BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, PRINCIPAL BENCH

NEW DELHI

Company Application No.A.14/PB/2017

Present: CHIEF JUSTICE (Retd.) SHRI M.M.KUMAR, HON'BLE PRESIDENT

& SHRI R.VARADHARAJAN, MEMBER (JUDICIAL)

In the matter of:

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

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

BETWEEN

Colossal Homeland Buildup Private Limited

(TRANSFEROR COMPANY/ APPLICANT COMPANY NO.1)

AND

Rajasthan Global Securities Private Limited

(TRANSFEREE COMPANY/ APPLICANT COMPANY NO.2)

AND

Their respective Shareholders and Creditors

MEMO OF PARTIES

1. **COLOSSAL HOMELAND BUILDUP PRIVATE LIMITED**

   Company registered under the Companies Act, 1956

   Having Registered Office at:

   208 & 210 Jain Bhawan 18/12 WEA, Karol Bagh

   New Delhi-110005

   Through its authorized representative and Director: Mr. Rama Chandran Nair

   CIN: U70100DL1993PTC053320 ...Applicant Company No.1 / Transferor Company

2. **RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED**

   Company registered under the Companies Act, 1956

   Having Registered Office at:

   208 & 210 Jain Bhawan 18/12 WEA, Karol Bagh

   New Delhi-110005

   Through its authorized representative and Director: Mr. Rama Chandran Nair

   CIN: U67120DL1995PTC072778 ...Applicant Company No.2 / Transferee Company

Counsel for the Applicants: Mr. Ashutosh Gupta, Advocate

Mr. Gaurav Rana, Advocate

ORDER

1. This is an application jointly filed by the Applicant Companies herein, namely Colossal Homeland Buildup Private Limited (for brevity "Transferor Company/Applicant Company No.1") and Rajasthan Global Securities Private Limited (for brevity "Applicant Company No.2/Transferee Company") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (for brevity ''The Act") read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed between the companies. The said Scheme is annexed as Annexure "A-1" to the application. The Applicant Companies above named have preferred the instant joint application for the following purpose as is evident from the reliefs sought for in Paragraph VII of the Application, namely:-

a. Pass an order that a meeting of the Unsecured Creditors of the Transferor Company and Transferee Company may be dispensed with for consideration and approval of the Scheme of Arrangement for amalgamation with or without modification;

b. pass an order that a meeting of the Equity shareholders may be dispensed with for consideration and approval of the Scheme of Arrangement for amalgamation with or without modification;

c. pass an order that in view of Prayer (a) above, no notice for dispensing the meeting of Unsecured Creditors of the Transferor Company and Transferee Company be published in one English and one Hindi newspapers having circulation in the city of Delhi;

d. Pass such other and further Orders as this Honorable Tribunal may deem fit in the facts and circumstances of the case.

2. An Affidavit in support of the above application sworn for and on behalf of the Transferor Company and also for Transferee Company has been filed by one Mr. Rama Chandran Nair, being the Director of both the Applicant Companies along with the application. Counsel for the applicants took us through the averments made in the application as well as the typed set of documents annexed there with. Learned Counsel represents that the Scheme does not contemplate any corporate debt restructuring exercise as contemplated under Section 230(2) of the Act. It is further represented that the application filed by the applicants are maintainable in view of Rule 3(2) of the Companies (Compromises, Arrangements and Amalgamations) Rules 2016 and it is also represented that the registered office of the applicant companies are situated within the territorial jurisdiction of this Tribunal which falls within the jurisdiction of the Registrar of

Companies, NCT, New Delhi. In relation to Colossal Homeland Buildup Private Limited being the Transferor Company/Applicant Company No.1, in the Scheme marked as Annexure – "A-1", it is represented that it is having thirteen Equity Shareholders as on 25.11.2016. It is further represented by the counsel for the Applicants that the Applicant Company No.1/ Transferor Company as on 25.11.2016 has no Secured Creditor and is having (Seven Unsecured Creditors as on 25.11.2016. In relation to the shareholders and Unsecured creditors of the Applicant Company No.1 / Transferor Company, the Applicant Company seeks dispensation of the meeting as there are thirteen Equity Shareholders and Seven Unsecured Creditors from whom "No Objection Letters" have been received and are placed on record.

3. In relation to Rajasthan Global Securities Private Limited being the Transferee Company/Applicant Company No.2, in the Scheme marked as Annexure – "A-1", it is represented that it is having twelve Equity Shareholders as on 25.11.2016. It is further represented by the counsel for the Applicants that the Applicant Company No.2/ Transferee Company as on 25.11.2016 has no Secured Creditor and is having Two Unsecured Creditors as on 25.11.2016. In relation to the shareholders of the Applicant Company No.2 / Transferee Company, the Applicant Company seeks dispensation of the meeting as there are twelve Equity Shareholders out of which "No Objection Letters" of eleven have been received,

constituting 98.07% in value and 91.1% in number and Two Unsecured Creditors from whom "No Objection Letter" have been received and are placed on record.

4. The above application seems to have been filed, as is evident from the endorsement made by the Registry of this Tribunal on 28.02.2017 under Sections 230 to 232 of Companies Act, 2013 and as well as Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 framed there under having been brought into force prior to the date of filing. Thus, this Tribunal proceeds to entertain the above application filed under the 2013 Act. Further, the registered office of the Applicant Companies is situated within New Delhi and subject to Registrar of Companies, NCT, New Delhi & Haryana, hence is amenable to the territorial jurisdiction of this Tribunal.

5. We have perused the application and the connected documents / papers filed therewith including the Scheme of Amalgamation contemplated between the Applicant companies.

6. From the certificate of incorporation filed, it is evident that the Transferor Company / Applicant Company No. 1 was incorporated initially under the name and style of Nikki Securities Private Limited which was later on changed to Colossal Homeland Buildup Private Limited on 13th April, 2016 with the Registrar of Companies, NCT of Delhi & Haryana .

7. The authorized capital of the Transferor Company/ Applicant Company, as on 01.04.2016 is Rs. 1, 25, 00, 000 divided into 12, 50, 000 equity shares of Rs. 10/- each. The issued, subscribed and Paid- up capital of the company is Rs. 75, 00, 000 divided into 7, 50, 000 equity shares of Rs. 10/- each.

8. The main objects of the Transferor Company/ Applicant Company No.1 as stated in the application are as follows:

   i. To purchase any land, plot(s) of land or immovable property or any right or interest therein either singly or jointly or in partnership with any person(s) or body corporate or partnership Firm and to develop and construct thereon residential, commercial complex or complex (es) either singly or jointly or in partnership as aforesaid, comprising offices for sale or self-use or for earning rental income thereon by letting out individual units comprised in such building(s).

   ii. To purchase any movable or immovable property including industrial, commercial, residential, or farm lands, plots, buildings, houses, apartments, flats or areas within or outside the limits of Municipal Corporation or other local bodies, anywhere within the Domain of India, to divide the same into suitable plots, and to rent or sell the plots for building/constructing residential houses, bungalows, business premises, and colonies and rent or sell the same and realize cost in lump-sum or easy installments and otherwise.

iii. To purchase, sell and otherwise to carry on the business such as builders, contractors, engineers, Estate agents, decorators and surveyors.

iv. To purchase for resale and to trade in land and house and other immovable property of any tenure and any interest therein, and to create, sell and deal in freehold and leasehold ground rents, and to deal in trade by way of sale, or otherwise with land and house property and any other immovable property whether real or personal.

9. From the certificate of incorporation filed, it is evident that the Transferee Company/Applicant Company No.2 was initially incorporated under the name and style of Rajasthan Global Securities limited which was later on changed to its present name i.e. Rajasthan Global Securities Private Limited incorporated on 6th April, 2015. The Transferee Company is also registered as Non-Banking Finance Company (NBFC) with Reserve Bank of India.

10. The authorized capital of the Transferee Company as on 01.04.2016 is Rs. 16, 55, 00, 000 divided into 16, 550, 000 equity shares of Rs. 10/- each. The issued, subscribed and Paid- up capital of the company is Rs. 29, 27, 120 divided into 12, 92, 712 equity shares of Rs. 10/- each.

11. The main objects of the Transferee Company / Applicant Company No.2 as stated under:

i. To carry on the business of Merchant Banking in all aspects, to act as managers to the issue. To act as lead managers, Co-managers, Brokers to issue, to act as underwriters, sub-underwriters, and dealers in Securities, Buying, Selling, and Transferring hypothecating and holding of Shares, Debentures, bonds and all type of Securities. To act as Stock and Share Brokers, Sub-Brokers of Stocks & new issues of Shares and to acquire membership of Stock Exchanges in India and abroad. To act as Registrars to the Issue of Securities, Share Transfer Agents, Investment Business, Portfolio Management, Corporate Counseling, Investment Counseling, Fixed Deposit Brokers, Inter-corporate Investments, Canvassers, Financial Consultants, Finance and Discount Brokers, Foreign Exchange Brokers (with the permission of RBI and other authorities). Advisors and consultants to the Issue of Securities of all kinds and types in all their aspects in India or outside and to manage/arrange mergers and acquisitions.

ii. To invest in, acquire and hold, buy and sell, or otherwise dispose of or deal in Securities of any kind, Shares Debentures, Debenture Stocks, Bonds, Units, Obligations and Securities Issues or Guaranteed by any Government, State/Union Territory, Municipal or Civic Body, Financial Institutions, Commercial Papers, Negotiable Instrument and paper instruments of all types and kinds.

iii. To make Syndicate of Brokers of different Stock Exchanges and provide services to its members for inter-share and stock market activities, mutually with each other and **to become** a member and to act as Share and Stock Broker of different Stock Exchanges.

iv. To provide services to Financial Institutions, Life Insurance Corporation of India, Unit Trust of India and such other organization, Publics Sector Undertakings, Industrial Houses, Banks and other corporate and non-corporate sector organizations for their investment portfolio management, study and analysis of Financial Statements of various corporate and non-corporate sector organizations for their Shares and stock holdings as their agents, consultants and Share Brokers.

12. The Applicant Companies have filed their respective Memorandum and Articles of Association as well as their last available audited financial statements for the year ended 31.03.2016.

13. A copy of the Scheme of Amalgamation as stated supra as Annexure – ''A-1'' has been placed on record and the salient features of the Scheme have been brought about by the applicant which are stated to be for the following benefits. :

i. The amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources;

ii. Optimum and efficient utilization of capital, resources, assets and facilities;

iii. Consolidation of businesses and enhancement of economic value and shareholder value;

iv. Better management and focus on growing the businesses;

v. The amalgamation will not in any way affect the rights of the creditors. Further, the amalgamation will not affect the service conditions of the employee.

14. The Board of Directors of the Applicant companies vide separate meetings held on 25.101.2016 for Transferor Company and for Transferee Company on 24.11.2016 have unanimously approved the proposed Scheme of Amalgamation as contemplated above and copies of resolutions passed in the **meetings** have been placed on record by the companies.

15. Both the companies aver that no investigation or proceedings are pending against them either under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 226 of the Companies Act, 2013 or under any other law. Further, the applicant companies also submit that the Scheme is not otherwise opposed to Public Policy or, against interests of the members of the applicant companies.

16. Taking into consideration the application filed by the Applicant companies and the documents filed therewith, we propose to issue the following directions with respect to calling, convening and holding of the meetings of the shareholders, secured and Unsecured Creditors or for its dispensation of the Applicant Companies as :

A) **In relation to the Transferor Company/ Applicant Company No.1**:

(i) With respect to Equity shareholders:

Since it is represented by the Transferor Company / Applicant Company No.1 that consent letters of all the equity shareholders have been placed on record and therefore, the convening of meeting is dispensed with.

(ii) With respect to Secured Creditors:

Since it is represented by the Transferor Company/ Applicant Company No.1 that there are no Secured Creditors, convening a meeting of Secured Creditors do not arise.

(iii) With respect to Unsecured Creditors:

Since it is represented by the Transferor Company/ Applicant Company No.1 that there are Seven Unsecured Creditors and their "No Objection Letter" are placed on record therefore, convening a meeting of Unsecured Creditors do not arise.

B) In relation to the Transferee Company/ Applicant Company No.2:

(i) With respect to Equity shareholders:

Since it is represented by the Transferee Company / Applicant Company No.2 that consent letters of all the equity shareholders have been placed on record and therefore, the convening of meeting is dispensed with.

(ii) With respect to Secured Creditors:

Since it is represented by the Transferee Company/ Applicant Company No.2 that there are no Secured Creditors, convening a meeting of Secured Creditors do not arise.

(iii) With respect to Unsecured Creditors:

Since it is represented by the Transferee Company/ Applicant Company No.2 that there are Two Unsecured Creditors and their "No Objection Letter" are placed on record therefore, the necessity of convening a meeting of Unsecured Creditors do not arise.

The application stands allowed in the aforesaid terms.

Sd/-

(CHIEF JUSTICE M.M.KUMAR)
PRESIDENT

15.03.2017

Sd/-

(R.VARADHARAJAN)
MEMBER (JUDICIAL)