

**THE NATIONAL COMPANY LAW TRIBUNAL  
PRINCIPAL BENCH,  
AT NEW DELHI**

**COMPANY PETITION NO. CA (CAA)-172 (PB) /2018**

Under Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

In the matter of

Scheme of Amalgamation of

Agarwal Meadows Private Limited

Applicant Company No. 1/ Transferor Company

WITH

Paisalo Digital Limited

Applicant Company No. 2/ Transferee Company

*Judgment delivered on: 12.10.2018*

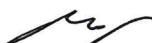
**CORAM:**

**CHIEF JUSTICE (Rtd.) M.M. KUMAR, Hon'ble President**

**S. K. MOHAPATRA, Hon'ble Member (T)**

For Applicants: Mr. P. Nagesh, Advocate

Mr. Dhruv Gupta, Advocate



## ORDER

**S .K. Mohapatra, Member**

1. This application has been jointly filed by the Applicant Companies under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016, duly supported by separate affidavits of the Applicant Companies, for seeking appropriate directions for dispensing with/convening of the respective meetings of shareholders, secured creditors and unsecured creditors of the applicant companies, in connection with the proposed Scheme of Amalgamation contemplated between the applicant companies. The said Scheme of Amalgamation (hereinafter referred to as the "Scheme") has been placed on record along with the joint application.



2. It is represented that the registered offices of both the applicant companies are situated in New Delhi and therefore the subject matter of this joint application falls within the territorial jurisdiction of this Bench.

3. M/s Agarwal Meadows Private Limited (Transferor Company) was incorporated on 08.12.1989 as a private limited company. The present Authorized Share Capital of the Transferor Company is Rs. 1,00,00,000/- divided into 1,00,000 Equity Shares of Rs. 100/- each. The present issued, subscribed and paid-up share capital of the company is Rs. 29,27,000/- divided into 29,270 Equity Shares of Rs. 100/- each. The registered office of the Transferor Company is situated at CSC, Pocket-52, Chitaranjan Park, Near Police Station, New Delhi-110019.

4. It is submitted that the transferor company has 2 Equity Shareholders and both the equity shareholders have given their consent affidavits in favour of the Scheme constituting 100% in value and 100% in number. The consent affidavits of each of the members



have been placed on record. It is further submitted that the transferor company has no secured creditor and 1 unsecured creditor. The certificates of chartered accountant in respect of status of creditors of the company have also been placed on record. As the company has no secured creditor the requirement of convening of meeting of secured creditors does not arise. The sole unsecured creditor has given its consent affidavit in favour of the Scheme. In relation to the equity shareholders and unsecured creditors, the transferor company seeks dispensation from convening and holding of their respective meetings on the ground that both the shareholders and the sole unsecured creditor of the transferor company have given their consent affidavits in favour of the Scheme.

5. M/s Paisalo Digital Limited (Transferee Company) was initially incorporated on 05.03 with the name and style of 'S.E. Investments Private Limited'. Subsequently, the name of the company was changed to its present name on 12.01.2018. The registered office of the



Company is situated at 101 CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019. The Authorized Share Capital of the company is Rs. 1,25,00,00,000/- divided into 12,00,00,000 equity shares of Rs. 10/- each and 50,00,000, preference shares of Rs. 10 each. The Issued and subscribed capital of the company is Rs. 40,57,25,000/-, and the paid up share Capital of the Company is Rs. 40,56,00,000/-. Additionally the transferee company has some forfeited paid up capital of Rs. 62,500/- ( Rs. 5/- originally paid up on 12,500 equity shares of Rs. 10/- each).

6. The transferee company has also issued following unsecured Redeemable, INR Denominated Non-Cumulative Non-Convertible Debentures :

- Series-1609 SEIL 95 NCDs of Rs. 1,00,00,000/- each bearing interest rate of 14.50% per annum.
- Series-PDL1802 NCDs of Rs. 1,00,00,000/- each bearing interest rate of 12.00% per annum.



7. It is submitted that Transferee Company has 1978 Equity Shareholders, 13 secured creditors and 9 unsecured creditors (including debenture holders). Certificates of chartered accountant in respect of status of the creditors of the transferee company have also been placed on record. All the unsecured creditors (including debenture holders) of the transferee company have given their consent affidavits in favour of the Scheme constituting 100% in value and 100 % in number. In relation to the equity shareholders and secured creditors of the transferee company, prayers have been made for issuance of directions for convening and holding of their respective meetings in order to obtain their approval in favour of the Scheme. In respect of the unsecured creditors, the transferee company seeks dispensation from holding and convening their meeting on the ground that all the unsecured creditors of the transferee company have given their consent affidavits in favour of the Scheme.



8. We have perused the joint application and the connected documents / papers filed by the applicants including the Scheme of Arrangement for Amalgamation as contemplated between the Applicant companies.
9. It is seen that the board of directors of both the applicant companies vide separate meetings, held on 23.02.2018 respectively have unanimously approved the proposed Scheme of Amalgamation. Copies of such resolutions passed thereat have been placed on record by the applicant companies.
10. Both the applicants have filed their respective Memorandum and Articles of Associations. The applicants have also filed their latest audited financial statements for the year ending 31.03.2018.
11. It is submitted that the proposed merger is sought to be made under the provisions of Section 230 to 232 of the Companies Act, 2013 and the same if sanctioned by this Tribunal, the appointed date as provided in the Scheme shall be 31.12.2017.



12. Both the applicant companies have submitted that no proceedings for inspection, inquiry or investigation under the provisions of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 is pending against applicant companies.

13. Certificates of respective statutory auditors of both the applicant companies have been placed on record which confirm that the accounting treatment in the scheme is in conformity with Section 133 of the Companies Act, 2013.

14. Further, it has been stated in the application that the Scheme will be beneficial to both the applicant companies and their respective shareholders, employees, creditors and other stake holders.

15. Taking into consideration the application filed jointly by the Applicant Companies the following directions are issued: -

**A. In relation to the Transferor Company:-**

- i. The meeting of Equity Shareholders is dispensed with as there are only two equity*



*shareholders in the company and their consent affidavits in favour of the Scheme have been placed on record.*

ii. *The meeting of Secured creditors is dispensed with because there is no Secured creditor in the company and therefore, the requirement of convening meeting of Secured creditors does not arise.*

iii. *The meeting of unsecured creditors is also dispensed with as there is only one unsecured creditor in the company and his consent affidavit in favour of the Scheme has been placed on record.*

**B. In relation to the Transferee Company:-**

i. *The meeting of the equity shareholders of the transferee company is directed to be held at Iskon Temple Complex, East of Kailash, New Delhi on 01.12.2018 at 10:30 A.M. The quorum of the*



*meeting shall be 500 in number or 75% in value.*

ii. *The meeting of Secured creditors is directed to be held at Iskon Temple Complex, East of Kailash, New Delhi on 01.12.2018 at 12:00 P.M. The quorum of the meeting shall be 8 in number or 75% in value.*

iii. *The meeting of unsecured creditors is dispensed with as all the unsecured creditors have given their consent affidavits in favour of the Scheme.*

**C.** Mr. Prabhu Singh, Advocate (Mobile No. 7023355595) is appointed as the Chairperson and Mr. Vaibhav Singh, Advocate (Mobile No. 9958450557) is appointed as the Alternate Chairperson. Mr. Ruchir Kaushik, Chartered Accountant (Mobile No. 9899909223) is appointed as Scrutinizer for the aforesaid meetings in terms of direction issued herein.



**D.** In case the quorum as noted above for the aforesaid meetings are not present at the meetings, then the meetings shall be adjourned by half an hour, and thereafter the persons present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies 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 with the registered office of the applicant companies at least 48 hours before the meetings. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained.

**E.** The fee of the Chairperson for the aforesaid meetings shall be Rs. 1,00,000/-, the fee of the Alternate Chairperson shall be Rs. 75,000/- and the fee of the Scrutinizer shall be Rs. 75,000/- in addition to meeting their incidental expenses. The



Chairperson will file its report within a week from the date of holding of the respective meetings.

**F.** That the applicant companies shall publish advertisement with a gap of at least 30 days before the aforesaid meetings, indicating the day, date, place and time as aforesaid, to be published in Delhi editions of 'The Business Standard' English edition and "The Business Standard" Hindi edition stating that the copies of Scheme, the explanatory statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered offices of the Applicant Companies.

**G.** Voting shall be allowed on the proposed Scheme by voting in person, by proxy, through postal ballot or through electronic means as may be applicable for the aforesaid meetings in terms of the provisions of the Companies Act, 2013 and Rules framed there under.



**H.** The applicant companies shall individually send notice to Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, the Income Tax Authorities, Registrar of Companies National Capital Territory of Delhi and Haryana, Bombay Stock Exchange, The Securities and Exchange Board of India, Reserve Bank of India and the Official Liquidator and any other sectoral regulators along with copy of relevant documents and disclosures as required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.

**I.** The applicant companies shall further furnish copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every members and creditors of the applicant companies entitled to attend the meetings as mentioned above.

**J.** The authorized representative of the applicant companies shall furnish an affidavit of service of

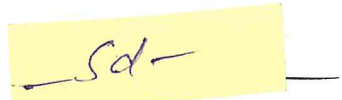


notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.

**K.** All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the applicant companies.

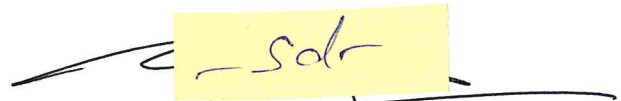
The application stands allowed in the aforesaid terms.

Let the copy of the order be served to the parties.



**(M.M. KUMAR)**

**PRESIDENT**



**(S. K. MOHAPATRA)**

**MEMBER (T)**