards Applicant Company 3, Applicant Company 4 and Applicant Company 5, copy of the Certificate from the Statutory Auditors of aforesaid Applicant Companies, M. Bhaskara Rao & Co., Chartered Accountants dated 10.11.2023 has been placed on record certifying and confirming that the accounting treatment with respect to the Applicant Company 3, Applicant Company 4 and Applicant Company 5 as specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act and rules made thereunder as amended and other generally acceptable accounting principles.

12. The Net Worth of all Applicant Companies is as follows:

- a) The net worth of the Applicant Company 1 as on 31.03.2023 is Rs.1603 crores. The copy of the audited financial statements of Applicant Company 1 as on 31.03.2023 is already annexed to the Company Application.
- b) The net worth of the Applicant Company 2 as on 31.03 2023 is Rs.429.57 crores. The copy of the audited financial statements of Applicant Company 2 as on 31.03.2023 is already annexed along with the Company Application.
- c) The net worth of the Applicant Company 3 as on 31.03 2023 is Rs.3 crores. The copy of the audited financial statements of Applicant Company 3 as on 31.03.2023 is already annexed to the Company Application.
- d) The net worth of the Applicant Company 4 as on 30.09.2023 is Rs.0.96 lakhs. The copy of the unaudited financial

statements of Applicant Company 4 as on 30.09.2023 is already annexed to the Company Application.

e) The net worth of the Applicant Company 5 as on 30.09.2023 is Rs.0.96 lakhs. The copy of the unaudited financial statements of Applicant Company 5 as on 30.09.2023 is already annexed along with the Company Application.

13. The Learned Counsel for the Applicant Companies submits that as per the Certificate dated 21.10.2023 of M. Bhaskara Rao & Co., Chartered Accountants, there are no debentures holders and Secured Creditors in any of the Applicant Companies as on 28.09.2023. **Therefore, the question of convening meeting of the debentures holders and Secured Creditors of the Applicant Companies does not arise.**
14. As per the Certificate dated 21.10.2023 of M. Bhaskara Rao & Co., Chartered Accountants, there are 122 (One Hundred and Twenty Two) unsecured creditors of Rs 23,98,51,615/- (Twenty Three Crore Ninety Eight Lakhs Fifty One Thousand Six Hundred and Fifteen Rupees) in value for the Applicant Company 1 as on **28.09.2023** out of which 93.71% of unsecured creditors of the Applicant Company 1 have furnished their consent affidavits to the proposed Scheme which are annexed to the Company Application filed on 12.11.2023. **In view of the fact that the unsecured creditors constituting over 90% in value have given their consent to the proposed Scheme, the requirement of convening and holding meeting of the unsecured creditors of the Applicant Company 1 for the purpose of considering and, approving the proposed Scheme is hereby dispensed with.**
15. As per the certificate dated 07.11.2023 of Sreedar Mohan & Associates, Chartered Accountants, there are 6 (Six) equity shareholders of the Applicant Company 1 holding 1,53,93,026 shares as on 28.09.2023. It is observed that consent affidavits have been

procured from 4 shareholders holding 99.99% of the total equity paid-up share capital of the Applicant Company 1 which are annexed to the Company Application. The Ld. Counsel undertakes to furnish consent affidavits of remaining 2 individuals holding 4 equity shares (0.01% of the paid-up share capital of Applicant company 1) along with the Company Scheme Application. **In view of the above, the requirement of holding and convening meeting of the equity shareholders of the Applicant Company 1 is hereby dispensed with subject to the Applicant Company 1 placing on record consent Affidavits of the remaining 2 Equity Shareholders along with the Company Scheme Application.**

16. It is observed that as per the Certificate dated 21.10.2023 of M.Bhaskara Rao & Co., Chartered Accountants, there are 3 (Three) unsecured creditors of Rs. 1,72,36,800/- (One Crore Seventy-Two Lakhs Thirty-Six Thousand and Eight Hundred Rupees) in value for the Applicant Company 2 and that the consent affidavits from all three unsecured creditors are annexed to the Company Application. **In view of the fact that all the unsecured creditors of the Applicant Company 2, have given their consent by way of affidavits, the requirement of holding and convening meeting of the unsecured creditors of the Applicant Company 2 is hereby dispensed with.**
17. The Counsel of the Applicant Companies submits that there are 2 (Two) equity shareholders of the Applicant Company 2 holding 1,00,00,000/- equity shares of Rs.10/- each and that their consent affidavits are annexed to the Company Application. **In view of the fact that both the equity shareholders of the Applicant Company 2 have furnish their consent affidavits, the requirement of convening and holding meeting of the equity shareholders of Applicant Company 2 is hereby dispensed with.**



18. It is submitted that as per the Certificate dated 21.10.2023 of M.Bhaskara Rao & Co., Chartered Accountants, there are 3 (Three) unsecured creditors of Rs.1,47,864/- (One Lakh Forty Seven Thousand Eight Hundred and Sixty Four Rupees) in value for the Applicant Company 3 and that consent affidavits from all three unsecured creditors are placed on record. **In view of above position, the requirement of convening and holding meeting of the unsecured creditors of Applicant Company 3 is hereby dispensed with.**
19. The Counsel of the Applicant Companies submits that there are 2 (Two) equity shareholders of the Applicant Company 3 holding 30,00,000 equity shares of Rs. 10/- each and that consent affidavit from both the equity shareholders of the Applicant Company 3 are placed on record. **In view of above position, the requirement of convening and holding meeting of the unsecured creditors of Applicant Company 3 is hereby dispensed with.**
20. It is submitted that as per the Certificate dated 21.10.2023 of M.Bhaskara Rao & Co., Chartered Accountants, there are 3 (Three) unsecured creditors of Rs 2,03,473/- (Two Lakhs Three Thousand Four Hundred and Seventy-Three Rupees) in value for the Applicant Company 4 and that consent affidavits from all three unsecured creditors have been placed on record. **In view of above position, the requirement of convening and holding meeting of the unsecured creditors of Applicant Company 4 is hereby dispensed with.**
21. The Learned Counsel for the Applicant Companies submits that there are 2 (Two) equity shareholders of the Applicant Company 4 holding 10000 equity shares of Rs.10/- each and that the consent affidavits procured from both the equity shareholders of the Applicant Company 4 are annexed to the Company Scheme Application. **In view of the above position, the requirement of convening and holding**

**meeting of the equity shareholders of Applicant Company 4 is also dispensed with.**

22. It is submitted that as per the Certificate dated 21.10.2023 of M.Bhaskara Rao & Co., Chartered Accountants, there are 3 (Three) unsecured creditors of Rs 2,03,731/- (Two Lakhs Three Thousand Seven Hundred and Thirty-One Rupees) in value for the Applicant Company 5. It is observed that consent affidavits from all three unsecured creditors are annexed to the Company Application. **In view of the above position, the requirement of convening and holding meeting of the equity shareholders of Applicant Company 5 is also dispensed with.**
23. The Learned Counsel of the Applicant Companies submits that there are 2 (Two) equity shareholders of Applicant Company 5 holding 10000 equity shares of Rs. 10/- each and that the consent affidavits obtained from both the equity shareholders of the Applicant Company 5 are annexed to the Company Application. **In view of the above position, the requirement of convening and holding meeting of the equity shareholders of Applicant Company 5 is also dispensed with.**
24. The Applicant Companies have placed on record list of pending litigation initiated against Applicant Company 1 as on 20.10.2023 consisting of three Income-tax Appeals and three Service Tax Appeals involving amount of over Rs.300 crores pending at level of ITAT/CESTAT/High Court/Supreme Court. However, the Scheme envisages that any pending legal proceedings by or against Applicant Company 1/Transferor Company 1 shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in their Scheme but the proceedings of the Transferor Company 1 may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and

enforced by or against the Transferor Company 1 as if this scheme had not been made.

25. The Applicant Companies are directed to serve notices of the present Application complete with enclosures by way of Registered Post A.D./ Speed Post/ Hand Delivery **and** email upon the following authorities:-

- a. Central Government of India (through the office of Regional Director, Western Region, Mumbai);
- b. Jurisdictional Registrar of Companies;
- c. Jurisdictional Income-tax Authority within whose jurisdiction the assessments of Applicant Companies are made:-

| <b>Name of the Company</b> | <b>PAN No.</b> | <b>Income Tax Jurisdiction</b> |
|----------------------------|----------------|--------------------------------|
| Applicant Company 1        | AADCV6100E     | Central Circle-3(1), Hyderabad |
| Applicant Company 2        | AAVCS8271M     | Central Circle-3(1), Hyderabad |
| Applicant Company 3        | AALCC2045F     | WARD 1(1)(1), Mumbai           |
| Applicant Company 4        | AAJCV5506E     | WARD 1(3)(4), Mumbai           |
| Applicant Company 5        | AAJCV5430D     | WARD 1(3)(4), Mumbai           |

- d. The Nodal Authority in Income-tax Department, in so far as Applicant Company 1 and Applicant Company 2 are concerned- **Pr. CCIT, Andhra Pradesh & Telangana at 10<sup>th</sup> Floor, C-Block, I.T. Towers, 10-2-3, A.C. Guards, Hyderabad – 500004**, and; in so far as the Applicant Company 3, Applicant Company 4 and Applicant Company 5 are concerned-**Pr. CCIT, Mumbai at 3<sup>rd</sup> Floor, Aayakar Bhawan, Maharishi Karve Road, Mumbai-400020, Maharashtra;**

e. Jurisdictional GST Authority (proper officer), within whose jurisdiction such Companies are assessed to tax under GST law;

f. Any other Sectoral Regulators/Authorities relevant to the Applicant Companies or their business,

pursuant to Section 230(5) of the Act and in terms of Rule 8 of the CAA Rules. If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notices, it will be presumed that they have no objection to the Scheme in terms of Rule 8 of the CAA Rules. It is clarified that service of notice through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the noticee.

26. The Applicant Companies are directed to serve a Copy of the Scheme upon the Official Liquidator, Mumbai in terms of Section 233(1)(a) and Rule 25(1) of the CAA Rules. If no representation/ response is received by the Tribunal from the Official Liquidator, Mumbai within a period of thirty (30) days from the date of receipt of such notice, it will be presumed that Official Liquidator has no objection to the Scheme in terms of Section 233(1)(a) and Rule 25(1) of the CAA Rules.
27. The Applicant Companies shall host the notices directed herein, on their respective websites, if any
28. The Applicant Companies will submit the following details along with the Company Scheme Petition:-
- i. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any.
  - ii. List of pending IBC cases, if any, along with all other litigation

pending against the Applicant Companies having material impact on the Scheme.

- iii. Details of all Letters of Credit sanctioned and utilised as well as Margin Money details, if any.

29. The Appointed Date of the Scheme of Amalgamation is 01.04.2024.

30. The Applicant Companies are directed to file Affidavit of Service with the Registry within 10 days from service of notices complete with enclosures upon the regulatory authorities mentioned above and report to this Tribunal that all the directions in this regard have been duly complied with. The Applicant Companies are also directed to include in the Affidavit of Service proof of dispatch of documents sent to their creditors, wherever applicable, and to report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

31. The Company Application is accordingly **disposed of** in terms of aforesaid directions.

Sd/-

**SANJIV DUTT**  
**MEMBER (TECHNICAL)**

//Deepa & Sunil//

Sd/-

**K.R. SAJI KUMAR**  
**MEMBER (JUDICIAL)**