

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, BENGALURU
(Through web-based Video Conferencing mode)

C.A.(CAA)No.05/BB/2024

U/ss. 230 to 232 and other applicable provisions of the Companies, Act, 2013

IN THE MATTER OF SCHEME:

M/s. Shankaranarayana Constructions Private Limited

R/o. at No.7, Residency Road, O.D. No.9,
Rajaram Mohan Roy Road, Bengaluru Road,
Bengaluru – 560 025

- Applicant Company No.1/
Demerged Company

AND

M/s. Shankaranarayana Developers Private Limited

R/o. at No.9, Rajaram Mohan Roy Road,
Bengaluru-560 025

- Applicant Company No.2/
Resulting Company No.1

AND

M/s. Shankaranarayana Hotels Private Limited

R/o. at No.34, Cunnigham Road,
Bengaluru – 560 052

- Applicant Company No.3/
Resulting Company No.2

Order delivered on: 02nd May, 2024

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

PRESENT:

For the Applicant Companies : Shri R. Inbaraju

ORDER

Per: Bench

1. The present first motion Application has been filed on 12.01.2024 by the Applicant Companies viz., **M/s. Shankaranarayana Constructions Private Limited** (described in short as "Applicant Company No.1/Demerged Company"), **M/s. Shankaranarayana Developers Private Limited**

(described in short as “Applicant Company No.2/Resulting Company No.1”) and **M/s. Shankaranarayana Hotels Private Limited** (described in short as “Applicant Company No.3/Resulting Company No.2”), U/s. 230 to 232 of the Companies Act, 2013, *inter alia*, for seeking dispensation with meetings of the Equity Shareholders of the Applicant Companies, Unsecured Loan Creditors of the Applicant Company No.3/Resulting Company No.2 and Convening the Meeting of Secured Creditors of the Applicant Company No.1/Demerged Company, Applicant Company No.3/Resulting Company No.2 and Unsecured Trade Creditors of the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2, etc.

2. The Applicant Company No.1/Demerged Company was incorporated under the Companies Act, 1956 on 24.03.2006, as a Private Limited Company bearing CIN: U45201KA2000PTC027340 under the name and style of ‘SNC Power Corporation Private Limited’, subsequently pursuant to fresh Certificate of Incorporation dated 14.10.2015, the name of the Applicant Company No.1/Demerged Company Changed from ‘SNC Power Corporation Private Limited’ to ‘Shankaranarayana Constructions Private Limited’. The registered office at No.7, Residency Road, O.D. No.9, Raja Ram Mohan Roy Road, Bengaluru. As per the Memorandum of Association, the main objects of the Company, *inter alia*, are to carry on the business of electric power generation and supply in all the branches and to construct, letdown, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps, works and to generate, accumulate, distribute and supply electricity and to light cities, towns, streets, docks, markets, theatres, buildings and places both public and private, etc. The copy of Articles of Association and Memorandum of Association is attached as Annexure-2 to the Application.
3. The Authorized, Subscribed, Issued and Paid-up Share Capital of the Applicant Company No.1/Demerged Company as on 31.03.2023 is as under:

Authorized Share Capital	Amount (Rs)
60,00,000 Equity Shares of Rs.10/- each	6,00,00,000/-
Total	6,00,00,000/-
Issued, Subscribed, and Paid-up Share Capital	Amount (Rs)
51,02,100 Equity Shares of Rs.10/- each	5,10,21,000/-
TOTAL	5,10,21,000/-

4. The Applicant Company No.2/Resulting Company No.1 was originally incorporated under the Companies Act, 2013 on 04.12.2023 with the Registrar of Companies, Bengaluru with CIN: U43300KA2023PTC181752 under the name and style of “Shankaranarayana Developers Private Limited”. The registered office at No.7, Residency Road, Raja Ram Mohan Roy Road, Richmond Town, Bengaluru. As per the Memorandum of Association, the main objects of the Company, *inter alia*, are to purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, building, flats, offices, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other building residential and commercial or conveniences thereon, etc. The copy of Articles of Association and Memorandum of Association is attached as Annexure-7 to the Application.
5. The Authorized, Subscribed, Issued and Paid-up Share Capital of the Applicant Company No.2/Resulting Company No.1 as on 18.12.2023 is as under:

Authorized Share Capital	Amount (Rs)
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000/-
Total	1,00,00,000/-
Issued, Subscribed, and Paid-up Share Capital	Amount (Rs)
1,00,000 Equity Shares of Rs.10/- each	10,00,000/-
TOTAL	10,00,000/-

6. The Applicant Company No.3/Resulting Company No.2 was originally incorporated as a Private Limited Company on 16.06.1995 under the

Companies Act, 2013 with the Registrar of Bengaluru, under the name and style of 'Bumiputra Properties & Investments Private Limited' subsequently the name of the Applicant Company No.3/Resulting Company No.2 was changed from 'Bumiputra Properties & Investments Private Limited' to 'Bhumiputra Properties and Hotels Private Limited' on 27.05.1996 further pursuant to fresh Certificate of Incorporation dated 18.12.2010, the name of the Applicant Company No.3/Resulting Company No.2 changed from 'Bhumiputra Properties and Hotels Private Limited' to 'Bumiputra Hotels Private Limited'. Subsequently, the name of the Applicant Company No.3/Resulting Company No.2 was changed from 'Bumiputra Hotels Private Limited' to 'Shankaranarayana Hotels Private Limited' vide Certificate of Incorporation dated 11.12.2023 issued by Registrar of Companies, Bengaluru. As per the Memorandum of Association, the main objects of the Company, *inter alia*, are to carry on the business of establishing, maintaining, letting on hire or rent any building or auditorium or structures for any functions social or religious or otherwise concerts, theatrical performance or for any other purpose etc. The copy of Articles of Association and Memorandum of Association is attached as Annexure-11 to the Application.

7. The Authorized, Subscribed, Issued and Paid-up Share Capital of the Applicant Company No.3/Resulting Company No.2 as on 31.03.2023 is as under:

Authorized Share Capital	Amount (Rs)
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000/-
Total	1,00,00,000/-
Issued, Subscribed, and Paid-up Share Capital	Amount (Rs)
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000/-
TOTAL	1,00,00,000/-

8. The Board of Directors of the Applicant Companies in their meeting held on 15.12.2023 approved and adopted a Composite Scheme of Arrangement (Demerger). Certified true copy of resolution passed in the Board meeting of the Applicant Companies are annexed to the Application and marked as

Annexures-15 to 17. The Appointed Date fixed under the Scheme is 01.04.2024.

9. In the Composite Scheme of Arrangement for Demerger, Transfer and vesting of Real Estate Undertaking of Shankaranarayan Constructions Private Limited (Applicant Company No.1/Demerged Company) into Shankaranarayan Developers Private Limited (Applicant Company No.2/Resulting Company); and Demerger, Transfer and vesting of the Hospitality undertaking of Shankaranayana Constructions Private Limited (Applicant Company No.1/Demerged company) into Shankaranarayana Hotels Private Limited (Applicant Company No.3/Resulting Company) on a going basis has been proposed.
10. It is also stated that, upon this Scheme becoming effective, consideration for Demerger of Real Estate Undertaking of Applicant Company No.2/ Resulting Company No.1 and Demerger of the Hospitality Undertaking of the Shareholders of Applicant Company No.3/Resulting Company No.2 shall without any further application or deed, issue and allot its Equity Shares of face value of Rs.10/- each, credited as fully paid-up, to the extent indicated below, to the shareholders of the Applicant Company No.1/Demerged Company whose name appear in the register of members of the Applicant Company No.1/Demerged Company on the Effective Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, in the following ratio. A Certificate dated 14.12.2023 from a Registered Valuer has been attached to the Application as Annexure-35. In the said Certificate, it is stated as under:
- “1 (One) fully paid-up Equity share of face value of Rs.10/- (Rupees Ten only) each of the Resulting Company No.1 shall be issued and allotted as fully paid-up for every 5 (Five) Equity Share of face value of Rs.10/ (Rupees Ten only) each fully paid-up held in the Demerged Company.”*
- “1 (One) fully paid-up Equity share of face value of Rs.10/- (Rupees Ten only) each of the Resulting Company No.2 shall be issued and allotted as fully paid-up for every 5 (Five) Equity Share of face value of Rs.10/ (Rupees Ten only) each fully paid-up held in the Demerged Company.”*
11. The instant Application has been filed seeking for the following reliefs:

“1. Dispensing the Meeting of Equity Shareholders: In view of the submission made in this application, the Applicant Companies humbly pray that this Hon’ble Bench of NCLT, Bengaluru may be pleased to dispense with the requirement for convening, holding and conducting of a meeting of the equity shareholders of all the Applicant Companies and also to dispense with the requirement of issue and publication of notices for the same;

2. Dispensing the Meeting of Unsecured Loan Creditors: In view of the submissions made in this application, the Applicant Company No.3/ Resulting Company No.2 humbly pray that this Hon’ble Bench of NCLT, Bengaluru may be pleased to dispense with the requirement for convening, holding and conducting of a meeting of the Unsecured Loan Creditors of the Applicant Company No.3/Resulting Company No.2 and also to dispense with the requirement of issue and publication of notices for the same.

3. Convening the Meeting of Secured Creditor of Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2: In view of the submissions made in this Application, the meeting of the Secured Creditors of the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2, as applicable, will be held through Video Conferencing/ Other Audio Visual Mode (VC/OVAM) as may be determined by this Hon’ble Tribunal and on such date and such time as this Hon’ble Tribunal may direct and that a Chairman and Scrutinizer may be appointed for the meeting to be held.

4. Convening the Meeting of Unsecured Trade Creditors of the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2: In view of the submissions made in this Application, the meeting of the Unsecured Trade Creditors of the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2, as applicable, will be held through Video Conferencing/ Other Audio Visual Mode (VC/OVAM) as may be determined by this Tribunal and on such date and at such time as this Hon’ble Tribunal may direct and that a Chairman and Scrutinizer may be appointed for the meeting to be held.

5. To issue notice of meeting to the Secured Creditors of the Applicant Company No. 1/ Demerged Company and Applicant Company No.3/ Resulting Company No. 2 and Unsecured Trade Creditors of the Applicant Company No. 1/ Demerged Company and Applicant Company No.3/ Resulting Company No. 2 either through Registered Post, courier or by electronic mode (email).

6. To fix the Quorum for the respective meetings and the procedure to be followed for such meetings.

7. *For Appointment of Chairperson and scrutinizer for such meeting or meetings to be held including the terms of appointment and remuneration for the Chairperson and scrutinizer;*
8. *In the event the Hon'ble Tribunal holds that the meeting of Equity Shareholders of the Applicant Companies and Unsecured Loan Creditors of Applicant company no.3 / Resulting company no.2, cannot be dispensed with, this Hon'ble Tribunal may be pleased to pass directions for holding and convening such meeting, at the registered offices of the Applicant Companies, through video conferencing, to consider and, if thought fit, approve, with or without modification(s), the Scheme, at such time and date as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson and an alternate Chairperson for conducting such meeting(s), to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result(s) thereof to this Hon'ble Tribunal; and direct that Individual notices of the meeting(s) may be sent through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting(s) in the newspapers, by way of an advertisement, if required.*
9. *For publication of Notices in the newspapers, for convening and holding of the meetings in "Business Standard" English Newspaper and "Kannada Prabha" Vernacular newspaper, in case, the Hon'ble Tribunal has passed an order for convening the meeting.*
10. *For service of Notices to the statutory authorities as may be ordered by this Hon'ble Tribunal as per the provision of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016.*
11. *Issuing direction for permitting the filing of application, petition, and other documents as may be required, for the purpose of sanctioning the proposed Composite Scheme Arrangement (Demerger) among Shankaranarayana Constructions Private Limited (Applicant Company No.1/ Demerged Company) and Shankaranarayana Developers Private Limited (Applicant Company No.2/ Resulting Company No.1) and Shankaranarayana Hotels Private Limited (Applicant Company No.3/ Resulting Company No.2) and their respective shareholders and creditors”.*
12. Learned Counsel for the Applicant Company No.1/Demerged Company has submitted that as per the Certificate dated 15.12.2023 issued by M/s. M. V. Manmohan Rao & Associates, Chartered Accountants, there are 05 (Five) Equity Shareholders in the Applicant Company No.1/Demerged Company as on 30.11.2023. All the Equity Shareholders of the Applicant Company

No.1/Demerged Company have given their consent affidavits stating that they have no objection for the proposed Scheme. List of Equity Shareholders and the consent affidavits are attached as Annexures-19 & 20 to the Application.

13. As per the Certificates dated 15.12.2023 issued by M/s. M. V. Manmohan Rao & Associates, Chartered Accountants, there are 05 (Five) Secured Creditors and no Unsecured Loan Creditors in the Applicant Company No.1/Demerged Company as on 30.11.2023. Therefore, the Applicants seek to convene the meeting of Secured Creditors of the Applicant Company No.1/Demerged Company for the proposed Scheme and there is nothing to convene the meeting of Unsecured Loan Creditors.
14. As per the Certificate dated 15.12.2023 issued by M/s. M. V. Manmohan Rao & Associates, Chartered Accountants, there are 2,802 (Two Thousand Eight Hundred and Two) Unsecured Trade Creditors in the Applicant Company No.1/Demerged Company as on 30.11.2023 and the Applicants seek to convene the meeting of Unsecured Trade Creditors of the Applicant Company No.1/ Demerged Company for the proposed Scheme.
15. Further, as per the Certificate dated 15.12.2023 issued by M/s. Raveendra Bhat & Co., Chartered Accountants, there are 05 (Five) Equity Shareholders in the Applicant Company No.2/Resulting Company No.1 as on 15.12.2023. All the Equity Shareholders of the Applicant Company No.2/Resulting Company No.1 have given their consent affidavits stating that they have no objection for the proposed Scheme. List of Equity Shareholders in the Applicant Company No.2/Resulting Company No.1 and the consent affidavits are also attached as Annexures-24 & 25 to the Application.
16. It is stated that, as per the Certificates dated 15.12.2023 issued by M/s. Raveendra Bhat & Co., Chartered Accountants, there are no Secured Creditors, Unsecured Loan Creditors and Unsecured Trade Creditors in the Applicant Company No.2/Resulting Company No.1 as on 15.12.2023; therefore, there is nothing to convene the corresponding meetings.

17. Ld. Counsel for the Applicant Companies has submitted that as per the Certificate dated 15.12.2023 issued by M/s. Rao & Emmar, Chartered Accountants, there are 05 (Five) Equity Shareholders in the Applicant Company No.3/Resulting Company No.2 as on 14.12.2023. All the Equity Shareholders of the Applicant Company No.3/Resulting Company No.2 have given their consent affidavits stating that they have no objection for the proposed Scheme. List of Equity Shareholders in the Applicant Company No.3/Resulting Company No.2 and the consent affidavits are also attached as Annexures-29 & 30 to the Application.
18. As per the Certificates dated 15.12.2023 issued by M/s. Rao & Emmar, Chartered Accountants, there is 01 (One) Secured Creditor and 77 (Seventy Seven) Unsecured Trade Creditors in the Applicant Company No.3/Resulting Company No.2 as on 30.11.2023. The Applicants seek to convene the meeting of Secured Creditor and the Unsecured Trade Creditors of the Applicant Company No.3/ Resulting Company No.2 for the approval of the proposed Scheme.
19. As per the Certificate dated 15.12.2023 issued by M/s. Rao & Emmar, Chartered Accountants, there are 06 (Six) Unsecured Loan Creditors in the Applicant Company No.3/Resulting Company No.2 as 30.11.2023. All the Unsecured Loan Creditors of the Applicant Company No.3/Resulting Company No.2 have given their consent affidavits stating that they have no objections for the proposed Scheme. List of Unsecured Loan Creditors of the Applicant Company No.3/Resulting Company No.2 and the consent affidavits are attached as Annexures-32 & 33 to the Application.
20. Ld. Counsel for the Applicant Companies have filed Affidavits with regard to there being no other sectoral regulators; no Corporate Debt Restructuring; and no investigations or proceedings pending against the Applicant Companies or its Directors under the Companies Act, 2013 and 1956 or under any other statutes by the Applicant Companies. Copies of the same are placed at Annexures – 39 to 47 to the Application.

21. As per the Statutory Auditor of the Applicant Company No.1 i.e., M/s. B. N. Subramanya & Co., Chartered Accountants, vide Certificate dated 05.01.2024, have *inter alia* certified that the accounting treatment as specified in Clause nos.15 and 24 of the Scheme, is in compliance with the applicable Indian Accounting Standards and other and other Generally Accepted Accounting Principles.
22. As per the Statutory Auditor of the Applicant Company No.2 i.e., M/s. Raveendra Bhat & Co., Chartered Accountants, vide Certificate dated 15.12.2023, have *inter alia* certified that the accounting treatment as specified in Clause 15 of the Scheme, is in compliance with the applicable Indian Accounting Standards and other Generally Accepted Accounting Principles.
23. As per the Statutory Auditor of the Applicant Company No.3 i.e., M/s. Rao & Emmar, Chartered Accountants, vide Certificate dated 15.12.2023, have *inter alia* certified that the accounting treatment as specified in Clause 24 of the Scheme, is in compliance with the applicable Indian Accounting Standards and other Generally Accepted Accounting Principles
24. Moreover, the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2 have filed Audited Financial Statement for the year ending as on 31.03.2023 as Annexures-4 & 13. The Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2 have filed Unaudited Financial Statement as on 30.11.2023 as Annexures-5 & 14. The Applicant Company No.2/Resulting Company No.1 has filed Unaudited Financial Statement for the year ending as on 18.12.2023 as Annexure-9. The Appointed Date fixed under the Scheme is 01.04.2023.
25. It is submitted that the rationale for Scheme of Arrangement of Demerged Company into Resulting Companies is, *inter alia*, as follows:

“(3) Rationale for the Scheme:

3.1. *In order to maximize the stakeholders’ value, the Board of directors of the Demerged Company and Resulting Companies have*

decided to demerge the Demerged Undertaking from the Demerged Company into Resulting Companies.

3.2 This composite arrangement would result in an efficient corporate structure with focused management. It is expected that the composite arrangement shall result in unlocking the flowing benefits;

(a) It would be strategically apt to segregate the infrastructure business and EPC business from the real estate project and hospitality business into Resulting Companies to enable them to move forward independently, with greater focus and specialization building further on their respective capabilities.

(b) Simplified management structure, leading to better management with focused operational efforts, rationalisation, standardization, and simplification of business process and rationalization of administrative expense.

(c) The segregation of business through this composite arrangement would result into focused and concentrated approach by the management which will provide operational synergies and value creation to the direct and indirect stakeholders of the Demerged Company.”

26. Clause 9.6 of the Scheme stated that, upon the Scheme being effective the employees of Demerged Company employed in or in relation to the Real Estate Undertaking immediately prior to the Effective Date ('Demerged Undertaking Employees 1') shall be deemed to have become employees of Resulting Company No.1, with effect from Effective Date, in the same capacity as they were employed with Demerged Company, without any break or interruption in their service and with the benefit of continuity of service, and the terms and conditions of their employment with Resulting Company No.1 shall not be less favorable than those applicable to them with reference to their employment in Demerged Company immediately prior to the Effective Date and in compliance with the Applicable Law.

27. Clause 18.6 of the Scheme stated that, upon the Scheme being effective the employees of Demerged Company employed in or in relation to the Hospitality Undertaking immediately prior to the Effective Date ('Demerged Undertaking Employees 2') shall be deemed to have become employees of Resulting Company No.2, with effect from Effective Date, in the same capacity as they were employed with Demerged Company, without any

break or interruption in their service and with the benefit of continuity of service, and the terms and conditions of their employment with Resulting Company No.2 shall not be less favorable than those applicable to them with reference to their employment in Demerged Company immediately prior to the Effective Date and in compliance with the Applicable Law.

28. Heard the learned Counsel appearing for the Applicant Companies and have perused the records and the supporting documents/papers filed along with the “Scheme” contemplated between the Applicant Companies.
29. In view of the aforesaid discussion, the following directions are issued:
 - (i) Convening and holding of the meetings of the Equity Shareholders of the Applicant Companies are hereby dispensed;
 - (ii) Since there are no Unsecured Loan Creditors in the Applicant Company No.1/Demerged Company, there is nothing to convene their meeting;
 - (iii) Since there are no Secured Creditors, Unsecured Loan Creditors and Unsecured Trade Creditors in the Applicant Company No.2/Resulting Company No.1, there is nothing to convene their meetings;
 - (iv) Convening and holding of the meetings of the Unsecured Loan Creditors of the Applicant Company No.3/Resulting Company No.2 is hereby dispensed;
 - (v) Meeting of the Secured Creditors of the Applicant Company No.1/Demerged Company is to be convened on **02.07.2024** at **10.30 AM** through Video Conferencing or Other Audio Visual Means (OAVM) as per guidelines issued by MCA or physical meeting at the registered office of the Company, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Secured Creditors, shall be 40% in total value either personally present or by proxy.
 - (vi) Meeting of the Unsecured Trade Creditors of the Applicant Company No.1/Demerged Company is to be convened on **02.07.2024** at **11.30 AM** through Video Conferencing or Other Audio Visual Means (OAVM) as per guidelines issued by MCA or physical meeting at the registered office of the Company, subject to the notice of the meeting being issued

through post or electronic mode. Meeting of the Unsecured Creditors is directed to be convened for those to whom Rs.2,00,000/- or above is payable. The quorum of the meeting of the Unsecured Trade Creditors shall be 40% of the total value either personally present or through proxy.

Shri Abhijit Atur, Advocate, having address at #19, 2nd Floor, Shivashankar Plaza, Lalbagh Road, Richmond Circle, Bengaluru - 560027, email Id: abhijit@agraalegal.com Contact No. 9663309317 is appointed as the Chairperson for the above meetings in respect of the Applicant Company No.1/Demerged Company.

Shri Karthick Varadarajan, PCS, having address at No. 305, 3rd Floor, Renaissance Landmark, 10th Main, 17th Cross, Malleswaram, Bengaluru- 560 003, email Id: vk@vkarthick.com, Contact No. 9900097271 is appointed as the Scrutinizer for the above meetings in respect of the Applicant Company No.1/Demerged Company.

The total remuneration for Chairperson shall be **Rs.1,00,000/-** for the above meetings; and for Scrutiniser shall be **Rs.60,000/-** for the above meetings.

- (vii) Meeting of the Secured Creditor of the Applicant Company No.3/ Resulting Company No.2 is to be convened on **02.07.2024** at **2.30 PM** through Video Conferencing or Other Audio Visual Means (OAVM) as per guidelines issued by MCA or physical meeting at the registered office of the Company, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Secured Creditor, shall be personally present or by proxy.
- (viii) Meeting of the Unsecured Trade Creditors of the Applicant Company No.3/Resulting Company No.2 is to be convened on **02.07.2024** at **3.30 PM** through Video Conferencing or Other Audio Visual Means (OAVM) as per guidelines issued by MCA or physical meeting at the registered office of the Company, subject to the notice of the meeting being issued through post or electronic mode. Meeting of the Unsecured Trade Creditors is directed to be convened for those to

whom Rs.1,00,000/- or above is payable. The quorum of the meeting of the Unsecured Trade Creditors shall be 40% of the total value either personally present or through proxy.

Shri G. Sridhar, Advocate, having address at #206, 2nd Floor, Embassy Square No.148, Infantry Road, Opposite to Police Commissioner's Office, Bengaluru- 560 001, email Id: sridhar@gslaw.co.in Contact No. 080-22267884/886 is appointed as the Chairperson for the above meetings in respect of the Applicant Company No.3/Resulting Company No.2.

Ms. Sheela Arvind, PCS, having address at No. #158-3/35, 3rd Main, Industrial Town, Rajajinagar, Bengaluru-560 010, email Id: csshelaarvind@gmail.com, Contact No. 9844216164 is appointed as the Scrutinizer for the above meetings in respect of the Applicant Company No.3/Resulting Company No.2.

The total remuneration for Chairperson shall be **Rs.1,00,000/-** for the above meetings; and for Scrutiniser shall be **Rs.60,000/-** for the above meetings.

- (ix) In case the required quorum as noted above for the meetings of the Secured Creditors and Unsecured Trade Creditors of the Applicant Company No.1/Demerged Company and Secured Creditor and Unsecured Trade Creditors of the Applicant Company No.3/Resulting Company No.2 are not present at the commencement of the meetings, the respective meetings shall be adjourned by 30 minutes, and thereafter, the persons present and voting shall be deemed to constitute the quorum. For the purpose of completing the quorum, the valid proxies and Authorized Representatives shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed through email or otherwise at the respective registered office of the Applicant Companies. The Chairperson along with Scrutinizer shall ensure that the proxy register is properly maintained.

- (x) It is further directed that along with the notice, Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2 shall also send a statement explaining the effect of the Scheme on the Shareholders, key managerial personnel, promoters and non-promoter members etc., along with effect of the Arrangement for Amalgamation on any material interests of the Directors of the Company, as provided under sub-section 3 of the Section 230 of the Act.
- (xi) That the Applicant Companies shall publish with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date, time and link of the meeting to be conducted through Video Conference as aforesaid, in "*Kannada Prabha*", vernacular language and "*Business Standard*" in English Edition. It is to be stated in the advertisement that the copies of "Scheme", the Explanatory Statement required to be published pursuant to Section 230 to 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2. The Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2 shall also publish the notice on its website, if any.
- (xii) The Authorized Representative of the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2 shall furnish affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least ten (10) days before the date of proposed meetings.
- (xiii) Voting shall be allowed on the "Scheme" in person or by proxy or through electronic means as may be applicable to the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2 under the Act and the Rules framed thereunder.
- (xiv) The Chairpersons shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the

Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 07 (seven) days of the conclusion of the meetings. He would be fully assisted by the Authorized Representative/Company Secretary of the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2 and the Scrutinizer, who will assist the Chairperson/Alternate Chairperson in preparing and finalizing the reports.

- (xv) The Applicant Companies shall individually and in compliance of sub-section (5) of section 230 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the “ Rules” to (i) the Central Government through the office of the Regional Director (South East Region); (ii) Concerned Registrar of Companies; (iii) Principal Chief Commissioner of Income Tax, Karnataka & Goa - Nodal Officer of Income Tax Department (iv) jurisdictional Income Tax Authorities by disclosing the PAN numbers of the Applicant Companies in the title of the Second Motion Petition and (v) other Sectoral Regulators/Authorities, if any, stating that representations, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representation shall simultaneously be sent to the concerned company, failing which, it shall be presumed that they have no objection to the proposed Scheme.
- (xvi) The Applicant Companies shall furnish copy of the Scheme free of charge within one day of any requisition for the “Scheme” made by any shareholder entitled to attend the aforesaid meetings.
- (xvii) It shall be the responsibility of the Applicant Company No.1/Demerged Company and Applicant Company No.3/Resulting Company No.2 to ensure that the notices are sent under the signature and supervision of the authorized representative of the Company on the basis of Board Resolutions.

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

30. In view of the above, the First Motion Application bearing **C.A.(CAA)No. 05/BB/2024 stands allowed**, giving liberty to the Applicant Companies to file Second Motion Petition with the direction that the Applicant Companies shall make specific prayer for sending notice to (a) Central Government through the office of the Regional Director (South East Region); (b) Concerned Registrar of Companies; (c) Principal Chief Commissioner of Income Tax, Karnataka & Goa - Nodal Officer of Income Tax Department (d) jurisdictional Income Tax Authorities by disclosing the PAN numbers of the Applicant Companies in the title of the Second Motion Petition; and (e) other relevant statutory authorities/sectoral regulators applicable.
31. A copy of this order be supplied to the learned Counsel for the Applicant Companies.

-Sd-

**MANOJ KUMAR DUBEY
MEMBER (TECHNICAL)**

-Sd-

**T. KRISHNAVALLI
MEMBER (JUDICIAL)**