

**BEFORE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
CA(CAA)36/BB/2017**

DATED: WEDNESDAY THE 28TH DAY OF JUNE, 2017

**IN THE MATTER OF COMPANIES ACT, 2013
IN THE MATTER OF SECTION 230-232 OF COMPANIES ACT, 2013
IN THE MATTER OF MICROGENESIS TECHSOFT PRIVATE LIMITED
AND
QUEDGE SOFTWARE SOLUTIONS PRIVATE LIMITED**

CA(CAA)36/BB/2017

1. Microgenesis Techsoft Private Limited

**No.3001, 5th Cross, 12th A Main,
HAL 2nd Stage, Indiranagar,
Bangalore-560047**

-APPLICANT NO.1/ TRANSFEREE COMPANY

2. Quedge Software Solutions Private Limited

**No.3001, 5th Cross, 12th A Main,
HAL 2nd Stage, Indiranagar,
Bangalore-560047**

-APPLICANT No.2/TRANSFEROR COMPANY

Parties Present: Mr. V.Karthick Vardarajan
Practising Company Secretary
Huligadri Renaissance Landmark
#50, 10th Main, 17th Cross, Malleshwaram
Bangalore 560055

Heard on: 08.06.2017

ORDER

This is a joint Application filed by the applicant companies namely Microgenesis Techsoft Private Limited (Applicant Company No.1/ Transferee Company) and Quedge Software Solutions Private Limited (Applicant Company No.2/ Transferor Company) under Section 230 to 232 of Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, praying to order for dispensing with the convening of meeting of Shareholders and Creditors of Applicant Company No.1 and Applicant Company No.2 for considering the scheme of Amalgamation, where under Quedge Software Solutions Private Limited (Applicant Company No.2/ Transferor Company) is

proposed to be merged with Microgenesis Techsoft Private Limited (Applicant Company No.1/ Transferee Company). The Scheme of Amalgamation shown as **Annexure-F**.

The averments made in the Company Application are briefly described hereunder:-

The Applicant seeks an order for dispensing with the convening of meeting of Shareholders and Creditors of Applicant Company No.1 and Applicant Company No.2 for approving the scheme of Amalgamation of Quedge Software Solutions Private Limited with Microgenesis Techsoft Private Limited (Applicant Company No.1/ Transferee Company) in terms of Scheme of Amalgamation shown as **Annexure-F**.

Joint Application was filed on behalf of the applicant companies alleging that the Applicant Company No.1/ Transferee Company was incorporated on 20th December, 2004 under the name and style of Microgenesis Techsoft Private Limited. The Registered office of the Transferee Company is situated at No.3001, 5th Cross, 12th A Main HAL 2nd Stage, Indiranagar, Bangalore-560008.

The main objects of the Transferee Company is to carry on in India or elsewhere, the business of producing, manufacturing, developing, making distributing, buying, selling, importing, exporting and otherwise dealing in all kinds of software and computer related activities to provide technical consultancy, to establish, develop, maintain, manage and run in India or elsewhere, software training centre, data processing centre, business processing centre, software consultancy, computer consultancy and other allied activities for all sorts of services relating to software and computers. The copy of Memorandum and Articles of Association of the Transferee Company is shown as **Annexure-C**.

The latest authorised share capital of the Transferee Company is Rs.1,00,00,000/- divided into 10,00,000 Equity Shares of Rs.10/- each. The issued, subscribed and paid-up capital of the Transferor Company is Rs.58,00,000 divided into 5,80,000 Equity Shares of Rs.10/- each. The Audited balance sheet as on 31st March, 2016 is shown as **Annexure-A**.

It is further stated that Applicant Company No.2/ Transferor Company was incorporated on 2nd November, 2004 under the name and style of Quedge Software Solutions Private Limited. The Registered office of the Transferor Company is situated at No.3001, 1st Floor, 5th Cross, 12th A Main HAL 2nd Stage, Indiranagar, Bangalore-560008.

The main objects of the Transferor Company is to carry on in India or elsewhere, the business of producing, manufacturing, developing, making distributing, buying, selling,

importing, exporting and otherwise dealing in all kinds of software and computer related activities to provide technical consultancy, to establish, develop, maintain, manage and run in India or elsewhere, software training centre, data processing centre, business processing centre, software consultancy, computer consultancy and other allied activities for all sorts of services relating to software and computers. The copy of Memorandum and Articles of Association of the Transferor Company is shown as **Annexure-D**.



The latest authorised capital of the Transferor Company is Rs.5,00,000/- divided into 5000 equity shares of Rs.100/- each. The issued, subscribed and paid-up capital is Rs.5,00,000/- divided into 5000 equity shares of Rs.100/- each. The Audited balance sheet as on 31st March, 2016 is shown as **Annexure-C**.

It is further stated that, the Board of Directors of the Transferor Company and Transferee Company have approved and adopted a Scheme of Amalgamation at their respective meetings held on 15th March, 2017 by virtue of which Quedge Software Solutions Private Limited (Applicant Company No.2/ Transferor Company) is proposed to be merged with Microgenesis Technosoft Private Limited (Applicant Company No.1/ Transferee Company) subject to confirmation. A Copy of the Board Resolution of Transferor Company and Transferee Company dated 15th March, 2017 approving and adopting the Scheme of Amalgamation shown as **Annexure-E**.

It is further averred that the Board of Directors of the Transferor Company and Transferee Company are of the opinion that the amalgamation would result in following benefits:

1. The amalgamation will help in integration of the Undertakings of the Transferor and Transferee Company and assist in revamping.
2. The amalgamation will help in scaling up the business of the undertaking of the transferee company resulting in expanding the reach and business base.
3. The amalgamation would enable proper positioning of technical and skilled manpower and manage the requirement in better way at reduced cost.

It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company has certified that the number of Equity shareholders as on 20th March, 2017 of the Applicant Company No.1/Transferee Company shown as **Annexure-K1**.



It is further stated that there are no Secured Creditors in the Applicant Company No.1 as on 27th March, 2017 as certified by the Chartered Accountant shown as **Annexure-I**.

It is further stated that there are no Unsecured Creditors in the Applicant Company No.1 as on 27th March, 2017 as certified by the Chartered Accountant shown as **Annexure-I**.

We have seen the consent affidavit filed by the Equity shareholders shown as Annexure-K i.e., (i) Samuel Tharian holding 5,000 equity shares, constituting 0.86 % of paid-up capital, (ii) Manoj Tharian holding 5,75,000 equity shares, constituting 99.14 % of paid-up capital.

It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company No.2 has certified that the number of Equity shareholders as on 20th March, 2017 of the Applicant Company No.2/Transferor Company shown as **Annexure-K1**.

It is further stated that there are no Secured Creditors in the Applicant Company No.2 as on 27th March, 2017 as certified by the Chartered Accountant shown as **Annexure-I**.

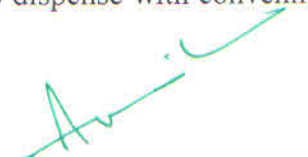
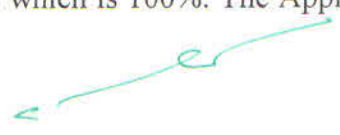
It is further stated that there are no Unsecured Creditors in the Applicant Company No.2 as on 27th March, 2017 as certified by the Chartered Accountant shown as **Annexure-I**.

We have seen the consent affidavit filed by the Equity shareholders shown as Annexure-K i.e., (i) Samuel Tharian holding 100 equity shares, constituting 2% of paid-up capital, (ii) Manoj Tharian holding 4,900 equity shares, constituting 98 % of paid-up capital.

The Applicant Companies No.1&2 seek an order for dispensing with convening of meeting of Secured Creditors and Unsecured Creditors on the ground that there are no secured creditors and unsecured creditors in the applicant companies no.1 & 2.

We have heard the counsel appearing for the Applicant Companies. The Application is filed by the Applicant Companies which is Transferor and Transferee Company for dispensing with the convening of meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors for approving the scheme of Amalgamation of Quedge Software Solutions Private Limited with Microgenesis Technosoft Private Limited in terms of Scheme of Amalgamation shown as **Annexure-F**.

The Applicant Companies No.1 & 2 obtained consent of shareholders in the form of affidavits, which is 100%. The Applicant Companies are praying to dispense with convening



of meeting of shareholders as all the shareholders have given their consent to the scheme. It is the contention of the counsel that no useful purpose would be served if meeting of shareholders is ordered as they have already given consent to the scheme. When there is consent of all the shareholders, convening of meeting of shareholders would be futile exercise. It is true when all the shareholders have given consent for the scheme then no useful purpose would be served by convening meeting of Shareholders. Therefore Applicant Company No.1 & 2 are permitted to dispense with convening of meeting of shareholders.

In the result, the application is allowed and holding of meeting of the Equity Shareholders of the Applicant Companies is dispensed with. In any eventuality when the Applicant Companies approaches this Tribunal for seeking approval of the scheme it would be open for any person who is interested in the Scheme of Amalgamation to put forth their contentions before the Tribunal.


(RATAKONDA MURALI)

MEMBER, JUDICIAL


(ASHOK KUMAR MISHRA)

MEMBER, TECHNICAL

DATED THIS THE 28th DAY OF JUNE, 2017