

**NATIONAL COMPANY LAW TRIBUNAL
GUWAHATI BENCH
GUWAHATI**

ORDER SHEET OF THE HEARING ON 26th APRIL, 2024, 10:30 A.M.

CA (CAA)/2/GB/2024

**Present: 1. Hon'ble Member (Judicial), Shri H.V. Subba Rao
2. Hon'ble Member (Technical), Shri Satya Ranjan Prasad**

IN THE MATTER OF	Quadrillion Finance Pvt. Ltd. 2. Intergalactory Foundry Pvt. Ltd. (Transferor Companies) And Garagepreneurs Internet Pvt. Ltd. 2. RGVN (North East) Microfinance Ltd. 3. North East Small Finance Bank Ltd. (Transferee Companies)
UNDER SECTION	U/s 230-232 of Companies Act, 2013.

For Petitioner (s) : Mr. Nitesh Jain, Adv.
 Mr. Samrudhi Chotani Adv.
 Ms. Vatsala Kumar, Adv.
 Mr. Biman Debnath, CS
 Mr. A. Sandilya Adv.
 Mr. Arthava Gade, Adv.
 Mr. Aniruddha Banerjee, Adv.

For Respondent (s) :

ORDER

Order pronounced in the open court *vide* separate order, in the result the above CA (CAA)/2/GB/2024 stands **admitted**.

Detailed order follows.

Sd/-
Satya Ranjan Prasad
Member (Technical)

Sd/-
H.V. Subba Rao
Member (Judicial)

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In the Matter of:

An Application under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for sanction of Scheme of Arrangement;

-And-

In the Matter of:

QUADRILLION FINANCE PRIVATE LIMITED, a private limited company incorporated under the provisions of the Companies Act, 2013, and having its registered office at Unit No. 2D2, Second Floor, Fortune Central, Dr. B.N Saikia Road, Near Old Regional Passport Office, Guwahati - 781028, Assam, India;

.... **Transferor/ Applicant Company 1**

-And-

INTERGALACTORY FOUNDRY PRIVATE LIMITED, a private limited company incorporated under the provisions of the Companies Act, 2013, and having its registered office at Unit No. 2D2, Second Floor, Fortune Central, Dr. B.N Saikia Road, Near Old Regional Passport Office, Guwahati - 781028, Assam, India

....**Transferor Company 2/ Applicant Company 2**

-And-

GARAGEPRENEURS INTERNET PRIVATE LIMITED, a private limited company incorporated under the provisions of the Companies Act, 2013, and having its registered office at Unit No. 2D2, Second Floor, Fortune Central, Dr. B.N Saikia Road, Near Old Regional Passport Office, Guwahati - 781028, Assam, India

.... **Transferee Company/ Amalgamating Company 1/ Applicant Company 3**

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-And-

RGVN (NORTH EAST) MICROFINANCE LIMITED, a public limited company incorporated under the provisions of the Companies Act, 1956, and having its registered office is at H. No. 05, 2nd Floor, Nandanpur Path, Basistha Road, Opposite Bhabendra Alay, P.O. Beltola, P.S. Hatigaon, Kamrup, Guwahati - 781028, Assam, India

....Amalgamating Company 2/ Applicant Company 4

-And-

NORTH EAST SMALL FINANCE BANK LIMITED, a public limited company incorporated under the provisions of the Companies Act, 2013, and having its registered office at 1st and 3rd Floor, Fortune Central, Basistha Road, Basisthapur Bye Lane No. 3, Beltola, Kamrup, Guwahati - 781028, Assam, India

....Amalgamated Company/ Applicant Company 5

Coram:

Shri H. V. Subba Rao : Member (Judicial)
Shri Satya Ranjan Prasad : Member (Technical)

Appearances (through video conferencing):

For Applicant : Mr. N. Jain, Mr. A. Sandilya, Ms. S. Chothani,
Ms. V. Kumar, Ms. M. Kumar, Mr. A. Banerji,
Mr. A. Gade (Advs.) And Mr. B. Debnath (CS)

Order reserved on: 18.04.2024
Order pronounced on: 26.04.2024

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ORDER

1. The instant application has been filed in the first stage of the proceedings under Section 230 read with Section 234 of the Companies Act, 2013 (“Act”) for orders and directions with regard to meetings of shareholders and creditors in connection with the Scheme of Amalgamation of between **Quadrillion Finance Private Limited** (i.e. Applicant No. 1/Transferor Company 1), **Intergalactory Foundry Private Limited** (i.e. Applicant No. 2/Transferor Company 2), **Garagepreneurs Internet Private Limited** (i.e. Applicant No. 3/Transferee Company/Amalgamating Company 1), **RGVN (North East) Microfinance Limited** (i.e. Applicant No. 4/Amalgamating Company 2), and **North East Small Finance Bank Limited** (i.e. Applicant No. 5/Amalgamated Company).
2. The Scheme annexed with the Application as “Annexure A” at Pg. Nos. 99-109 *inter alia* provides for:
 1. amalgamation of Transferor Company 1 (Applicant No. 1 herein) and Transferor Company 2 (Applicant No. 2 herein) (collectively, the **Transferor Companies**), into the Transferee Company (Applicant No. 3 herein) with effect from the **Appointed Date 1** (as defined in the Scheme) and the consequent dissolution of the Transferor Companies without being wound up;
 2. amalgamation of Amalgamating Company 1 (Applicant No. 3 herein) and Amalgamating Company 2 (Applicant No. 4 herein) (collectively, the **Amalgamating Companies**) into the Amalgamated Company (Applicant No. 5 herein) with effect from the **Appointed Date 2** (as defined in the Scheme) and the consequent dissolution of the Amalgamating Companies without being wound up, and the issuance of the New Shares (as defined in the Scheme) to the shareholders of the Amalgamating Companies in accordance with the Share Exchange Ratios (as defined in the Scheme);
 3. after giving effect to all of the above, reduction and reorganization of the paid-up share capital of the Amalgamated Company (i.e. Applicant No. 5), pursuant to

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- Sections 230 to 234, read with Section 66 and other relevant provisions of the Act, in the manner provided for in the Scheme; and
4. general terms and conditions applicable to the Scheme and other matters consequential and integrally connected thereto. The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.
 3. Applicant No. 1/Transferor Company 1 was incorporated on 28.09.2018 with the ROC, Bangalore as a private limited company with CIN U65990KA2018PTC117025 and had its registered office at No.9, Ashford Park View, 80 Feet Road, Industrial Layout, III Block, Koramangala, Ward No. 68, Bangalore 560034, Karnataka. Upon an application made by Applicant No. 1 to the Regional Director, South East Region, and *vide* order dated 13.03.2024 passed by the RD, SER, the request for change of registered office of Applicant No. 1 from Bengaluru to Guwahati was allowed. Subsequent to Applicant No. 1's procedural compliances, Applicant No. 1's CIN post the shift of registered office is U65990AS2018PTC026187, and its registered office is as provided in the cause title.
 4. Applicant No. 1/Transferor Company 1 is a wholly owned subsidiary of Applicant No. 3/Transferee Company. Applicant No. 1 is primarily engaged in the business of providing financial services including personal loans to individuals. Applicant No. 1 registered as a middle layer, non-deposit taking systemically important non-banking financial company is registered with the Reserve Bank of India (**RBI**). The authorized share capital of Applicant No. 1 as on 31.03.2023 is Rs. 28,38,40,000/-, comprising 2,83,84,000 equity shares of Rs. 10/- each; the issued, subscribed and paid-up share capital of Applicant No. 1 is Rs. 27,21,71,990/-, comprising 2,72,17,199 equity shares of Rs. 10/- each.
 5. Applicant No. 2/Transferor Company 2 was incorporated on 01.07.2022 with the Registrar of Companies, Bangalore as a private limited company with CIN U72900KA2022PTC163295 and had its registered office at No.9, Ashford Park View, 80 Feet Road, Industrial Layout, III Block, Koramangala, Ward No. 68, Bangalore

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560034, Karnataka. Upon an application made by Applicant No. 2 to the Regional Director, South East Region, and *vide* order dated 13.03.2024 passed by the Regional Director, South East Region, the request for change of registered office of Applicant No. 2 from Bengaluru to Guwahati was allowed. Subsequent to Applicant No. 2's procedural compliances, Applicant No. 2's CIN post the shift of registered office is U72900AS2022PTC026166, and its registered office is as provided in the cause title.

6. Applicant No. 2/Transferor Company 2 is a wholly owned subsidiary of Applicant No. 3/Transferee Company. Applicant No. 2 is primarily engaged in the business of providing manpower services and Information Technology enabled services like maintenance of websites of other firms, and other similar activities. The authorized share capital of Applicant No. 2 as on 31.03.2023 is Rs. 10,00,000/-, comprising 1,00,000 equity shares of Rs. 10/- each; the issued, subscribed and paid-up capital of Applicant No. 2 is Rs. 10,00,000/-, comprising 1,00,000 equity shares of Rs. 10/- each.
7. Applicant No. 3/Transferee Company was incorporated on 12.06.2015 with the Registrar of Companies, Bangalore as a private limited company with CIN U72900KA2015PTC080871 and had its registered office at Indiqube Ashford Park View, First Floor, Municipal No. 9, 80 Feet Road Industrial Layout, Koramangala, III Block, Bangalore 560034, Karnataka. Upon an application made by Applicant No. 3 to the Regional Director, South East Region, and *vide* order dated 13.03.2024 passed by the Regional Director, South East Region, the request for change of registered office of Applicant No. 3 from Bengaluru to Guwahati was approved. Subsequent to Applicant No. 3's procedural compliances, Applicant No. 3's CIN post the shift of registered office is U72900AS2015PTC026165, and its registered office is as provided in the cause title.
8. Applicant No. 3/Transferee Company is primarily engaged in the business of providing internet services through online platform for buyers and sellers for various services that include personal loan facility, pre-paid cards/wallets and UPI facility as third-party application provided through its online platform named 'slice'. Applicant No.

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3/Transferee Company has been granted an in-principle authorisation for issuance of prepaid payment instruments (PPI) by the RBI on 29.09.2022 and has received a certificate of authorisation as a PPI issuer from the RBI on 30.08.2023.

9. The authorized share capital of Applicant No. 3 as on 31 March 2023 is Rs. 60,00,000/- comprising 3,00,000 equity shares of Rs. 1/- each; 5,54,000 Compulsorily Convertible Preference Shares of Rs. 10/- each; and 3,200 Compulsorily Convertible Preference Shares of Rs. 50/- each. The issued, subscribed and paid-up share capital is Rs. 51,57,176/-, comprising:
- i. 1,78,996 equity shares of Rs. 1/- each;
 - ii. 11,856 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - iii. 23,434 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - iv. 51,825 Series A2 Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - v. 55,238 Series A3 Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - vi. 88,291 Series A4 Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - vii. 30,787 Series A4A Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - viii. 28,399 Series A5 Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - ix. 65,728 Series A6 Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - x. 27,662 Series A7 Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - xi. 79,911 Series B Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - xii. 25,152 Series B1 Compulsorily Convertible Preference Shares of Rs. 10/- each;
 - xiii. 1,013 Series X Compulsorily Convertible Preference Shares of Rs. 50/- each;
 - xiv. 596 Series Y Compulsorily Convertible Preference Shares of Rs. 50/- each; and
 - xv. 298 Series Z Compulsorily Convertible Preference Shares of Rs. 50/- each.
10. Applicant No. 4/Amalgamating Company 2 was incorporated on 18.07.2008 with the Registrar of Companies, Shillong as a public limited company, under the provisions of the erstwhile Companies Act, 1956 with CIN U65923AS2008PLC008742, and has its registered office at the address mentioned in the cause title.

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11. Applicant No. 4 was registered with the RBI as a Systemically Important Non-Deposit Taking NBFC. In the year 2017, Applicant No. 4 transferred its business undertaking to Applicant No. 5/Amalgamated Company. Thereafter, Applicant No. 4 applied for registration as NBFC - Core Investment Company to the RBI and received the approval for the same w.e.f. 29.05.2019. The authorized share capital of Applicant No. 4 as on 02.05. 2024, is 1,00,00,00,000/-, comprising 8,50,00,000 equity shares of Rs. 10/- each; 1,50,00,000 optionally convertible preference shares of Rs. 10/- each; the issued, subscribed and paid-up capital is Rs. 70,33,80,910/- comprising 7,03,38,091 equity shares of Rs. 10/- each.
12. Applicant No. 5/Amalgamated Company was incorporated on 25.07.2016 with the Registrar of Companies, Shillong with CIN U65100AS2016PLC017505 as a public limited company under the provisions of the Act, and has its registered office at the address mentioned in the cause title.
13. Applicant No. 5 is a subsidiary of Applicant No. 4. Applicant No. 5 received an in-principle approval from the RBI to establish a small finance bank (SFB) in the private sector under Section 22 of the Banking Regulation Act, 1949 (Banking Regulation Act) on 16.09.2015. Thereafter, Applicant No. 5 received a license from the RBI to operate as an SFB under the Banking Regulation Act with effect from 31.03.2017 and commenced its banking operations on 17.10.2017. Applicant No. 5 has its registered office in Guwahati with nine zonal offices. Applicant No. 5 is primarily engaged in the business of providing banking services and wide range of financial services in urban, semi-urban and rural areas. The operations of Applicant No. 5 are currently concentrated in North-East Region and West Bengal in India and does not have a branch in any foreign country.
14. The authorized share capital of Applicant No. 5 as on 02.01.2024 is Rs. 7,00,00,00,000/-, comprising 60,00,00,000 equity shares of Rs. 10/- each and 10,00,00,000 non-cumulative Compulsorily Convertible Preference Shares of Rs. 10/-

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each; the issued, subscribed and paid-up capital is Rs. 4,19,38,03,610/-, comprising 41,93,80,361 equity shares of Rs. 10/- each.

15. The Learned Counsel submitted that Applicant No. 5, to adhere to Section 12(1)(i) of the Banking Regulation Act, 1949 reduced its cumulative authorized capital from Rs.10,00,00,00,000/- (Rupees One Thousand Crore Only) to Rs. 7,00,00,00,000/- (Rupees Seven Hundred Crore Only) by way of a shareholders resolution dated 22.04.2023. Applicant No. 5 is in the process of filing the requisite forms with the Registrar of Companies. Hence, the data available on the portal of the Ministry of Corporate Affairs currently reflects Applicant No. 5's cumulative authorized capital as Rs. 10,00,00,00,000/- (Rupees One Thousand Crore Only).
16. Applicant No. 4 holds 29,33,84,395 equity shares of the face value of Rs. 10/- each of Applicant No. 5, as on 02.01.2024. Until 23.01.2024, Applicant No. 4 held approximately 69.96% of the paid-up share capital of Applicant No. 5. On 24.01.2024, Applicant No. 5/Amalgamated Company issued additional equity shares to Applicant No. 3/Amalgamating Company 1. Consequently, Applicant No. 4's shareholding in Applicant No. 5 stood reduced to 62.50% and Applicant No. 3/Transferee Company's holding in Applicant No. 5, as on 31.01.2024 stood at 13,69,38,000 (Thirteen Crore Sixty Nine Lakh Thirty Eight Thousand) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each, constituting approximately 29.17% of the paid-up share capital of Applicant No. 5/Amalgamated Company.
17. The Learned Counsel submitted that the present amalgamation is a unique case and is driven to alleviate Applicant No. 5/Amalgamated Company from its precarious position. It is further submitted that the Scheme will result in the following benefits:
 - i. Applicant No. 5/the Amalgamated Company is a banking company which is currently operating in the under-penetrated area of the North-East region of India with lower financial inclusion. Applicant No. 3/ Amalgamating Company 1 is

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currently engaged in the business of providing digital lending and payment services through its online platform ('slice') for buyers and sellers, retail customers for various services that include cash loan facility, pre-paid cards/wallets and UPI, etc. A combination of the Amalgamating Companies (i.e. Applicant Nos. 3 and 4) and the Amalgamated Company (i.e. Applicant No. 5) is entirely complementary to, and enhances the value proposition of the Amalgamated Company;

- ii. the Arrangement, through the Scheme, shall enable Amalgamated Company (i.e. Applicant No. 5) to launch full suite of lending and savings products for financial inclusion for the underserved and underbanked customers in the North-Eastern Region of India and across India, as well as retail and institutional customers, across India especially through digital modes thereby tapping into a new segment of customers which is currently not within the reach and enhance its existing customer base;
- iii. the Arrangement is expected to result in bolstering the capital base and bringing in resilience in the balance sheet of Applicant No. 5/Amalgamated Company. Applicant No. 3/Amalgamating Company 1 has a diversified shareholding of more than 50 (fifty) shareholders which includes marquee investors, private equity funds, venture capital funds, and various institutional investors;
- iv. the Arrangement is based on leveraging the significant complementarities that exist amongst the parties to the Scheme. The Arrangement would create meaningful value for various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, comprehensive product offering, balance sheet resilience and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

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- v. Applicant No. 3/Amalgamating Company 1 would also be able to bring best practices in identifying, reporting, handling, and mitigation of cyber security incidents at Applicant No. 5/Amalgamated Company with stronger monitoring protocols of any fraudulent transactions across all digital and physical banking channels;
- vi. given the high corporate governance, cutting-edge technology support and high asset quality portfolio of Applicant No. 3/Transferor Company 1 and Applicant No. 3/Amalgamating Company 1, Applicant No. 5/Amalgamated Company would be able to provide significant benefits to its customers/depositors and yield better results for the bank in terms of diversification of current business leading to lower risk; increased revenue stream at lower operational cost by leveraging technology and generating stable profits for the future;
- vii. Applicant No. 5/Amalgamated Company would benefit from a larger balance sheet and net worth which would allow underwriting new product offering such as co-branded cards, digital offering of loans (including retail loans, loans to small businesses and MSMEs), Merchant QR code, POS, PA/PG, distribution of mutual funds units, insurance products and pension products, affordable housing finance, education loan and also enable a greater flow of credit into the Indian economy;
- viii. Applicant No. 3/Amalgamating Company 1 has built technological capabilities to evaluate the credit worthiness of customers using analytical models and has developed unique skills in distribution of credit with partner financial institutions, for various customer segments. The models have been tested and refined over the years at scale and Applicant No. 5/Amalgamated Company will benefit from such expertise in its offerings; and

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- ix. the amalgamation of Applicant No. 4/Amalgamating Company 2 into Applicant No. 5/Amalgamated Company will lead to simplification of the shareholding structure.
18. The Scheme will be in the interest of the Applicants along with their respective shareholders and creditors without prejudice to the interests of the concerned depositors, creditors, shareholders, or general public at large, in any manner. Further, the Scheme and the proposed amalgamation is in the best interest of all stakeholders and shall enable the Applicants to adopt a focused business approach for maximization of benefits for all.
19. The Learned Counsel submitted that the respective Board of Directors of the Applicants have approved the Scheme. The Board of Directors of Applicant No. 1 have approved the Scheme by resolution dated 4 October 2023, which is annexed as Annexure HH (*pg. 825, Vol. V*) to the Application. The Board of Directors of Applicant No. 2 have approved the Scheme by resolution dated 23 October 2023, which is annexed as Annexure II (*pg. 832, Vol. V*) to the Application. The Board of Directors of Applicant No. 3 have approved the Scheme by resolution dated 20 October 2023, which is annexed as Annexure JJ (*pg. 839, Vol. V*) to the Application. The Board of Directors of Applicant No. 4 have approved the Scheme by resolution dated 23 June 2023, which is annexed as Annexure KK (*pg. 846, Vol. V*) to the Application. The Board of Directors of Applicant No. 5 have approved the Scheme by resolution dated 26 June 2023, which is annexed as Annexure LL (*pg. 853, Vol. V*) to the Application.
20. Applicant No. 5/Amalgamated Company applied to the RBI for seeking its approval for the proposed Scheme as required under Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016 and the Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 dated 16.01.2023 read with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies dated 16.01.2023. On

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- 28.09.2023, the RBI gave its no-objection letter to the proposed Scheme, which is annexed as Annexure OO (*pg. 867, Vol. VI*) to the Application.
21. On 16.01.2024, the Applicants applied to the Competition Commission of India (CCI), seeking its approval in relation to the proposed amalgamation. The CCI approved the same vide letter dated 12.03.2024.
 22. The Scheme is under the provisions of Sections 230 to 234 read with Section 66 and other applicable provisions of the Act. The Learned Counsel submitted that in terms of the explanation provided in Section 230 of the Act, the provisions of Section 66 of the Act shall not apply to the reduction of share capital effected in pursuance of the order of this Hon'ble Tribunal made under Section 230 of the Act.
 23. The Learned Counsel submitted that Applicant No. 1/Transferor Company 1 has 27 secured creditors and six (6) unsecured creditors as on 12.02.2024, as certified by the Chartered Accountants of Applicant No. 1 vide certificate dated 26.03.2024 (*Annexure CC, pg. 812, Vol. V*). The aggregate debt value of Applicant No. 1's unsecured creditors is Rs. 108,53,70,500/-. The secured creditors of Applicant No. 1, constituting 94.08% of the total secured debt of Applicant No. 1 have given their consents to the proposed Scheme, which are annexed at Annexures RR-1 to RR-21 (*pg. 884-1215, Vols. VI and VII*) to the Application. It is submitted that in view of the consents obtained from 94.08% of the secured creditors of Applicant No. 1, the requirement for convening, holding and conducting of the meeting of the secured creditors of Applicant No. 1, for the purpose of approving the Scheme, be dispensed with.
 24. The unsecured creditors of Applicant No. 1 constituting 99.78% of the unsecured debt of Applicant No. 1 have given their consents to the proposed Scheme, which are annexed at Annexures SS-1 to SS-3 (*pg. 1216-1240, Vol. VIII*) to the Application. It is submitted that in view of the consents obtained from 99.78% of the unsecured creditors of Applicant No. 1, the requirement for convening, holding and conducting of the

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- meeting of the unsecured creditors of Applicant No. 1, for the purpose of approving the Scheme, be dispensed with.
25. Applicant No. 1 has two equity shareholders, and no preference shareholders. The Learned Counsel submitted that the equity shareholder of Applicant No. 1 holding 100% of the issued and paid-up shareholding of Applicant No. 1, as certified by the Chartered Accountants of Applicant No. 1 *vide* certificate dated 26.03.2024 (Annexure PP, *pg. 871, Vol. VI*) has given its consent to the proposed Scheme, which is annexed at Annexure QQ (*pg. 872, Vol. VI*) to the Application. It is submitted that in view of the consent obtained from 100% of the shareholders of Applicant No. 1, the requirement for convening, holding and conducting of the meeting of the shareholders of Applicant No. 1, for the purpose of approving the Scheme, be dispensed with.
26. Applicant No. 2/Transferor Company 2 has no secured creditors as on 12.02.2024, as certified by the Chartered Accountants of Applicant No. 2 *vide* certificate dated 22.03.2024 (Annexure DD, *pg. 816, Vol. V*). As on 12.02.2024, Applicant No. 2/Transferor Company 2 has one (1) unsecured creditor. The aggregate debt value of Applicant No. 2's unsecured creditors is Rs. 11,52,70,078/- The unsecured creditor of Applicant No. 2, constituting 100% of the total unsecured debt of Applicant No. 2 has given its consent to the proposed Scheme, which is annexed at Annexure VV (*pg. 1254, Vol. VIII*) to the Application. It is submitted that in view of the fact that there are no secured creditors of Applicant No. 2, the requirement for convening, holding and conducting the meeting of the secured creditors of Applicant No. 2, for the purpose of approving the Scheme, be dispensed with. It is further submitted that in view of the consent obtained from 100% of the unsecured creditors of Applicant No. 2, the requirement for convening, holding and conducting of the meeting of the unsecured creditors of Applicant No. 2, for the purpose of approving the Scheme, be dispensed with.
27. Applicant No. 2 has two equity shareholders and no preference shareholders. The equity shareholder of Applicant No. 2 holding 99.999% of the issued and paid-up

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shareholding of Applicant No. 2, as certified by the Chartered Accountants of Applicant No. 2 vide certificate dated 22 March 2024 (Annexure TT, *pg. 1241, Vol. VIII*) has given its consent to the proposed Scheme, which is annexed at Annexure UU (*pg. 1242, Vol. VIII*) to the Application. It is submitted that in view of the consent obtained from 99.999% of the shareholders of Applicant No. 2, the requirement for convening, holding and conducting of the meeting of the shareholders of Applicant No. 2, for the purpose of approving the Scheme, be dispensed with.

28. Applicant No. 3/Transferee Company has four (4) secured creditors and three (3) unsecured creditors as on 12.02.2024, as certified by the Chartered Accountants of Applicant No. 3 vide certificate dated 22.03.2024 (Annexure EE, *pg. 818, Vol. V*). The aggregate debt value of Applicant No. 3's unsecured creditors is INR 1,48,56,570/-. The secured creditors of Applicant No. 3, constituting 100% of the total secured debt of Applicant No. 3 as on 12.02.2024 have given their consents to the proposed Scheme, which are annexed at Annexures ZZ-1 to ZZ-4 (*pg. 1687-1711, Vol. X*) to the Application. It is submitted that in view of the consents obtained from 100% of the secured creditors of Applicant No. 3, the requirement for convening, holding and conducting of the meeting of the secured creditors of Applicant No. 3, for the purpose of approving the Scheme, be dispensed with.
29. The unsecured creditor of Applicant No. 3, constituting 98.14% of the total unsecured debt of Applicant No. 3 has given its consent to the proposed Scheme, which is annexed at Annexure AAA (*pg. 1712, Vol. X*) to the Application. It is submitted that in view of the consent obtained from 98.14% of the unsecured creditors of Applicant No. 3, the requirement for convening, holding and conducting of the meeting of the unsecured creditors of Applicant No. 3, for the purpose of approving the Scheme, be dispensed with.
30. Applicant No. 3 has 15 equity shareholders and 49 preference shareholders. The equity shareholders of Applicant No. 3 holding more than 90% of the equity shareholding of

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Applicant No. 3 (*i.e.* 92.63%), as certified by the Chartered Accountants of Applicant No. 3 vide certificate dated 22.03.2024 (Annexure WW, *pg.* 1265, *Vol.* VIII) have given their consents to the proposed Scheme, which are annexed at Annexures XX-1 to XX-10 (*pg.* 1268-1427, *Vols.* VIII and IX) to the Application. It is submitted that in view of the consent obtained from more than 90% of the equity shareholders of Applicant No. 3, the requirement for convening, holding and conducting of the meeting of the equity shareholders of Applicant No. 3, for the purpose of approving the Scheme, be dispensed with.

31. The preference shareholders of Applicant No. 3 holding more than 95% of the preference shareholding of Applicant No. 3 (*i.e.* 95.01%), as certified by the Chartered Accountants of Applicant No. 3 vide certificate dated 22.03.2024 (Annexure WW, *pg.* 1265, *Vol.* VIII) have given their consents to the proposed Scheme, which are annexed at Annexures YY-1 to YY-23 (*pg.* 1428-1686, *Vols.* IX and X) to the Application. It is submitted that in view of the consent obtained from more than 95% of the preference shareholders of Applicant No. 3, the requirement for convening, holding and conducting of the meeting of the preference shareholders of Applicant No. 3, for the purpose of approving the Scheme, be dispensed with.
32. Applicant No. 4/Amalgamating Company 2 has no secured or unsecured creditors as on 02.01.2024, as certified by the Chartered Accountants of Applicant No. 4 vide certificate dated 07.02.2024 (Annexure FF, *pg.* 820, *Vol.* V). It is submitted that in view of the fact that there are no secured or unsecured creditors of Applicant No. 4, the requirement for convening, holding and conducting the meeting of the secured and unsecured creditors of Applicant No. 4, for the purpose of approving the Scheme, be dispensed with.
33. Applicant No. 4 has 28 equity shareholders and no preference shareholders. The equity shareholders of Applicant No. 4 holding more than 90% of the issued and paid-up shareholding of Applicant No. 4 (*i.e.* 93.7%), as certified by the Chartered Accountants of Applicant No. 4 vide certificate dated 26.02.2024 (Annexure BBB, *pg.* 1718, *Vol.* X)

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have given their consents to the proposed Scheme, which are annexed at Annexures CCC-1 to CCC-13 (*pg. 1721-1889, Vols. X and XI*) to the Application. It is submitted that in view of the consent obtained from more than 90% of the shareholders of Applicant No. 4, the requirement for convening, holding and conducting of the meeting of the shareholders of Applicant No. 4, for the purpose of approving the Scheme, be dispensed with.

34. Applicant No. 5/Amalgamated Company has two (2) secured creditors as on 02.01.2024, as certified by the Chartered Accountants of Applicant No. 5 *vide* certificate dated 03.02.2024 (Annexure GG, *pg. 821, Vol. V*). The secured creditors of Applicant No. 5, constituting 100% of the total secured debt of Applicant No. 5 have given their consents to the proposed Scheme, which are annexed at Annexures FFF-1 and FFF-2 (*pg. 1927-1947, Vol. XI*) to the Application. It is submitted that in view of the consents obtained from 100% of the secured creditors of Applicant No. 5, the requirement for convening, holding and conducting of the meeting of the secured creditors of Applicant No. 5, for the purpose of approving the Scheme, be dispensed with.
35. Applicant No. 5/Amalgamated Company has 24 identified unsecured creditors as on 02.01.2024. Applicant No. 5 also has payables and contributions to other unsecured creditors, as certified by the Chartered Accountants of Applicant No. 5 *vide* certificate dated 03.02.2024 (Annexure GG, *pg. 821, Vol. V*). The aggregate debt value of Applicant No. 5's unsecured creditors is Rs. 20,81,68,941/-. The unsecured creditors of Applicant No. 5 constituting 91.28% of the unsecured debt of Applicant No. 5 have given their consents to the proposed Scheme, which are annexed at Annexures GGG-1 to GGG-3 (*pg. 1948-1962, Vol. XI*) to the Application. It is submitted that in view of the consent obtained from 91.28% of the unsecured creditors of Applicant No. 5, the requirement for convening, holding and conducting of the meeting of the unsecured creditors of Applicant No. 5, for the purpose of approving the Scheme, be dispensed with.

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36. Applicant No. 5 has 14 equity shareholders and no preference shareholders. The equity shareholders of Applicant No. 5 holding more than 95% of the issued and paid-up shareholding of Applicant No. 5 (96.99%), as certified by the Chartered Accountants of Applicant No. 5 vide certificate dated 03.02.2024 (Annexure DDD, *pg. 1890, Vol. XI*) have given their consents to the proposed Scheme, which are annexed at Annexures EEE-1 to EEE-5 (*pg. 1892-1926, Vol. XI*) to the Application. It is submitted that in view of the consent obtained from more than 95% of the shareholders of Applicant No. 5, the requirement for convening, holding and conducting of the meeting of the shareholders of Applicant No. 5, for the purpose of approving the Scheme, be dispensed with.
37. The Learned Counsel submitted that the proposed Scheme does not contemplate any compromise with or adversely affect the rights of any creditors of Applicant Nos. 1 or 2 in any manner; and that post the approval of the Scheme, the combined assets of Applicant No. 3/Transferee Company will be sufficient to discharge the combined liabilities of Applicant Nos. 1 and 2.
38. It is further submitted that the proposed Scheme does not contemplate any compromise with or adversely affect the rights of any creditors of Applicant Nos. 3 and 4 in any manner; and that post the approval of the Scheme, the combined assets of the Amalgamated Company/Applicant No. 5 will be sufficient to discharge the combined liabilities of Applicant Nos. 3 and 4.
39. Heard Counsel. Perused the record before us and the consent affidavits obtained by the Applicants. In view of the above, the following directions are hereby passed:
- a. the requirement of convening, holding and conducting of the meeting of the equity shareholders of Applicant No. 1, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;

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- b. the requirement of convening, holding and conducting of the meetings of the secured creditors of Applicant No. 1, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
- c. the requirement of convening, holding and conducting of the meetings of the unsecured creditors of Applicant No. 1, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
- d. the requirement of convening, holding and conducting of the meeting of the equity shareholders of Applicant No. 2, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
- e. the requirement of convening, holding and conducting of the meetings of the secured creditors of Applicant No. 2, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with as there are no secured creditors of Applicant No. 2;
- f. the requirement of convening, holding and conducting of the meetings of the unsecured creditors of Applicant No. 2, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
- g. the meeting of the equity shareholders of Applicant No. 3, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose

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- of approving the Scheme, is dispensed with in light of the requisite consents obtained;
- h. the meeting of the preference shareholders of Applicant No. 3, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
 - i. the meetings of the secured creditors of Applicant No. 3, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
 - j. the meetings of the unsecured creditors of Applicant No. 3, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
 - k. the meeting of the equity shareholders of Applicant No. 4, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
 - l. the meetings of the secured and unsecured creditors of Applicant No. 4, including any steps required to be carried out for conducting a meeting (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with as there are no secured or unsecured creditors of Applicant No. 4;
 - m. the meetings of the equity shareholders of Applicant No. 5, including any steps required to be carried out for conducting meetings (such as issuing notices to the

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- stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained;
- n. the meetings of the secured creditors of Applicant No. 5, including any steps required to be carried out for conducting meetings (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained; and
 - o. the meetings of the unsecured creditors of Applicant No. 5, including any steps required to be carried out for conducting meetings (such as issuing notices to the stakeholders and/or publishing any notice(s) in any newspapers), for the purpose of approving the Scheme, is dispensed with in light of the requisite consents obtained.
40. Let notice be served jointly by the Applicant Companies, as per the requirements of sub-section (5) of Section 230 of the Companies Act, 2013, along with the copy of the Scheme of Amalgamation and the statement disclosing necessary details, on the Central Government, through the Regional Director, North-Eastern Region, Ministry of Corporate Affairs, Guwahati; Registrar of Companies, North-Eastern Region, Guwahati, and the concerned Assessing Officer along with the Chief Commissioner of Income-Tax with PAN Number of the Applicant Companies through E-Mail and by Speed Post, both; as also on the Official Liquidator, High Court, Guwahati and the Reserve Bank of India, Guwahati; CCI, New Delhi and such other relevant sectoral regulators/authorities, which are likely to be affected by the proposed Scheme, by sending the same by hand delivery through Special Messenger or by Registered Post or by Speed Post, by E-Mail, both, within two weeks from the date of this order for filing their representation, if any, on the Application within 30 days from the date of the said notice.

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41. Applicant Nos. 1 to 4 are also directed to serve notice along with copy of Scheme upon the Official Liquidator, Shillong. This Tribunal hereby appoints Nishan Marda and Co., Chartered Accountants (having ICAI Membership No. 313683 and FRN - 332704E), with remuneration of Rs. 2,00,000/- along with the applicable taxes for the services to assist Official Liquidator to scrutinize books of accounts of Applicant Nos. 1 to 4 for the last five years. The Official Liquidator may submit his representations, if any, within a period of thirty (30) days from the date of the receipt of such notice to this Tribunal and a copy of such representation shall simultaneously be served upon Applicant Nos. 1 to 4, failing which, it shall be presumed that the Official Liquidator has no representation to make on the Scheme.
42. The Applicant Companies shall file an affidavit of service with the registry in regard to the directions given in this Order within 15 days from the date of making this order to report to this Tribunal that the directions regarding the issuance of notices have been duly complied with.
43. Leave is granted to the Applicants to file the Company Petition within 4 weeks from the date of making of this Order.
44. The application being **Company Application CA (CAA)/2 /GB/2024** is disposed of accordingly.
45. Urgent certified copy of this order, if applied for, to be supplied to the parties, subject to the compliance with all requisite formalities.

Sd/-
Satya Ranjan Prasad
Member (Technical)

Sd/-
H.V. Subba Rao
Member (Judicial)

Signed this on 26th day of April, 2024