

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

COMPANY APPLICATION NO. (CAA) 23 (ND)/2024

IN THE MATTER OF:

Section 230-232 of the Companies Act, 2013 read along with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN:

NOKIA SOLUTIONS AND NETWORKS INDIA PRIVATE LIMITED

...APPLICANT COMPANY NO. 1/DEMERGED COMPANY

AND

NOKTEL TELEEQUIPMENTS MANUFACTURES INDIA PRIVATE LIMITED

... APPLICANT COMPANY NO. 2/RESULTING COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CORAM:

**SHRI MANNI SANKARIAH SHANMUGA SUNDARAM, HON'BLE MEMBER
(JUDICIAL)**

DR. SANJEEV RANJAN, HON'BLE MEMBER (TECHNICAL)

For the Applicant : Mr. Kumar Kislay and Ms. Ridhima Sharma, Advs.

Order Delivered on:15.04.2024

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. This is a first motion application filed by the applicant companies herein namely M/s Nokia Solutions And Networks India Private Limited (hereinafter referred Demerged Company/Applicant Company No. 1) and M/s Noktel Teleequipments Manufacturers India Private Limited (hereinafter referred Resulting Company/Applicant Company No. 2) under sections 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act,

2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Arrangement (hereinafter referred to as the "SCHEME") are placed on record.

2. Affidavit in support of the above application sworn by Mr. Sanjay Ajmera on behalf of Applicant Company No. 1/Demerged Company and Applicant Company No. 2/Resulting Company, Director, and duly authorized by the Board of Directors of the Applicant Company/Demerged Company vide their respective board resolution dated 17.02.2024, is filed. It is also represented that the registered office of all the applicant company is under the domain of Registrar of Companies, NCT of New Delhi & Haryana and within the territorial jurisdiction of this Tribunal.
3. The Demerged Company/Applicant Company No. 1 i.e., M/s Nokia Solutions and Networks India Private Limited was incorporated on 01.11.2006 and was originally named as Nokia Siemens Networks Private Limited. The name of Demerged Company was changed to Nokia Networks India Private Limited and thereafter, to 'Nokia Solutions and Networks India Private Limited' on 01.10.2013 and pursuant to such change, a fresh Certificate of Incorporation was issued by the RoC, NCT Delhi and Haryana. under the provisions of the Companies Act, 1956 bearing CIN: U72900DL2006PTC155149, having its registered office at 1507, Regus Business Centre, Eros Corporate Towers, Level 15, Nehru Place, New Delhi - 110019. The Authorized Share Capital of the Demerged Company/Applicant Company No. 1 is Rs. 11,10,25,00,000 divided into 1,11,02,50,000 equity shares of Rs. 10 each. The Issued, Subscribed and Paid-up Share Capital of Demerged Company is Rs.

241,99,54,320 divided into 24,19,95,432 equity shares of Rs. 10/- each fully paid up.

4. The Demerged Company is engaged in the business of manufacturing, trading and supply of telecommunication network equipment and providing related services to customers in India. It also provides support services in the nature of software development services, remote network management and other support services, support services in connection with centralized functions and operational support services to Nokia Corporation, Finland based entity and other group companies. The equity shares of Applicant Company No. 1/Demerged Company are not listed on any stock exchange.
5. The Resulting Company/Applicant Company No. 2 i.e., M/s Noktel Teleequipments Manufacturers India Private Limited was incorporated on 01.02.2024 under the provisions of the Companies Act, 2013 bearing CIN: U26309DL2024PTC426041, having its registered office at E-95, Amar Colony, Lajpat Nagar-IV South Delhi, New Delhi, India, 110024. The Authorized Share Capital of the Demerged Company/Applicant Company No. 2 is Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital of Resulting Company is Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each.
6. The Applicant Company No. 2/Resulting Company has been incorporated with an objective of undertaking the business of operating, manufacturing of telecommunication equipment and software along with activities of maintaining and operating paging systems, cellular mobile and other telecommunication networks. The equity shares of Applicant Company No. 2/Resulting Company are not listed on any stock exchange.

7. The Demerged Company and Resulting Company have filed their respective Memorandum and Articles of Association inter alia delineating their object clauses, as well as their audited balance sheet of Demerged Company as on 31.03.2023 and latest provisional accounts of Demerged Company as on 17.02.2024 and Resulting Company as on 18.02.2024.
8. The Board of Directors of Applicant Company No. 1/Demerged Company and Applicant Company No. 2/Resulting Company have unanimously approved the proposed Scheme of Amalgamation as contemplated above. Copies of respective board resolutions dated 17.02.2024 passed in the said board meetings have been placed on record.
9. The Applicant Companies submit that the proposed scheme of arrangement between the Demerged Company/Applicant Company No. 1 and Resulting Company/Applicant Company No. 2 would have the following benefits:
 - i. The Demerged Company is a group company of the Nokia Group and a subsidiary of Nokia Solutions and Networks B.V. (formerly known as Nokia Siemens Networks B.V.) Nokia Corporation ('Nokia OY') is the ultimate parent company of Nokia Group. The Nokia Group is a global brand and has its presence in several countries and operates through multiple locations across the globe.
 - ii. Currently, the Demerged Company has multiple segments, viz. networks division, software develop segment, remote network management and other support services segment. As the Demerged Company, inter alia, undertakes sales as well as manufacturing activity, the demerger would bring focus on manufacturing in an independent entity.
 - iii. The Demerger shall aid in seamless transition of manufacturing operations along with required licenses/ registration / approvals and will allow for enhancement of the business models of both the

Demerged Company and the Resulting Company. The shareholders will also have the ability to de-risk both the businesses from each other.

10. With respect to the Applicant Company No. 1/Demerged Company, it is stated:

- a) It is having 9 (Nine) Equity Shareholders. Certificate from Chartered Accountants certifying list of shareholders as on 17.02.2024 is annexed as Annexure P-9 at Page No. 177 of the Company Scheme Application.
- b) The Company has nil Secured Creditors. Certificate from Chartered Accountants certifying list of secured creditors as on 17.02.2024 is annexed as Annexure P-11 at Page No. 182-185 of the Company Scheme Application.
- c) The Company has 653 unsecured creditors and an aggregate outstanding balance of Rs. 67,59,05,75,903/- as on 11.01.2024. The Certificate from Chartered Accountants certifying list of unsecured creditors is annexed as Annexure P-12 and P-13 at Page No.186-243 to the Company Scheme Application.
- d) In relation to the Shareholders and Unsecured Creditors of the Demerged Company seeks for holding/convening a meeting for the purpose of consideration and approval of the proposed Scheme of Arrangement. Since there are no secured creditors, therefore, the necessity of convening and holding a meeting does not arise.

11. With respect to the Applicant Company No. 2/Resulting Company, it is stated:

- a) The Resulting Company has 2 (Two) Equity Shareholders. Certificate from Chartered Accountants certifying list of shareholders as on 17.02.2024 is annexed as Annexure P-21 and P-22 at Page No. 305-308.
- b) The Company has nil Secured Creditors. Certificate from Chartered Accountants certifying list of secured creditors as on 17.02.2024 is annexed as Annexure P-23 at Page No. 309-312.

- c) The Company has nil Unsecured Creditors. Certificate from Chartered Accountants certifying list of Unsecured Creditors as on 17.02.2024 is annexed as Annexure P-24 at Page No. 313-316 to the Company Scheme Application.
- d) In relation to the Shareholders of the Resulting Company seeks for holding/convening a meeting for the purpose of consideration and approval of the proposed Scheme of Arrangement. Since there are no secured creditors and unsecured creditors, therefore, the necessity of convening and holding a meeting does not arise.

12. The Applicant Companies have annexed the certificate issued by the respective statutory auditors confirming that the accounting treatment in the Scheme is in conformity with the Companies (Accounting Standards) Rules, 2016 and is in conformity with Section 133 of the Companies Act, 2013 by the respective companies.

13. The Applicant Companies filed an affidavit dated 19.02.2024 stating and confirming that there are no pending investigation or proceedings against any of the Applicant Companies; the proposed scheme of Arrangement does not include reduction of capital of the Applicant Companies except to the extent of cancellation of the existing shareholding of the Applicant Company No. 1/Demerged Company in the Applicant Company No. 2/Resulting Company; does not envisage any corporate debt restructuring; and there is no sectoral regulator or regulatory authority who may significant bearing on the operations of the Applicant Companies except those mentioned in the application.

14. Taking into consideration the submissions and the documents filed therewith, the following directions are issued forthwith in respect of convening/holding or dispensing with the meetings of the Equity Shareholders, Secured and Unsecured Creditors as well as issue of notices including by way of paper publication as follows:

A. In relation to the Applicant Company No. 1/Demerged Company:

a. With respect to Equity Shareholders: The meeting of the Equity Shareholders of the Applicant Company No. 1/Demerged Company cannot be dispensed with as consent of the Equity Shareholders was not obtained and Applicant Company No. 1/ Demerged Company seeks for holding the meeting of Equity Shareholders. The meeting of Equity Shareholders of the Applicant Company No. 1/Demerged Company is directed to be held at the venue, date, time and mode as decided by the Chairperson in consultation with the Counsel for Applicant Company No. 1. The quorum for the meeting will be 5 in number.

b. With respect to Secured Creditors: Since there are no Secured Creditors, therefore the necessity of convening/holding a meeting does not arise.

c. With respect to Unsecured Creditors: The meeting of the Unsecured Creditors of the Applicant Company No. 1/Demerged Company cannot be dispensed with as consent of the Unsecured Creditors was not obtained and Applicant Company No. 1/ Demerged Company seeks for holding the meeting of Unsecured Creditors. The meeting of Unsecured Creditors of the Applicant Company No. 1/Demerged Company is directed to be held at the venue, date, time and mode as decided by the Chairperson in consultation with the

Counsel for Applicant Company No. 1. The quorum for the meeting will be 327 in number.

15. In relation to the Applicant Company No. 2/Resulting Company:

a. With respect to Equity Shareholders: The meeting of Equity Shareholders of the Applicant Company No. 2/Resulting Company cannot be dispensed with as consent of the Equity Shareholders was not obtained and Applicant Company No. 2/Resulting Company seeks for holding the meeting of Equity Shareholders. The meeting of Equity Shareholders of the Applicant Company No. 2/Resulting Company is directed to be held at the venue, date, time and mode as decided by the Chairperson in consultation with the Counsel for Applicant Company No. 2. The quorum for the meeting will be 2 in number.

b. With respect to Secured Creditors: Since there are no Secured Creditors, therefore the necessity of convening/holding a meeting does not arise.

c. With respect to Unsecured Creditors: Since there are no Unsecured Creditors, therefore the necessity of convening/holding a meeting does not arise.

16. Dr. Binod Kumar Sinha, Mobile: +91-9868367189, Email id- bscita32@gmail.com is appointed as the Chairperson, Mr. Himanshu Shekhar Tripathi, Mobile:+91-8376994770, Email id- hstripathi.advocate@gmail.com is appointed as Alternate Chairperson and Ms. Swati, Company Secretary, Mobile: +91-9149023243, Email id- cs.swatiimishra94@gmail.com is appointed as Scrutinizer for the meeting of the Equity Shareholders of the Applicant Company No. 1/Demerged Company and Applicant Company No.2/Resulting Company as well as for the meeting of the Unsecured Creditors of the Applicant Company No. 1/Demerged Company in terms of

the direction issued. The aforesaid meetings are directed to be held within a period of 60 days from the date of pronouncement of this order at such date and time as mutually decided by the Applicant Company's and the Chairperson appointed at Registered Office of the respective Applicant Company or such other place as may be decided within the jurisdiction where registered office is situated or through audio visual means enabled with e-voting for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement.

17. In case the quorum as noted above for the aforesaid meetings are not present at the meeting, then the meeting shall be adjourned by half an hour. Thereafter, the persons present and voting shall be deemed to constitute the quorum. The Chairperson appointed herein along with the Scrutinizer shall ensure that the proxy Registers are properly maintained.
18. The Fees of the Chairperson for the aforesaid meetings shall be Rs. 3,00,000/-. The Fees of the Alternate Chairperson shall be Rs. 2,00,000/- and the Fees of the Scrutinizer shall be Rs. 1,50,000/- in addition to meeting their incidental expenses. The Chairperson will file his report within seven days from the date of holding of the aforesaid meeting. The fees of Chairperson, Alternate Chairperson and Scrutinizer along with the travelling expenses and other out of pocket expenses shall be borne by the Applicant Company No. 1/Demerged Company and Applicant Company No. 2/Resulting Company. A copy of this order shall be supplied to the Learned Counsels for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutinizer.

19. Individual Notices shall be sent to the Equity Shareholders as above of the Applicant Company No. 1/Demerged Company and Applicant Company No. 2/Resulting Company as well as to the Unsecured Creditors of the Applicant Company No. 1, through email or through registered post or speed post, 30 days in advance before the scheduled date of respective meeting, indicating the day, date, the place fixed for and time of meeting as aforesaid, together with a copy of the Scheme and copy of explanatory statement as required under the Companies Act, 2013 and the Rules, along with the proxy/forms and any other documents as may be prescribed under the Act. These will be provided free of cost. A compliance affidavit of service will be filed with this Tribunal.
20. The Applicant Company No. 1/Demerged Company and Applicant Company No. 2/Resulting Company shall publish an advertisement at least 30 clear days before the aforesaid meetings, indicating the day, date and the place fixed and time of meetings as aforesaid, which will be published in “Business Standard” (English) and (Hindi), both Delhi NCR editions. The Applicant Companies shall also publish the notice on their websites, if any, and file a compliance affidavit of service with this Tribunal.
21. The Chairperson shall be responsible to report the results of the meetings to the Tribunal in Form No. CAA 4, as per Rule 14 of the Rules within 7 (seven) days of the conclusion of the meetings. The Authorized Representative/ Company Secretary of the Applicant Companies and the Scrutinizer, will assist the Chairperson and Alternate Chairperson in preparing and finalising the reports.

22. Voting shall be allowed on the proposed Scheme by voting in person, by proxy, through postal ballot or through electronic means as may be decided by the Chairperson in consultation with the counsel of the Applicant Companies in terms of the provisions of the Companies Act, 2013 and Rules framed there under.

23. Notice of this application shall also be served on the following:

- i. Regional Director, Ministry of Corporate Affairs, B-2 Wing, 2 Floor, Paryawaran Bhavan, CGO Complex, New Delhi-110003;
- ii. Registrar of Companies at 4th floor, IFCI Tower, 61, Nehru Place, New Delhi-110019;
- iii. Income Tax Department, Income Tax Office, Additional Commissioner of Income Tax, Special Range 4, Central Revenue Building, IP Estate, New Delhi-110002. The notices to Income Tax Authorities shall disclose sufficient details like PAN, ward numbers and assessing officers so that timely and proper reply may be filed.
- iv. Any other sectoral regulators required to be served.

24. The present application **(C.A. (CAA) 23 (ND)/2024) stands allowed** on the aforesaid terms.

Sd/-
DR. SANJEEV RANJAN
MEMBER (TECHNICAL)

Sd/-
MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)