

SL. No.2

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (J)

CORAM: SHRI. SANJAY PURI, - HON'BLE MEMBER (T)

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 08.05.2024 AT 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CA (CAA) No.14/230/2024
NAME OF THE COMPANY	Skanda Aerospace Pvt Ltd (Transferor Co.1) & Scorpio Biosolutions Pvt Ltd (Transferor Co.2) and Ramanagaram Enterprises Pvt Ltd (Transferee Co.)
NAME OF THE PETITIONER(S)	
NAME OF THE RESPONDENT(S)	
UNDER SECTION	u/s 230 of Companies Act

ORDER

Orders pronounced, recorded vide separate sheets. In the result, the Company Application is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH -II, HYDERABAD**

CA (CAA) No.14/230/HDB/2024

**IN THE MATTER OF SECTION 230 TO 232 OF THE COMPANIES ACT, 2013
SCHEME OF AMALGAMATION/MERGER**

Among

**M/s.Skanda Aerospace Private Limited
(Transferor Company 1)**

And

**M/s.Scorpio Biosolutions Private Limited
(Transferor Company 2)
(Together called as Transferor Companies)**

And

**M/s.Ramanagaram Enterprises Private Limited
(Transferee Company)**

And

Their Respective Shareholders & Creditors

M/s.Skanda Aerospace Private Limited,

Represented by its Director Mrs.Akila Chintalapati Raju,
having its registered Office at : iLabs Centre, Building III,
Plot No.18, Software Units Layout, Madhapur,
Hyderabad – 500 033, Telangana, India.

....1st Applicant/Transferor Company 1

M/s. Scorpio Biosolutions Private Limited,

Represented by its Director Mrs.Jyothi Raju Chintalapati,
having its registered Office at : iLabs Centre, Building III,
Plot No.18, Software Units Layout, Madhapur,
Hyderabad – 500 033, Telangana, India.

....2nd Applicant/ Transferor Company 2

M/s.Ramanagaram Enterprises Private Limited,

Represented by its Director Mr.Duddukuri Venkata Dhanumjaya Rao,
having its registered Office at : iLabs Centre, Building III,
Plot No.18, Software Units Layout, Madhapur,
Hyderabad – 500 033, Telangana, India.

....3rd Applicant/ Transferee Company

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A n d
Their Respective Shareholders & Creditors

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Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)
Sri Sanjay Puri, Hon'ble Member (Technical)

Counsel present:

For the Applicants : Mr.Mahesh Grandhi, PCS

**[PER: BENCH]
ORDER**

1. This application is filed under Section 230 of the Companies Act, 2013 (hereinafter referred to as "the Act, 2013"), read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 in the matter of Scheme of Merger of M/s.Skanda Aerospace Private Limited (**“hereinafter referred to as “SKANDA”/Transferor Company 1/Amalgamating Company 1**), M/s.Scorpio Biosolutions Private Limited (**hereinafter referred to as “SCORPIO”/Transferor Company 2/Amalgamating Company 2**) with M/s.Ramanagaram Enterprises Private Limited (**hereinafter referred to as Transferee Company/Amalgamated Company**) and their respective shareholders and creditors with effect from the Appointed Date. The Transferor Companies and the Transferee Company are hereinafter collectively referred to as the ‘Applicant Companies’ and severally as “Applicant Company”.
2. This Joint Application is filed by the Petitioner Companies under Section 230 read with 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 by inter-alia seeking approval for Scheme of Amalgamation between the Applicant Companies and their respective shareholders, creditors so as to be binding on all the members, shareholders, creditors and employees of all the Petitioner Companies and all concerned for successful completion of the Amalgamation process of the Applicant Companies with the following directions :

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In case of Transferor Company 1 and Transferor Company 2:

- a. To dispense with the Meetings of the Equity Shareholders and Secured and Unsecured Creditors of the Transferor Company 1 and Transferor Company 2.

In case of Transferee Company:

- a. To dispense with the Meetings of the Equity Shareholders, Preference Shareholders and Creditors of the Transferee Company.

(1) DESCRIPTION OF THE COMPANIES:

- I) **A) M/s. Skanda Aerospace Private Limited (hereinafter referred to as “SKANDA/ Transferor Company 1/ Amalgamating Company 1”)** having its registered office in the State of Telangana, was incorporated under the Companies Act, 1956, on 08.09.2010 in the State of Telangana and its Corporate Identification Number (CIN) is U29296TG2010-PTC070378.

The Transferor Company 1 was originally incorporated under the name and style of M/s.Skanda Defense Systems Private Limited as a Private Limited Company on 08.09.2010. Subsequently, the name of the Company was changed to M/s.Skanda Aerospace Private Limited on 25.11.2010.

The Registered office of the Transferor Company 1 is situated at Labs Centre, Building II, Plot No.18, Software Units Layout, Madhapur, Hyderabad – 500 081, Telangana, India.

B) The main objects of the Transferor Company 1 are as follows:

The Objects of the Transferor Company 1 are set out in the Memorandum of Association. They are briefly as under:

- i. To carry on India or else where the business of manufacture, design, develop, sell, lease, import, export, fabricate, supply, provide, trade, all types of aerospace components, aircraft components, aircraft engine components, high precision machined components, missile components, space craft components and all other components used in aircraft industries.

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- ii. To buy, sell, lease, import, export manufacture design, develop, fabricate, technology used for the purpose of verification and identification of bio-matrices, security and investigation services in terms of Aerospace Industries and to render efficient services to all types of persons individual, corporation, local authorities, body corporate, companies, trust, society.
 - iii. To do Research and development activity relating to security, investigation and bio matrix by way of developing the different type of technologies and to supply, Including manufacture, import, fabrication, assembly of any and all types of arms and accoutrement, weapons and weapon systems, including spare parts used therein supply, including manufacture, import, fabrication, assembly of any communication, transmission, transport equipment's used in the aerospace, defence, police and paramilitary services.
 - iv. To carry out all types of construction, execution, development, acquisition, maintenance, implementation, leasing, sale and disposition of all types of construction and real estate projects in India and elsewhere, such as Residential and Commercial Complexes, Row Houses, Independent houses, group houses, retail or mall projects, farm houses, residential or other layouts, Real Estate Business, clubs, sports centers, swimming pools, gymnasiums, stadiums, tracks, hospitals, dispensaries, operation theatres, hotels, motels, pubs, function halls, multiplexes, cinema halls, theatres, broadcasting centres, Food Parks, Industrial Parks, studios, auditoriums, planetariums, places of mass gathering, public worship and amusement parks, courts, libraries, parliament buildings, bank buildings, railway stations and tracks, bus stops, and stations, roads, bridges, highways and flyovers, airports, ports, reservoirs, wharves, off shore and on shore drilling stations, parking areas, hangars, runways, storage tanks, mines and quarries, bunkers, pipelines, thermal stations, electrical installations, sewerage systems, drainage systems, water ways and pipelines, gas lines, factories, furnaces, power projects, and structures of any description whatsoever, whether for public or private use including monuments.
- V. a) To carry on the business of development, generation, purchase, accumulation, transmission distribution, sale supply of electric power in all branches, at places, both public or private and to construct, lay down, establish, operate, maintain, develop, power stations, cables, wires, lines, accumulators, lighting equipment, transformers and all types if electrical

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works and equipment at the place or places contemplated by the contemplated by the license or otherwise.

- b. To purchase or acquire otherwise, concessions, grants, rights, privileges and licenses, whatsoever conferred upon by any authorities in favour of this or any other company, firm or person whomsoever, for development, generation, transmissions, distribution and sale of electric power by using wind energy, solar energy, hydro energy, thermal energy, bio energy.
- c. To construct, carry out, maintain, improve, manage, work, control and superintend any reservoirs, waterworks, canals, tanks, weirs, bridges, culverts, pipes, and mains and works in connection therewith, which may directly or indirectly contribute to subsidies or otherwise aid generation and distribution of electric power, and carry on the business as civil, electrical and mechanical engineers for supply of electricity for lighting, heating motive power or otherwise and as manufactures and dealers of electrical equipment, such as generators, dynamos, motors, accumulators, conductors, insulators, Isolators, circuit breakers, controllers, switches, transformers, converters, rectifiers, meters, resistors and all kinds of plant, machinery, equipment and appliances required for generation, accumulation, distribution and supply of electric power.
- C) The Transferor Company 1 is primarily engaged in the business of real estate development and power.

(Copy of the Memorandum of Association and Articles of Association of the Transferor Company 1 is at Annexure A - page Nos.45-61 of the Application).

- D) The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 31.03.2023 is as follows:

Share Capital	Amount in Rs.
Authorized Capital:	
3,50,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each.	35,00,00,000
Total	35,00,00,000
Issued, Subscribed and Paid Up Capital:	
3,38,70,000 Equity Shares of Rs.10/- (Rupees Ten only) each.	33,87,00,000

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Total	33,87,00,000
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Subsequent to the above date and till the date of filing of the Application, there has been no change in the Issued, Subscribed and Paid-up Share Capital of the Transferor Company 1.

(Copy of the Audited State of Accounts as on 31-03-2023 of the Transferor Company 1 is at Annexure C - page Nos.85-106 of the Application).

II) A) M/s.Scorpio Biosolutions Private Limited (hereinafter referred to as “SCORPIO/Transferor Company 2/Amalgamating Company 2”) having its registered office in the State of Telangana, was incorporated under the Companies Act, 1956, on 22.02.2000 in the State of Telangana and its Corporate Identification Number (CIN) is U201110TG2000-PTC033642.

The Registered office of the Transferor Company 2 is situated at ILabs Centre, Building II, Plot No.18, Software Units Layout, Madhapur, Hyderabad – 500 081, Telangana, India.

B) The main objects of the Transferor Company 2 are as follows:

The Objects of the Transferor Company 2 are set out in the Memorandum of Association. They are briefly as under:

- i. To Manufacture, produce process, buy, sell, trade, exchange, export, import, act as agents, stockiest, distributors and or otherwise, deal in any other manner, in Biotechnology products, tissue culture products, enzymes, vaccines, Bio-pesticides, insecticides and fungicidal sprays, Bio-fertilizers, Bio-chemicals and chemicals related to agricultural and medical use, Bioengineering products, genetic engineering products, pheromones, fermentation products, seed and seedings production, and all kinds of Bio-products or products manufactured there from or products manufactured for use, in its production.
- ii. To develop, sale and/or Lease, and Maintenance of Infrastructure including Office Space, Residential, Institutional, Commercial and Recreational facilities.
- iii. To carry out all types of construction, execution, development, acquisition, maintenance, implementation, leasing, sale and disposition of all types of construction and real estate projects in India and

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elsewhere, such as Residential and Commercial Complexes, Row Houses, Independent houses, group houses, retail or mall projects, farm houses, residential or other layouts, Real Estate Business, clubs, sports centers, swimming pools, gymnasiums, stadiums, tracks, hospitals, dispensaries, operation theatres, hotels, motels, pubs, function halls, multiplexes, cinema halls, theatres, broadcasting centers, Food Parks, Industrial Parks, studios, auditoriums, planetariums, places of mass gathering, public worship and amusement parks, courts, libraries, parliament buildings, bank buildings, railway stations and tracks, bus stops, and stations, roads, bridges, highways and flyovers, airports, ports, reservoirs, wharves, off shore and on shore drilling stations, parking areas, hangars, runways, storage tanks, mines and quarries, bunkers, pipelines, thermal stations, electrical installations, sewerage systems, drainage systems, water ways and pipelines, gas lines, factories, furnaces, power projects, and structures of any description whatsoever, whether for public or private use including monuments.

- IV. a. To carry on the business of development, generation, purchase, accumulation, transmission distribution, sale supply of electric power in all branches, at places, both public or private and to construct, lay down, establish, operate, maintain, develop, power stations, cables, wires, lines, accumulators, lighting equipment, transformers and all types if electrical works and equipment at the place or places contemplated by the contemplated by the license or otherwise.
- b. To purchase or acquire otherwise, concessions, grants, rights, privileges and licenses, whatsoever conferred upon by any authorities in favour of this or any other company, firm or person whomsoever, for development, generation, transmissions, distribution and sale of electric power by using wind energy, solar energy, hydro energy, thermal energy, bio energy.
- c. To construct, carry out, maintain, improve, manage, work, control and superintend any reservoirs, waterworks, canals, tanks, weirs, bridges, culverts, pipes, and mains and works in connection therewith, which may directly or indirectly contribute to subsidies or otherwise aid generation and distribution of electric power, and carry on the business as civil, electrical and mechanical engineers for supply of electricity for lighting, heating motive power or otherwise and as manufactures and dealers of electrical equipment, such as generators, dynamos, motors, accumulators, conductors, insulators, Isolators, circuit breakers,

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controllers, switches, transformers, converters, rectifiers, meters, resistors and all kinds of plant, machinery, equipment and appliances required for generation, accumulation, distribution and supply of electric power.

- C) The Transferor Company 2 is primarily engaged in the business of real estate development and power.
(Copy of the Memorandum of Association and Articles of Association of the Transferor Company 2 is at Annexure B - page Nos.62-84 of the Application).
- D) The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company 2 as on 31.03.2023 is as follows:

Share Capital	Amount in Rs.
Authorized Capital:	
36,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each.	3,60,00,000
Total	3,60,00,000
Issued, Subscribed and Paid Up Capital:	
35,50,000 Equity Shares of Rs.10/- (Rupees Ten only) each.	3,55,00,000
Total	3,55,00,000

Subsequent to the above date and till the date of filing of the Application, there has been no change in the Issued, Subscribed and Paid-up Share Capital of the Transferor Company 2.

(Copy of the Audited State of Accounts as on 31-03-2023 of the Transferor Company 2 is at Annexure D - page Nos.107-126 of the Application).

III) A) M/s.Ramanagaram Enterprises Private Limited (**hereinafter referred to as Transferee Company**) having its registered office in the State of Telangana, was originally incorporated in the name and style of M/s.Vamshi Industrial Power Limited as a Public Limited Company on 06.02.2022. Subsequently, the name of the Company was changed to M/s.Lanco Thermal Power Limited on 28.05.2012. The Company was converted to a Private Limited Company w.e.f., 03.03.2022 and hence consequent to conversion became M/s.Lanco Thermal Power Private Limited. Further, the name of the company was changed to M/s.Ramanagaram Enterprises Limited with effect from 29.03.2022.

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The Registered office of the Transferee Company is situated at ILabs Centre, Building II, Plot No.18, Software Units Layout, Madhapur, Hyderabad – 500 081, Telangana, India.

B) The main objects of the Transferee Company are as follows:

The Objects of the Transferee Company are set out in the Memorandum of Association. They are briefly as under:

- i. To carry on the business of development, generation, purchase, accumulation, transmission distribution, sale supply of electric power in all branches, at places, both public or private and to construct, lay down, establish, operate, maintain, develop, power stations, cables, wires, lines, accumulators, lighting equipment, transformers and all types if electrical works and equipment at the place or places contemplated by the contemplated by the license or otherwise.
- ii. To purchase or acquire otherwise, concessions, grants, rights, privileges and licenses, whatsoever conferred upon by any authorities in favour of this or any other company, firm or person whomsoever, for development, generation, transmissions, distribution and sale of electric power by using wind energy, solar energy, hydro energy, thermal energy, bio energy.
- iii. To construct, carry out, maintain, improve, manage, work, control and superintend any reservoirs, waterworks, canals, tanks, weirs, bridges, culverts, pipes, and mains and works in connection therewith, which may directly or indirectly contribute to subsidies or otherwise aid generation and distribution of electric power, and carry on the business as civil, electrical and mechanical engineers for supply of electricity for lighting, heating motive power or otherwise and as manufactures and dealers of electrical equipment, such as generators, dynamos, motors, accumulators, conductors, insulators, Isolators, circuit breakers, controllers, switches, transformers, converters, rectifiers, meters, resistors and all kinds of plant, machinery, equipment and appliances required for generation, accumulation, distribution and supply of electric power.
- iv. To carry out all types of construction, execution, development, acquisition, maintenance, implementation, leasing, sale and disposition of all types of construction and real estate projects in India and elsewhere, such as Residential and Commercial Complexes, Row Houses, Independent houses, group houses, retail or mall projects, farm

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houses, residential or other layouts, Real Estate Business, clubs, sports centers, swimming pools, gymnasiums, stadiums, tracks, hospitals, dispensaries, operation theatres, hotels, motels, pubs, function halls, multiplexes, cinema halls, theatres, broadcasting centers, Food Parks, Industrial Parks, studios, auditoriums, planetariums, places of mass gathering, public worship and amusement parks, courts, libraries, parliament buildings, bank buildings, railway stations and tracks, bus stops, and stations, roads, bridges, highways and flyovers, airports, ports, reservoirs, wharves, off shore and on shore drilling stations, parking areas, hangars, runways, storage tanks, mines and quarries, bunkers, pipelines, thermal stations, electrical installations, sewerage systems, drainage systems, water ways and pipelines, gas lines, factories, furnaces, power projects, and structures of any description whatsoever, whether for public or private use including monuments.

- C) The Transferee Company is primarily engaged in the business of real estate development and power.
(Copy of the Memorandum of Association and Articles of Association of the Transferee Company is at Annexure E - page Nos.127-157 of the Application).
- D) The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 31.03.2023 is as follows:

Share Capital	Amount in Rs.
Authorized Capital:	
7,01,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each.	70,10,00,00,000
3,00,00,00,000 Preference Shares of Rs.10/- (Rupees Ten only) each.	30,00,00,00,000
12,00,000 Preference Shares of Rs.100/- (Rupees Hundred only) each.	12,00,00,000
Total	1,00,22,00.00,000
Issued, Subscribed and Paid Up Capital:	
80,55,556 Equity Shares of Rs.10/- (Rupees Ten only) each.	8,05,55,560
64,44,444 Preference Shares of Rs.10/- each	6,44,44.440
Total	14,50,00,000

Subsequent to the above date and till the date of filing of the Application, there has been a change in the Issued, Subscribed and Paid-up Share Capital of the Transferee Company. The capital structure as on date has been given below:

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Share Capital	Amount in Rs.
Authorized Capital:	
7,01,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each.	70,10,00,00,000
3,00,00,00,000 Preference Shares of Rs.10/- (Rupees Ten only) each.	30,00,00,00,000
12,00,000 Preference Shares of Rs.100/- (Rupees Hundred only) each.	12,00,00,000
Total	1,00,22,00.00,000
Issued, Subscribed and Paid Up Capital:	
1,39,47,056 Equity Shares of Rs.10/- (Rupees Ten only) each.	13,04,70,560
64,44,444 Preference Shares of Rs.10/- each	6,44,44.440
Total	19,49,15,000

(Copy of the Audited State of Accounts as on 31-03-2023 of the Transferee Company is at Annexure F - page Nos.158-201 of the Application).

3. JURISDICTION:

The Registered Offices of all the Applicant Companies are situated in the state of Telangana. Hence, the subject matter of this Application is within the jurisdiction of this Tribunal.

4. LIMITATION:

The present Application is being filed under Section 230 to 232 of the Companies Act, 2013 pursuant to the Board Resolution passed by the Board of Directors of the Applicant Companies in their respective meetings held on 23.03.2024 and hence the application is within the Limitation.

5. RATIONALE FOR THE PROPOSED SCHEME:

- a) The Transferee Company, a company engaged in the power sector business, was acquired by iLabs group, vide order of the Hon'ble NCLT, Hyderabad dated 26-April-2021 in an IBC resolution process with the primary objective of expanding into the power sector, including through its subsidiaries.
- b) It is submitted that with the twin objectives of: (i) consolidating power sector business of iLabs group; and (ii) adding a new line of business by

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ushering into real estate development business, through a scheme of arrangement approved by this Authority on 30-January-2023, three group companies, namely, (i) Sri Power Generation (India) Private Limited; (ii) Solar Integration Systems India Private Limited; and (iii) Nimbha Biotech Private Limited and their businesses were merged into the Transferee Company.

- c) It is submitted that with a view to deepen its capacity to pursue the twin objectives of consolidating power sector business and establishing itself in real estate development business, this scheme proposes amalgamation of the amalgamating companies, namely, Skanda Aerospace Private Limited and Scorpio Bio-solutions Private Limited into the Transferee Company.
- d) It is submitted that the amalgamation of the Amalgamating Companies, namely, Skanda Aerospace Private Limited and Scorpio Bio-solutions Private Limited with the Transferee Company is expected to offer a range of benefits which are detailed in page **Nos.19 -21 of the Application**.

6. BOARD RESOLUTION :

In view of the aforesaid, the Board of Directors (**Board**) of the Transferor Company 1 and Transferor Company 2 vide their resolution dated 23rd March 2024 approved the Scheme of Amalgamation of M/s.Skanda Aerospace Private Limited, and M/s.Scorpio Bio-solutions Private Limited (**Transferor Companies/ Amalgamating Companies**) into and with M/s.Ramanagaram Enterprises Private Limited (**Transferee Company/Amalgamated Company**) and their respective shareholders and creditors (**Scheme**).

(A copy of Board Resolution of the Transferor Company 1 and Transferor Company 2 approving the Scheme is at Annexure – G & H – page Nos.207-211 of the Application).

The Board of the Transferee Company has also approved the Scheme at their meeting held on 23rd March 2024.

(A copy of Board Resolution of the 3rd Applicant Company/Transferee Company is at Annexure – I – page Nos.212-216 of the Application).

The following persons are authorized by the Board for the purpose of obtaining the approval of the Scheme:

. No	Name of the Company	Applicant	Name of the Authorised Person	Designation
1	M/s.Skanda Aerospace Private Limited	Transferor Company 1	Mrs.Akhila Chintalapati Raju	Director

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2	M/s.Scorpio Biosolutions Private Limited	Transferor Company 2	Mrs.Jyothi Raju Chintalapati	Director
3	M/s.Ramanagaram Enterprises Private Limited	Transferee Company	Mr.Duddukuri Venkata Dhanumjaya Rao	Director

7. MATERIAL CLAUSES OF THE PROPOSED SCHEME OF AMALGAMATION:

The salient features/clauses of the proposed Scheme of Amalgamation are given in full detail in **page Nos.22-41 of the Application.**

8. CONSIDERATION :

- a)It is submitted that upon this Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the Undertaking(s) of the Amalgamating Companies into and with the Amalgamated Company in terms of this Scheme, the Amalgamated Company shall without any further application, act, instrument or deed, issue and allot to the Equity shareholders of each of the Amalgamating Companies (other than to itself), whose names are registered in register of members of the Amalgamating Companies on the Record Date:

33,349 (Thirty-Three Thousand Three Hundred Forty-Nine) Preference Shares of face value of Rs. 48,054 (Rupees Forty Eight Thousand Fifty Four Only) each of the Amalgamated Company with such terms as mentioned in Annexure 1, credited as fully paid-up, for 3,38,70,000 (Three Crores Thirty Eight Lakhs Seventy Thousand) equity shares of the face value of Rs 10 (Rupees Ten Only) each of the Amalgamating Company 1 and 54,415 (Fifty-Four Thousand Four Hundred and Fifteen) Preference Shares of face value of Rs. 48,054 (Rupees Forty Eight Thousand Fifty Four Only) each of the Amalgamated Company with such terms as mentioned in Annexure 1, credited as fully paid-up, for 35,50,000 (Thirty Five Lakhs Fifty Thousand) equity shares of the face value of Rs 10 (Rupees Ten Only) each of the Amalgamating Company 2.

- b)It is submitted that upon the Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the Undertaking(s) of the Amalgamating Companies into and with the Amalgamated Company in terms of this Scheme, the paid-up share capital

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of the Amalgamating Companies held by Amalgamated Company (either directly or through nominees), if any, on the Effective Date shall be extinguished/cancelled.

- c) It is submitted that upon the Scheme coming into effect of this Scheme, the share certificates, if any, and/ or the shares/ depository receipts in electronic form representing the shares held by the Amalgamated Company and/ or its other nominee members in the Amalgamating Companies shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Amalgamated Company or its other nominee members.
- d) In the event that the Amalgamated Company or the Amalgamating Companies restructure its equity/preference share capital by way of any corporate actions including but not limited to share split/ consolidation/ issue of bonus shares (but excluding any dividend announced or to be announced on the shares of the Amalgamated Company (prior to the Effective Date) during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- e) The issue and allotment of Preference Shares of face value of Rs. 48,054 (Rupees Forty Eight Thousand Fifty Four Only) each with such terms as mentioned in Annexure 1 to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company 1 and Amalgamating Company 2, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of Amalgamated Company or its shareholders and as if the procedure laid down under Section 55 and Section 62 of the 2013 Act and any other applicable provisions of the 2013 Act/ 1956 Act, as may be applicable and such other statutes or regulations, as may be applicable were duly complied with.
- f) It is submitted that the Preference Shares of face value of Rs.48,054/- (Rupees Forty Eight Thousand Fifty Four Only) each with such terms as mentioned in Annexure 1 to be issued by the Amalgamated Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Amalgamated Company and when converted to equity shares, shall inter-se rank pari passu in all respects with the then existing equity shares of the Amalgamated Company, including in respect of dividend, if any, that may be declared by the Amalgamated Company on or after the Effective Date.

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9. ANNEXURE - 1 - TERMS & CONDITIONS OF PREFERENCE SHARES TO BE ISSUED BY AMALGAMATING COMPANY:

1	Nature of Instrument	Preference Shares that are redeemable or optionally convertible into Equity Shares (“OCRPS”)
2	Face value & Issue Price	Rs.48,054/- (Rupees Forty Eight Thousand Fifty Four only) per OCRPS
3	Rate of Dividend	0.01% per annum on non-cumulative basis.
4	Priority with respect to payment of Dividend	OCRPS shall rank for dividend (if declared by the Company) in priority to the equity shares for the time being of the Company
5	Participation in profits	OCRPS shall be non-participating and shall not participate in profits.
6	Participation in surplus Assets and Profits on Winding up	On winding up, OCRPS shall rank in priority to the equity shares for capital redemption and shall be non-participating in the surplus assets and profits.
7	Payment of dividend on cumulative or non-cumulative basis	Dividend (if declared by the Company) will be paid on non-cumulative basis.
8	Voting rights	The OCRPS holders will not have any voting rights
9.	Conversion Option	Each OCRPS shall be convertible into 100 (Hundred) equity shares of the Amalgamated Company of face value of Rs.10/- each at the option of OCRPS holder and/or at the option of the Amalgamated Company, exercisable at any time after allotment until its redemption
10	Redemption.	Each OCRPS, if not converted into equity share by the OCRPS holder shall be redeemable by the Amalgamated Company, on expiry of 20 (twenty) years from the date of allotment. At such redemption, each OCRPS shall be redeemed at an amount per OCRPS equal to face value of Rs.48,054/- (Forty Eight Thousand Fifty Four only). Notwithstanding the foregoing, the Amalgamated Company will have the right but not the obligation to prematurely redeem the outstanding OCRPS at any point of time, after the second anniversary of its date of allotment. At such redemption, each OCRPS shall be redeemed at any amount per OCRPS equal to face value of Rs.48,054/- (Forty Eight Thousand Fifty Four only)

10. ACCOUNTING TREATMENT:

- a) It is submitted that upon the Scheme becoming effective, Amalgamated Company shall record all the assets and liabilities of the Amalgamating Companies transferred to the Amalgamated Company pursuant to this Scheme at their respective book values and account for the amalgamation of the Amalgamating Companies pursuant to the Scheme in accordance with IND AS 103 notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- b) It is submitted that the Amalgamated Company shall record the Reserves of the Amalgamating Companies in the same form and at the same values as they appear in the financial statements of the Amalgamating Companies at the close of business of the day immediately preceding the Appointed Date. Balances in the Statement of Profit and Loss of the Amalgamating Companies shall be similarly aggregated with the balances in Statement of Profit and Loss of the Amalgamated Company.
- c) The excess of, or deficit, if any, in the value of the assets over the value of the liabilities of the Amalgamating Companies as recorded in the books of account of the Amalgamated Company shall, after adjusting
 - (A) the aggregate face value of the shares issued by the Amalgamated Company, and
 - (B) the amount of share capital of the Amalgamating Companies against which no shares are being issued by the Amalgamated Company, adjusted for the value of investment in the Amalgamating Companies shown in the books of account of the Amalgamated Company, upon being cancelled/ extinguished in terms of clause 5.3 above, be adjusted to the Reserves and Surplus in the financial statements of the Amalgamated Company.
- d) It is submitted that all inter – se transactions i.e. sales including sale of goods and services, receivables, payables, deposits, loans and advances, debentures, outstanding balances or other obligations between Amalgamating Companies and the Amalgamated Company shall be cancelled and there shall be no obligation/ outstanding in that behalf. The corresponding effect shall be given in the books of account and records of the Amalgamated Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of any such loans, deposits or balances, with effect from the Appointed Date.

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- e) It is submitted that for any matter arising in connection with the accounting treatment, the same would be dealt in consultation with the Statutory Auditors of the Amalgamating Companies and the Amalgamated Company.
- e) It is submitted that in case of any difference in accounting policies of Amalgamated Company and the Amalgamating Companies, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles so as to ensure that the financial statements of the Amalgamated Company reflects the financial position on the basis of consistent accounting policy.

11. DISSOLUTION OF THE TRANSFEROR COMPANY UPON MERGER:

It is submitted that the Scheme becoming effective, the Amalgamating Companies shall stand dissolved without going through the process of winding up pursuant to the provisions of the Act and the rules made thereunder and the Board of Directors and any committees thereof of the Amalgamating Companies shall without any further Act, instrument or deed be and stand dissolved.

12. MODIFICATION/AMENDMENT TO THE SCHEME:

- a) It is submitted that the Amalgamated Company and the Amalgamating Companies represented by their respective Board or such other person or persons as the Board may authorize, including any committee or sub-committee thereof, may assent to/make and/or consent to any modifications/ amendments of any kind to the Scheme or to any conditions or limitations that the NCLT and/ or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board).
- b) It is submitted that the Amalgamated Company and the Amalgamating Companies represented by their respective Board or such other person or persons as the Board may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of NCLT or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or matters concerning or connected therewith.

- c) It is submitted that the Amalgamated Company and the Amalgamating Companies shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any other authority is on terms unacceptable to them.

13. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS:

The Scheme is and shall be conditional upon and subject to:

- a. Approval of the Scheme by requisite majority of the members and creditors of the Amalgamated Company and the Amalgamating Companies;
- b. Approval of the Scheme by the NCLT at Hyderabad;
- c. Certified copy of the NCLT Order sanctioning this Scheme being filed with the Registrar of Companies, Telangana at Hyderabad having jurisdiction over the Amalgamated Company and the Amalgamating Companies;

14. COSTS, CHARGES AND EXPENSES:

All costs, charges, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne and paid by the Amalgamated Company and the same shall be eligible for deduction of expenditure incurred under section 35DD of the Income-tax Act, 1961.

(Copy of the Scheme of Amalgamation as approved by the Board of the Transferor Company 1 and Transferor Company 2 and Transferee Company and their respective Shareholders and creditors is at Annexure – J - page Nos.217-278 of the Application).

15. DECLARATION BY THE APPLICANT COMPANIES:

It is averred that no investigation or proceedings have been instituted or any pending in relation to the Transferor Companies/Transferee Company. It is further submitted that Transferor Companies/Transferee Company are closely held unlisted companies.

16. VALUATION REPORT/AUDITOR'S CERTIFICATE:

It is submitted that the Valuation Report of the Application Companies is at **Annexure -O - page No.333 -380 of the Application.**

It is submitted that a copy of the Auditor's Certificate certifying the Accounting Treatment contained in the draft Scheme of Amalgamation is at **Annexure - P - page Nos.381-387 of the Application.**

17. CONSENT OF THE SHAREHOLDERS:

1. Ms.Akila Chintalapati Raju, on behalf of the Transferor Company 1 submitted that there are 2 (Two) equity shareholders in the Transferor Company 1 and the said shareholders have given their Consent Affidavits stating their no objection to the proposed Scheme of Amalgamation.
(Copy of the List of Shareholders duly certified by a Chartered Accountant along with their Consents Affidavits of Transferor Company 1 are at Annexure-K - page Nos.279-286 of the Application)
2. Ms.Jyothi Raju Chintalapati, on behalf of the Transferor Company 2 submitted that there are 2 (Two) equity shareholders in the Transferor Company 2 and the said shareholders have given their Consent Affidavits stating their no objection to the proposed Scheme of Amalgamation.
(Copy of the List of Shareholders duly certified by a Chartered Accountant along with their Consents Affidavits of Transferor Company 2 are at Annexure-K - page Nos.279-286 of the Application).
3. Mr.Duddukuri Venkata Dhanumjaya Rao, on behalf of the Transferee Company submitted that there are 14 (Fourteen) Equity Shareholders and 1 (one) Preference Shareholder in the Transferee Company and out of the above, 11 (Eleven) Equity Shareholders have given their Consent Affidavits stating their no objection to the proposed Scheme of Amalgamation.

Subsequently, the Company has received the consent of all the remaining shareholders and the same has been filed to this Authority vide memo dated 23.04.2024 by FCS Mahesh Grandhi, Counsel for the Applicant Companies. Hence the consent has been obtained by the Transferee Company from all its shareholders.

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(Copy of the List of Shareholders duly certified by a Chartered Accountant along with their Consents Affidavits of Transferee Company are at Annexure -L - page Nos.287-307 of the Application).

18. SECURED AND UNSECURED CREDITORS:

1. It is submitted that as on the date of filing of the Application, there are Two (2) Unsecured Financial Creditors in the Transferor Company 1.
(A list of Unsecured Creditors duly certified by a Chartered Accountant of the Transferor Company 1 along with their consent affidavits is at Annexure-M - page Nos308-315 of the Application).
2. As on the date of filing of the Application, there is one (1) Secured Financial Creditor in the Transferor Company 2.
(A list of Unsecured Creditors duly certified by a Chartered Accountant of the Transferor Company 2 along with their consent affidavits is at Annexure-M- page Nos.3018-315 of the Application).
3. It is submitted that as on the date of filing of the Application, there are 5 (Five) Secured Creditors, 5 (Five) Unsecured Creditors and 3 (Three) Unsecured Debenture Holders in the Transferee Company.
(A list of Secured and Unsecured Creditors of the Transferee Company duly certified by a Chartered Accountant along with their consent affidavits are at Annexure-N - page Nos.316-332 of the Application).
4. It is submitted that the Transferee Company has received consent of 1(one) Secured Creditor, 3(Three) Unsecured Creditors and all the 3 (Three) Debenture Holders . It is to be noted that the Transferee Company has sent due notices to all the creditors along with scheme of merger, thereby, requesting the creditors to provide consent to the scheme of merger.

Subsequently, the Transferee Company has received the consent of all the remaining creditors and the same has been filed to this Authority vide memo dated 23.04.2024 by FCS Mahesh Grandhi, Counsel for the Applicant Companies. Hence the consent has been obtained by the Transferee Company from all its creditors.

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ORDER

19. After hearing the Learned Counsel for the Applicant Companies and after perusing the documents filed, We therefore pass the following order:

- a. Convening of the meeting of Equity Shareholders, Secured, Unsecured creditors of the Transferor Company 1 and Transferor Company 2 is hereby dispensed with.
- b. Convening of the meeting of Equity Shareholders, Preference Shareholders and Creditors of the Transferee Company is hereby dispensed with.
- c. Notwithstanding the above, when the Applicant Companies approach this Tribunal seeking approval of the Scheme, it would be open for any person who is interested in the Scheme of Amalgamation to put forth their contentions before this Tribunal.
- d. Accordingly, the Company Application No. **C.A.(CAA) No.14/230/HDB/2024** is allowed and disposed of.

SD/-
(Sanjay Puri)
Member (Technical)
Vinod

SD/-
(Rajeev Bhardwaj)
Member (Judicial)