

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**SPECIAL BENCH, BENGALURU**  
**(Through web-based video conferencing platform)**

**C.A. (CAA) No.11/BB/2023**  
U/ss. 230 to 232 of the Companies Act, 2013  
And other applicable provisions of the  
Companies Act, 2013 R/w Companies (CAA) Rules, 2016

**IN THE MATTER OF SCHEME:**

**M/s. Indusage Techapp Private Limited**

A Company incorporated under Companies Act, 2013

having its registered office at

Khatha No.458/660/ 641/3/1A,

Harlur Road, Marathahalli,

Mahadevapura Zone, Ward 150.

Bengaluru – 560103

- Applicant Company No.1/Demerged Company

**AND**

**M/s. Kwickedge Technology Private Limited**

A Company incorporated under Companies Act, 2013

Having its registered office at

No 2594/1, 3<sup>rd</sup> floor,

15<sup>th</sup> Cross, 27<sup>th</sup> Main, Sector 1,

HSR Layout,

Bangalore - 560102

- Applicant Company No.2/Resulting Company

**Order delivered on: 24<sup>th</sup> August, 2023**

**CORAM:** 1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)  
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

**PRESENT:**

For the Applicant Companies : Mr. Uday Shankar R M

**ORDER**

**Per: T. Krishnavalli, Member (Judicial)**

1. The present first motion Application has been filed on 24.02.2023 by the Applicant Companies **M/s. Indusage Techapp Private Limited** (described in short as "Applicant Company No.1/Demerged Company") and **M/s. Kwickedge Technology Private Limited** (described in short as "Applicant Company No.2/Resulting Company") under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act,

2013, R/w Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 *inter alia*, seeking to convene the meeting of the Equity Shareholders of the Applicant Companies and Unsecured Creditors of Applicant Company No.1. The Scheme of Arrangement for Demerger is placed on record at Annexure-A of the Application.

2. The Applicant No.1, namely, **M/s. Indusage Techapp Private Limited** was incorporated on 07.02.2020 under the Companies Act, 2013 vide CIN: U74110KA2020PTC132436. The registered office of the Company is situated at Khatha No.458/660/641/3/1A, Harlur Road, Marathahalli, Mahadevapura Zone, Ward 150, Bengaluru. As per the Memorandum of Association, the main objects of Transferor Company are as follows:

*“To build, develop, enable or otherwise deal in products, services and solutions through plug and play model, tum keys basis or otherwise for individuals, businesses and other relevant functionaries involved in the life cycle of all types of financial requirements using software technologies, websites, mobile apps, platforms whether online or offline, or any other technology in accordance with necessary statutory approvals and permissions, if any and to provide value added support either directly or through third parties by centralizing services our customers might need from time to time.”*

3. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 31.03.2022 is as under:

<b>Details of Share Capital</b>	<b>Amount (In Rs.)</b>
<b><u>Authorized Share Capital</u></b>	
15,00,00,000 equity shares of Re.1/- each	15,00,00,000
Total	15,00,00,000
<b><u>Issued Share Capital</u></b>	
9,06,27,000 equity shares of Re.1/- each	9,06,27,000
Total	9,06,27,000
<b><u>Subscribed and Paid-up Share Capital</u></b>	
9,06,27,000 equity shares of Re.1/- each	9,06,27,000
Total	9,06,27,000

4. The Resulting Company, namely, **M/s. Kwickedge Technology Private Limited** is a private company incorporated on 17.11.2021 under the provisions of the Companies Act, 2013 vide CIN: U72900KA2021 PTC154518. The registered office of the Company is situated at No 2594/1, 3<sup>rd</sup> floor, 15<sup>th</sup> Cross, 27<sup>th</sup> Main, Sector 1, HSR Layout Bengaluru. The Transferee Company, is authorised to inter-alia engage in the business of

providing technology and other related services and activities. The copy of Memorandum of Association is found attached at Annexure-H of the Application.

5. As per the Memorandum of Association, the main objects of Transferee Company are as follows:

*“1. To carry on the business or profession of providing a platform, technology and/or other mechanism/services including through any future and known or unknown technology to facilitate transactions, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, by and between individual consumers, or by and between businesses and individual consumer and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions etc”.*

6. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 31.03.2022 is as under:

<b>Details of Share Capital</b>	<b>Amount (In Rs.)</b>
<b>Authorized Share Capital</b>	
1,00,000 equity shares of Re.1/- each	1,00,000
Total	1,00,000
<b>Issued Share Capital</b>	
10,000 equity shares of Re.1/- each	10,000
Total	10,000
<b>Subscribed and Paid-up Share Capital</b>	
10,000 equity shares of Re.1/- each	10,000
Total	10,000

7. The preamble of the proposed Scheme is at Annexure – A of this Application and the same reads as under:-

*“This scheme of arrangement is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined below) amongst Indusage Techapp Private Limited (“ITPL”, or “Transferor Company” or “Demerged Company”) and Kwickedge Technology Private Limited (“KTPL” or “Transferee Company” and together with the Transferor Company, the “Companies”) and their respective shareholders and creditors.*

*The Scheme, inter alia, provides for:*

- (i) the demerger of the Demerged Undertaking from Transferor Company into Transferee Company; and*  
*(ii) various other matters consequential or otherwise integrally connected therewith, each in the manner as more particularly described in this Scheme.*

The Demerger has been separately defined in part B (5) of the Scheme dealing with the definitions as under:

*“Demerged Business” means Transferor Company’s business of providing software services, support services and operation of web and mobile technology platforms.*

*And the “Demerger Undertaking” means all the businesses, undertakings, activities, operations and properties of Transferor Company, of whatsoever nature and kind and whosoever situated, in each case, forming part of or necessary or advisable for the conduct of, or the activities or operations, pertaining to the Demerged Business, as a going concern without any break or interruption in the operations....*

In the Demerged Undertaking definitions given in the Scheme all immovable properties and rights thereto, movable or immovable assets of the demerged business along with other tax related matters and intangible assets of the demerged business have also been included.

8. It is stated that the rationale for Scheme of Arrangement of the Transferor Company with the Resulting Company is, inter alia, as follows:

*“4.1 Transferor Company and Transferee Company are direct and indirect Subsidiaries of Trustroot Internet Private Limited (“TIPL”). As part of a composite group restructuring the Transferor Company and the Transferee Company (indirect subsidiary of Hiveloop Logistics Private Limited) are desirous of consolidating certain businesses of the group (which includes the technology platform business of Transferor Company).*

*4.2 The composite group restructuring also involves inter alia consolidation of certain identified businesses of Hiveloop Technology Private Limited, Granary Wholesale Private Limited, Grantrail Wholesale Private Limited, Stapel Wholesale Private Limited, Leadmark Wholesale Private Limited, Stacktrail Cash and Carry Private Limited, each of which are also direct and/ or indirect subsidiaries of TIPL into Hiveloop Logistics Private Limited, which is proposed to be undertaken by way of a separate composite scheme of arrangement.*

*4.3. The proposed Scheme would be in the best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed restructuring pursuant to this Scheme as part of the composite group restructuring is expected, inter alia, to result in the following benefits:*

- (i) simplification of corporate legal and operating structure;*
- (ii) consolidation of businesses to optimize operational cost;*
- (iii) optimizing working capital management; and*
- (iv) facilitating creation of value for the shareholders by way of a consolidated corporate structure.”*

9. The Board of Directors of the Applicant Companies in its meeting held on 20.02.2023 approved the Scheme. Certified true copy of resolution passed in the board meeting of the Transferor Company and Transferee Company is annexed to the Application as Annexure D and J. The Appointed Date fixed under the Scheme is April 1, 2022.

10. It is also stated that as part of the proposed Scheme, the Transferee Company shall, as a Resulting Company in terms of the IT Act, including Section 2(41A) of the IT Act, without any further Application, act or deed, issue and allot CCPS, credited as fully paid-up, to the members of Transferor Company, holding fully paid-up equity shares and whose names appear in the register of members, including register and index of beneficial owners, on the Demerged Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Demerger Record Date in the following manner:

*“353 fully paid-up CCPS of Re.1/- (one) each of Transferee Company shall be issued and allotted for every 1,000 fully paid-up equity share of Re.1/- held in Transferor Company.”*

11. The instant Application has been filed seeking for the following reliefs:

*a. “To order holding and convening of the meetings of the equity shareholders of Applicant Nos.1 and 2 and holding and convening of the meeting of unsecured creditors of Applicant No.1, to be held on such date and time as this Tribunal may deem fit and that a chairman be appointed for the meetings and pass necessary directions with regard to issue of notice, publication of advertisement of such notice in the newspapers, fixing a quorum, convening, holding and conducting of the meetings”.*

12. The learned Counsel for the Transferor/Demerged Company has submitted that as per the Certificate dated 17.02.2023 of B Viswanath & Associates, Chartered Accountants, there are 2 (Two) Equity Shareholders in the Transferor Company as on 31.01.2023, and seeks to convene the meeting of Equity Shareholders of the Transferor Company for the proposed Scheme.

13. As per the Certificate dated 17.02.2023 of B Viswanath & Associates, Chartered Accountants, there are 138 (One Hundred and Thirty Eight) Unsecured Creditors in the Transferor Company as on 31.01.2023 and seeks to convene the meeting of Unsecured Creditors of the Transferor Company for the proposed Scheme. Moreover, as per the Certificate dated 17.02.2023 of B Viswanath & Associates, Chartered Accountants, there are no secured creditors in the Transferor Company.

14. It is submitted that as per the Certificate dated 17.02.2023 of B Viswanath & Associates, Chartered Accountants, there are 2 (Two) Equity Shareholders

in the Transferee/Resulting Company as on 11.02.2023, and seeks to convene the meeting of Equity Shareholders of the Transferee/Resulting Company for the proposed Scheme. Further, as per the Certificate dated 17.02.2023 of B Viswanath & Associates, Chartered Accountants, there are no Secured Creditors and Unsecured Creditors in Transferee/Resulting Company as on 31.01.2023.

15. The learned Counsel for the Applicant Companies submitted that the Affidavits dated 23.02.2023 of the Transferor/Demerged Company and Transferee/Resulting Company respectively have been filed stating that there are no pending/ongoing investigations or other proceedings are pending against the Applicant Companies under any Statutory Act or Regulation in India including Companies Act, 2013.
16. It is submitted that the Scheme does not involve any Reduction in Share Capital or Corporate Debt Restructuring of the Applicant Companies. An Affidavits in this regard have been filed by the Applicants, which are placed at Annexure-T series of this Application.
17. The Applicant Companies have filed affidavit dated 23.02.2023, stating that the Applicant Companies are not regulated by any Sectoral Regulators and affidavit in this regard have been filed by the Applicant Companies.
18. It is further submitted that the certified copy of the Valuation of Shares dated 17.02.2023, issued by Shashank D S, Registered Valuer is attached as Annexure-N of the Application.
19. Certificate of the statutory auditors of the Transferor Company has also been filed certifying that the accounting treatment as specified in Clause 15.1 of the Proposed Scheme is in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles.
20. Further, the Transferor/Demerged Company and Transferee/Resulting Company have filed audited financial statement for year ending on

31.03.2022. The same is on record as Annexure-C and I of the Application. The Transferor and Transferee Companies filed unaudited financial statements as on 31.01.2023 as Annexures – C and I of the Application.

21. Clause 9.1 of the Scheme stated that, upon the Scheme becoming effective, all Transferred Employees shall be deemed to have become employees of Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favorable (including with respect to the employment benefits to which they are entitled) than those applicable to them with reference to their employment in Transferor Company on the Effective Date.
22. We have heard the learned Counsel for the Applicant Companies and have perused the records. In view of the aforesaid discussion, the following directions are issued:
  - a) Since there are Nil Secured Creditors in the Demerged Company and Resulting Company, there is nothing to convene their meeting;
  - b) Since there are Nil Unsecured Creditors in the Resulting Company, there is nothing to convene their meeting;
  - c) Meeting of the Equity Shareholders of the Demerged Company is to be convened on **18.12.2023** at **10:00 AM** at Hosur Road 26/1, near Central Silk Board Junction, next to Oxford College, Bommanahalli, Bengaluru-560068, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Equity shareholders, shall be as prescribed under Section 103 of the Companies Act, 2013.
  - d) Meeting of the Unsecured Creditors of the Demerged Company is to be convened on **18.12.2023** at **11:00 AM** at Hosur Road 26/1, near Central Silk Board Junction, next to Oxford College, Bommanahalli, Bengaluru-560068, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the

Unsecured Creditors, shall be 40% in total value either personally present or through proxy.

- e) Meeting of the Equity Shareholders of the Resulting Company is to be convened on **18.12.2023** at **12:30 PM** at Hosur Road 26/1, near Central Silk Board Junction, next to Oxford College, Bommanahalli, Bengaluru-560068, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Equity shareholders, shall be as prescribed under Section 103 of the Companies Act, 2013.

**Shri Srinandan.K, Advocate**, having address at SK Law Chambers, No.60, 1<sup>st</sup> Floor, 4<sup>th</sup> Cross, Malleshwaram, Bengaluru – 560 003, Email ID: [srinandan@sklawchambers.com](mailto:srinandan@sklawchambers.com), Mobile No.72999 14774 is appointed as the Chairperson for the above meetings in respect of Applicant Companies to be called under this order.

**Shri Karthick Varadarajan, PCS** having address at No.305, 3<sup>rd</sup> Floor, Renaissance Landmark, 10<sup>th</sup> Main, 17<sup>th</sup> Cross, Malleshwaram, Bengaluru, Email ID: [vk@vkarthick.com](mailto:vk@vkarthick.com), Mobile No. 99000 97271 is appointed as the Scrutinizer for the above meetings in respect of Applicant Companies to be called under this order.

The total remuneration for Chairperson shall be **Rs.1,00,000/-** for the above three meetings in respect of Applicant Companies; and for Scrutinizer shall be **Rs.60,000/-** for the above three meetings in respect of Applicant Companies.

- f) In case the required quorum as noted above for the above meetings of Applicant Companies are not present at the commencement of the meetings, the respective meetings shall be adjourned by 30 minutes, and thereafter, the persons present and voting shall be deemed to constitute the quorum. For the purpose of completing the quorum, the valid proxies and Authorized Representatives shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed through email or otherwise at the respective registered office of the Applicant Companies. The

Chairperson along with Scrutinizer shall ensure that the proxy register is properly maintained.

- g) It is further directed that individual notices of the said meeting shall be sent by the Applicant Companies to the respective creditors and shareholders through registered post or speed post or through electronic mode, 30 days in advance before the scheduled date of meeting, indicating the day, date, time and link to meeting, if meeting is conducted through Video Conference as aforesaid, together with a copy of the Scheme, copy of explanatory statement required to be sent under the Companies Act, 2013 and the applicable Rules along with the proxy forms and any other documents as may be prescribed under the Act, shall also be duly sent with the notice;
- h) It is further directed that along with the notice, Applicant Companies shall also send, statement explaining the effect of the Scheme on the Shareholder and Creditors, key managerial personnel, promoters and non-promoter members etc., along with effect of the Arrangement for Demerger on any material interests of the Directors of the Company as provided under sub-section 3 of the Section 230 of the Act;
- i) That the Applicant Companies shall publish with a gap of at least 30 clear days before the aforesaid meeting, indicating the day, date, time and link of the meeting to be conducted through video Conference as aforesaid, to be published in "*Hindu*" and "*Udayavani*" both in English and Kannada Edition. It is to be stated in the advertisement that the copies of "Scheme", the Explanatory Statement required to be published pursuant to Section 230 to 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Companies. The Applicant Companies shall also publish the notice on its website, if any;
- j) The Authorized Representative of the Applicant Companies shall furnish affidavit of service of notice of meeting and publication of advertisement and compliance of all directions contained herein at least ten (10) days before the date of proposed meetings;

- k) Voting shall be allowed on the “Scheme” in person or by proxy or through electronic means as may be applicable to the Applicant Companies under the Act and the Rules framed there under;
- l) The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 within 07 (seven) days of the conclusion of the meeting. He would be fully assisted by the Authorized Representative/Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Chairperson/Alternate Chairperson in preparing and finalizing the reports;
- m) The Applicant Companies shall individually and in compliance of sub-section (5) of section 230 and Rule 8 of the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 send notices in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the “ Rules” to (i) the Central Government through the office of the Regional Director (South East Region); (ii) Concerned Registrar of Companies; (iii) Nodal Officer of Income Tax Department - the Principal Chief Commissioner of Income Tax, Karnataka & Goa; and other Sectoral Regulators/Authorities, if any, stating that representations, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representation shall simultaneously be sent to the concerned companies, failing which it shall be presumed that they have no objection to the proposed Scheme;
- n) The Applicant Companies shall furnish copy of the Scheme free of charge within one day of any requisition for the “Scheme” made by any shareholder entitled to attend the aforesaid meetings.
- o) It shall be the responsibility of the Applicant Companies to ensure that the notices are sent under the signature and supervision of the authorized representative of the Company on the basis of Board Resolutions.

p) All the aforesaid directions are to be compiled with strictly in accordance with the applicable laws including forms and formats contained in the “Rules” as well as the provisions of the Companies Act, 2013, by the Applicant Companies.

23. With the aforesaid directions, this First Motion Application bearing **C.A. (CAA)No.11/BB/2023** stands allowed, giving liberty to the Applicant Companies to file Second Motion Petition with the direction that the Applicant Companies shall make specific prayer for sending notice to the (1) Central Government, (2) Registrar of Companies, (3) Nodal Officer of Income Tax Department - the Principal Chief Commissioner of Income Tax, Karnataka & Goa; and (4) Jurisdictional Income Tax Authorities by disclosing the PAN numbers of the Applicant Companies; and (5) other relevant statutory authorities/sectoral regulators as applicable in the title of the Second Motion Petition.

24. A copy of this order be supplied to the learned Counsel for the Applicant Companies, who in turn shall supply copy of the same to the aforesaid Chairpersons and the Scrutinizers.

**-Sd-**  
**(MANOJ KUMAR DUBEY)**  
**MEMBER (TECHNICAL)**

**-Sd-**  
**(T. KRISHNAVALLI)**  
**MEMBER (JUDICIAL)**