

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

CA (CAA)No.77/230/HDB/2017
U/S 230 to 232 R/W Section 66 and Section
52 and other relevant provisions of the Companies
Act, 2013.

In the matter of

M/s. Karvy Consultants Limited (KCL)
46, Avenue, 4, Street No. 1,
Banjara Hills, Hyderabad,
Telangana- 500034.
Represented by
Mr. C. Parthasarathy,
Chairman/Authorised Representative

**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**

...First Applicant Company/
Demerged Company

And

M/s. Karvy Computershare Private Limited (KCPL)
46, Avenue, 4th Street, No. 1,
Banjara Hills, Hyderabad,
Telangana- 500034.
Represented by
Mr. RakeshSanthalia/
Authorised Representative

...Second Applicant Company/
Transferor Company

And

M/s. KarvyFintechPrivate Limited (KFPL)
Plot No.31/P, Karvy Millennium,
Nanakramguda, Gachibowli,
Hyderabad, Telangana- 500032.
Represented by Mr. RakeshSanthalia/
Authorised Representative

...Third Applicant Company/
Transferee Company

And

The Respective Shareholders and Creditors

Order pronounced on 20th November, 2017

Coram

Hon'ble Shri Rajeswara Rao Vittalana, Member (J)

Counsels/ Parties Present

For the Applicant : Shri V.B. Raju, Advocate
For Official Liquidator : Shri Anil Kumar, CGSC



Per: Rajeswara Rao Vittanala, Member (Judicial)

ORDER

1. The present joint Company Application bearing CA (CAA) No. 77/230/HDB/2017 is filed by Karvy Consultants Limited (1st Applicant/Demerged Company), Karvy Computershare Private Limited (2nd Applicant/Transferor Company) and Karvy Fintech Private Limited (3rd Applicant / Transferee Company) under Section 230 of Companies Act, 2013, by inter-alia seeking following reliefs:-

- (a) To dispense with meeting of Equity Shareholders of the First Applicant Company, Second Applicant Company and the Third Applicant Company.
- (b) To dispense with meetings of un-secured creditors of Karvy Consultants and Karvy Fintech Private Ltd
- (c) To convene a meeting of unsecured creditors of Karvy Computer Private Limited/2nd applicant Company on 9th day of December, 2017 at the Corporate Office of Company situated at Karvy Selenium Tower B, Plot No. 31 & 32, Financial District Nankramguda Serilingampally Mandal, Gachibowli, Hyderabad - 500032 at 11.30 AM. Quorum may be fixed at 30 unsecured creditors, who may be present either in person or through proxy. And notices may be published in Business Standard English daily and Telugu daily



2. Brief facts, leading to filing of the present case, are as follows:
 - (1) M/s Karvy Consultants Limited (herein referred to as "the Demerged Company" or "the First Applicant Company")
 - (a) M/s Karvy Consultants Limited (herein referred to as "the Demerged Company" or "the First Applicant Company") was incorporated under the Companies Act, 1956. Its registered Office is situated at Karvy

House, 46, Avenue, 4, Street No. 1, Banjara Hills,
Hyderabad, Andhra Pradesh - TG 500034, India.

- (b) The authorized, issued, subscribed and paid-up share capital of the First Applicant Company as on 31 March 2017 is as follows:

Authorized Capital	Amount (Rs.)
90,00,000 Equity Shares of Rs.10 each	9,00,00,000/-
21,00,000 Preference Shares of Rs.100 each	21,00,00,000
TOTAL	30,00,00,000/-
Issued, subscribed and Paid-up capital	Amount (Rs.)
42,29,995 Equity Shares of Rs.10 each, fully paid-up	4,22,99,950/-
TOTAL	4,22,99,950/-



Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the First Applicant Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the First Applicant Company.

- (c) The First Applicant Company was promoted with the objective of providing financial advisory services. The First Applicant Company started its foray into the capital markets with the Registrars to Issue and Share Transfer Agency ('RTA') activity in 1982. By leveraging its resources and extensive use of information technology, the First Applicant Company ventured into various other business activities viz., share broking services, data management services, data analysis services, insurance repository services etc., either directly or through its subsidiaries / joint-venture / associate company. The First Applicant Company also provides management consultancy, advisory and support services to its various businesses undertaken through its subsidiaries / joint-venture / associate company.

(2) M/s Karvy Computershare Private Limited (herein referred to as “Transferor Company” or “the Second Applicant Company”)

(a) M/s Karvy Computershare Private Limited(herein referred to as “Transferor Company” or “the Second Applicant Company”) was incorporated under the Companies Act, 1956, in Hyderabad. The registered office of the Second Applicant Company is situated at Karvy House, 46, Avenue, 4th Street, No. 1, Banjara Hills, Hyderabad, Andhra Pradesh - TG 500034,India.

(b) The authorized, issued and paid-up share capital of the Second Applicant Company as on 31 March 2017 is as follows:

Authorized 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:	Amount (Rs.)
52,60,000 Equity Shares of Rs. 10 each, fully paid	5,26,00,000/-
TOTAL	5,26,00,000/-



Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Second Applicant Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Second Applicant Company.

(c) The Second Applicant Company is engaged in the business of security registry in India and abroad and is registered with Securities and Exchange Board of India (‘SEBI’) under SEBI (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 and Pension Fund Regulatory and Development Authority (‘PFRDA’) under PFRDA (Central Recordkeeping Agency) Regulations 2015.



(3) M/s KarvyFintech Private Limited (earlier known as KCPL Advisory Services Private Limited)(herein referred to as “the Transferee Company” or “the Third Applicant Company”)

- (a) M/s KarvyFintech Private Limited (earlier known as KCPL Advisory Services Private Limited) (herein referred to as “the Transferee Company” or “the Third Applicant Company”) was incorporated under the Companies Act, 2013, in Hyderabad. Its Registered Office is situated at Plot No.31/P, Karvy Millennium, Nanakramguda, Gachibowli, Hyderabad, Telangana-500032, India.
- (b) The authorized, issued and paid-up share capital of the Third Applicant Company as on 30 June 2017 is as follows:

Authorized 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:	Amount (Rs.)
10,000 Equity Shares of Rs. 10 each	1,00,000
TOTAL	1,00,000

Subsequent to the above and till the date of the Scheme being approved by the Board of Directors of the Third Applicant Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Third Applicant Company.

- (c) The Third Applicant Company is incorporated with an objective to engage in the business of management consultancy, advisory services in relation to corporate legal affairs, secretarial, accounting etc and security registry business in India and abroad.

3. RATIONALE FOR THE PROPOSED COMPOSITE SCHEME OF ARRANGEMENT

The circumstances that have necessitated or justified the proposed composite scheme and its main benefits are *inter alia*, summarised as under:

- (i) Over the last few decades, the RTA Business (as particularly defined in the Scheme) of KCL has grown significantly and currently services over 70 million investors across 23 domestic mutual funds and over 500 listed corporate companies. Considering the existing Indian financial markets, the promoters believe that there are robust growth opportunities for the RTA Business in India and globally. The promoters wish to further explore and develop the RTA Business, especially the wealth administration business across hedge funds, private wealth management, portfolio management services and pension fund administration services and also expand across new geographies.
- (ii) Given that KCL is presently operating in different segments, the promoters believe that KCL would not be in a position to provide the desired attention to the RTA Business in the existing set-up. Accordingly, to have greater management focus on the RTA Business, it is proposed to demerge the RTA Business along with investment in KCPL to KFPL and subsequently merge KCPL with KFPL. The segregation and consolidation of RTA Business in KFPL shall be in the larger interest of shareholders and creditors of KCL and KCPL.
- (iii) Accordingly, the proposed scheme will enable better and more efficient management, control and running of the RTA Business. Further, it will also enable KCL to focus and enhance its remaining business operations by streamlining operations and ensuring better and more efficient management control.
- (iv) Segregating business would enable independent business opportunities, attracting different sets of



investors, strategic partners, lenders and other stakeholders. Thereby, resulting in unlocking and maximizing stakeholder's value.

- (v) Further, the Scheme would bring about synergy of operations and greater internal control on business processes and ease in decision making.
- (vi) Thus, with the aforesaid objectives, it is proposed to demerge the Demerged Undertaking of KCL into KFPL and thereafter amalgamate KCPL with KFPL.



- 4. It is further submitted that, the Board of Directors of the First Applicant Company, the Second Applicant Company and the Third Applicant Company vide each of its Board resolutions dated 02 August 2017 respectively, approved and adopted the Scheme.
- 5. The following are brief terms of the proposed scheme:-

(A) DEMERGER OF DEMERGED UNDERTAKING FROM KCL INTO KFPL

- 1) Upon the Scheme becoming effective, all properties, assets, rights, title, interests and investments and liabilities (including the entire investment in KCPL held by the Demerged Company) in relation to the Demerged Undertaking shall also, without any further act, instrument or deed stands transferred to and vested in be deemed to have been transferred to Transferee Company by virtue of this Scheme.
- 2) Upon the Scheme becoming effective, assets of the Demerged Undertaking as are movable in nature or capable of transfer by manual etc, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions etc, any recoverable in cash or kind or for value to be received, bank balances,

issued to or granted, various incentives, subsidies, exemptions, special status, service tax and other benefits or exemptions or privileges to or executed in favour of the Demerged Company pertaining to the Demerged Undertaking, shall be transferred to and vested in the Transferee Company.

- 3) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged company in the Transferee Company, in pursuant to the Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to the respective equity shareholders of the Demerged Company, whose names are registered in the register of members of as on the Record Date fully paid up equity shares of Rs. 10/- (Rupees Ten only) each, credited as fully paid up of the Transferee Company, for every 210 Equity shares of Rs. 10/- (Rupees Ten only) each fully paid up and held by such Equity Shareholder in the Demerged Company.
- 4) Upon the Scheme becoming effective and upon issuance of Equity Shares by the Transferee Company to the Shareholders of the Demerged Company, the existing 10,000 (ten thousand) Equity Shares of INR 10/- each held by the Shareholders of the Demerged Company in the Transferee Company shall stand cancelled and reduced without any consideration. Such reduction of Equity Share Capital of the Transferee Company shall be effected as part of the Scheme, upon which the Share Capital of the Transferee Company shall be deemed to be reduced. The said reduction shall be in accordance with the provisions of Section 66 of the Act and without having to follow the procedure under Section 66 of the Act and the NCLT Order(s) sanctioning the Scheme shall be deemed to be an order under the relevant provisions of the Act



confirming such reduction of Share Capital of the Transferee Company.

- 5) Upon the Scheme becoming effective, the book value of assets and liabilities pertaining to Demerged Undertaking shall be reduced from its books of accounts. The inter-company balances, if any, appearing in the books of accounts of the Demerged Company pertaining to the Demerged Undertaking and the Transferee Company, shall stand cancelled. The difference between the book value of assets and the book value of liabilities, shall be adjusted against Securities Premium Account of Demerged Company. The reduction to the Securities Premium Account shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 read with Section 66 of the Act and without having to follow the procedure under Section 66 of the Act. The NCLT Order(s) sanctioning the Scheme shall also be deemed to be order under Section 52 read with Section 66 of the Act for the purpose of confirming adjustment to the Securities Premium Account, as may be applicable.

- 6) Similarly, Upon the Scheme becoming effective, the Transferee Company shall account all the assets and liabilities in relation to the Demerged Undertaking, in its books of account at the respective book values as appearing in the books of the Demerged Company as on the Appointed Date. The inter-company balances, if any, appearing in the books of accounts of the Demerged Company pertaining to Demerged Undertaking and the Transferee Company, shall stand cancelled. The Transferee Company shall credit to the Equity Share Capital Account, the aggregate face value of the Equity shares issued and allotted to the Shareholders of the Demerged Company pursuant to this Scheme. The difference between the book value





of net assets of Demerged Undertaking and the face value of the Equity Shares issued and allotted pursuant to the Scheme shall be debited to Goodwill Account or credited to Capital Reserves Account, as the case may be, and would be shown as a separate line item on asset side or the liability side, as the case may be, in the balance sheet of the Transferee Company. Further, with effect from the Appointed Date and upon the Scheme becoming effective, the amount of Equity Share Capital as extinguished under Clause 6.1 shall be reduced from the Equity Share Capital of the Transferee Company. The amount equivalent to the Equity Share Capital so cancelled and extinguished would be credited to the Capital Reserves of the Company. In case of Goodwill, if any, arising on account of demerger of Demerged Undertaking, shall, notwithstanding any contrary treatment contained in any law or as a result of a change in the law or as a result of any statutory modification thereof, be amortised over a period of 10 years or any other suitable period as may be determined by the Board of Directors of the Transferee Company.

- 7) Upon the Scheme becoming effective and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, which the Demerged Company is a party or benefit, or may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Demerged Company, the Transferee Company had been a party or beneficiary or obligee thereto.



- 8) The Transferee Company may, at any time after coming into effect of the Scheme, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Demerged Company is a party as may be necessary to be executed in order to give formal effect to the above provisions. Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Demerged Company.
- 9) Upon the coming into effect of this Scheme, if any suit, appeal or other proceeding of whatsoever nature by or against Demerged Company be pending in each case relating to the Demerged Undertaking, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking or anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Demerged Company, if this Scheme had not been made.
- 10) Any regulatory and/ or governmental investigations and/ or actions involving or in relation to the Demerged Company, shall not be assumed by the Transferee Company and the same shall not be enforced by or against the Transferee Company and such liabilities shall remain with the Demerged Company.
- 11) Upon the Scheme becoming effective, all staff, workmen and employees of the Demerged Company in



service, as at the end of the Transition period shall be deemed to have become staff, workmen and employees of the Transferee Company on such date, without any break or interruption in their service, and the terms and conditions of their employment with the Transferee Company not less favourable than the terms and conditions were applicable. *The Transferee Company agrees that the service of all employees engaged in or in relation to the Demerged Undertaking up to the Appointed Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in Demerged Company up to the Appointed Date. Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.*

- 12) The Remaining KCL Undertaking and all the assets, liabilities and obligations relating or pertaining thereto (including without limitation any liabilities arising on account of any regulatory and/ or governmental investigations and/ or actions involving or in relation to the Demerged Company) shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Company. All legal, tax and other proceedings by or against the Demerged Company under any statute, pertaining or relating to the Remaining KCL Undertaking shall be continued and enforced solely by or against the Demerged Company only. The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining KCL Undertaking in its own name and on its own account and its own behalf in all respects.

(B) AMALGAMATION OF KCPL INTO KFPL



- (1) Upon the Scheme becoming effective (after Demerger is deemed to have taken effect as above) and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the entire KCPL Undertaking of Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in Transferee Company so as to become the undertaking of Transferee Company by virtue of and in the manner provided in this Scheme.
- (2) Upon the Scheme becoming effective, all properties and liabilities, all debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of KCPL of Transferor Company, any statutory licences, registrations, authorizations, statutory rights, permissions, approvals, tax registrations, service tax, Goods and Service Tax (GST) registrations, provident fund, ESI, registration with the Reserve Bank of India or other registrations whether statutory or otherwise, no objection certificates, or any consents to carry on the operations of Transferor Company, with effect from the appointed date, become the properties / vested of/with the Transferee Company by virtue of Amalgamation.
- (3) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, Goods and Service Tax (GST) etc.) payable by or refundable to Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, etc. as the case may be, of Transferee Company, and any tax incentives,

advantages, privileges, exemptions, credits, holidays, remissions, reductions, service tax input credits, Good and Service Tax (GST) input credits etc., as would have been available to Transferor Company, shall pursuant to this Scheme becoming effective, be available to Transferee Company.

(4) Any third party or authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Order(s) sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of Transferee Company as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. For this purpose, Transferee Company shall file certified copies of such NCLT Order(s) and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences (including the licences granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

(5) upon the scheme becoming effective, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of Transferor Company in relation to KCPL Undertakings shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of Transferee Company, and Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to Transferee Company.





- (6) Upon the scheme becoming effective any suit, appeal or other proceeding of whatsoever nature by or against Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the KCPL Undertaking or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against Transferor Company, if this Scheme had not been made.
- (7) Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Companies in service as at the end of the Transition period shall be deemed to have become staff, workmen and employees of the Transferee Company on such date, without any break or interruption in their service, and the terms and conditions which are not less favourable than the terms and conditions as were applicable.
- (8) Upon the Scheme becoming effective (after demerger is deemed to have taken effect), the entire share capital of the Transferor Company shall be held by the Transferee Company (either held directly or through and/or its /nominee(s)).
- (9) Upon the Scheme becoming effective, Transferee Company shall account for the Amalgamation in its books of accounts as per the 'Purchase Accounting Method' as described in Accounting Standard - 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, Upon the Scheme becoming effective, Transferee Company shall account for the Amalgamation in its books of accounts as per the 'Purchase Accounting Method' as described in Accounting Standard - 14 "Accounting for

Amalgamations” issued by the Institute of Chartered Accountants of India,

- (10) The difference in the value of net assets of Transferor Company to be vested in Transferee Company above and cancellation of investment held by Transferee Company in Transferor Company as on the Effective Date, shall be credited by Transferee Company to “Capital Reserves” or debited to “Goodwill Account”, as the case may be, and would be shown as a separate line item on the liability side or the asset side, as the case may be, in the balance sheet of the Transferee Company. In case of Goodwill, if any, arising on account of this Scheme, shall, notwithstanding any contrary treatment contained in any law or as a result of a change in the law or as a result of any statutory modification thereof, be amortized over a period of 10 years or any other suitable period as may be determined by the Board of Directors of the Transferee Company.



- (11) The authorised share capital of Transferor Company as specified in clause 2.4 aggregating to Rs. 6,00,00,000 divided into 60,00,000 Equity Shares of Rs.10 each shall stand transferred to and combined with the authorised share capital of Transferee Company and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by Transferor Company on its authorised share capital shall be deemed to have been so paid by Transferee Company on the combined authorised share capital and accordingly, Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased. Upon the coming into effect of this Scheme, Transferee Company shall file necessary form of Notice of increase of Authorised Share Capital with the Registrar of Companies, Hyderabad in accordance with law.

(12) On the Scheme becoming effective, Transferor Company shall stand dissolved without being wound-up.

6. Heard Shri V.B.Raju learned counsel for the petitioner and Sri Anil Kumar for the Official Liquidator and also carefully perused the pleadings and material papers filed in their support.
7. The Learned counsel for the respondent submit that the Board of Directors of Karvy Consultants Limited (1st Applicant/Demerged Company), Karvy Computershare Private Limited (2nd Applicant/Transferor Company) and KarvyFintech Private Limited (3rd Applicant / Transferee Company) vide their separate meetings evenly held on 2nd August, 2017 have considered and approved the said Composite scheme of Arrangement and Amalgamation among them subject to approval of NCLT and the statutory Authorities.
8. It submitted that there are 12 (twelve) Equity shareholders in the First Applicant Company, 2 (two) Equity Shareholders in the Second Applicant Company and 11 (Eleven) Equity Shareholders in the third Applicant Company and all of them have given their consent to the Scheme by means of affidavits. The affidavits given by them have been enclosed to the application
9. It is further stated that there are no secured creditors in the 1st Applicant Company, 2nd Applicant Company and 3rd Applicant Company.
10. There are 19 unsecured creditors in the 1st Applicant Company and 13 Creditors constituting 99.96% in value of the Unsecured Creditors have given their consent by means of Affidavits stating that there is no objection for the composite Scheme of Arrangement & Amalgamation.
11. The learned counsel for the applicants submit that there are total 474 un-secured creditors exists in Karvy Computer Share (second applicant) for total amount of more than Rs.36 crores. Since there are several un-secured creditors



exists, the learned counsel prayed the Tribunal to order to convene a meeting of these creditors so that all the people know the proposed scheme and they will submit their views on the scheme during the meeting to be conducted and the people who have stated to have given affidavits declaring no objection can also participate in the meetings and confirm the same.



12. It is submitted that there are 389 Unsecured Creditors and 01 (one) unsecured creditor in 3rd Applicant Company, who have given their consents by means of affidavit stating they have no objection to the proposed composite scheme of Arrangement and Amalgamation.
13. The learned counsel has filed a memo of service dated 17th August, 2017 enclosing proof of service of serving copies on 17th August, 2017 on the Regional Director, Registrar of Companies and Official Liquidator of the Ministry of Corporate Affairs
14. I have perused all the pleadings including material papers including various affidavits given by the shareholders of all the Companies involved in the Scheme by giving their consents to the propose scheme in question. And also the affidavits of un-secured of first and third Companies. I find that all the affidavits have been duly executed and there would not serve any purpose to order to conduct their meetings again. I also find that the scheme in question is prima facie satisfy all extant all provisions of Company Act, 2013, and rules made there under. And it can be considered for its however subject to approval of its shareholders, secured/unsecured creditors, all stake holders and all statutory Authorities, and finally by NCLT. Therefore, all three Applicant Companies are entitled for dispensation of meeting of its Shareholders as they have already given their consent by way of sworn affidavits. The first and third applicant Companies are also entitled for dispensation of conducting meeting of its un-secured Creditors. However, since the 2nd Applicant Company is having 389 unsecured

creditors, and as prayed by the learned counsel for the applicant, it would be just and proper to order conducting of meeting of those un-secured Creditors by issuing proper individual / paper publication as per extant provisions of Company Act, 2013 and Rule 3 of Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

15. In the result, the Company Application bearing CA (CAA) No.77/230/HDB/2017, is disposed of with the following directions:-

- (a) Hereby dispensed with convening the meetings of the Shareholders of all the applicants Companies for the purpose of considering the proposed Composite scheme of Arrangement and Amalgamation among the applicant Companies;;
- (b) Similarly dispensed with convening of meetings of un-secured of the first and third Applicant Companies also ;
- (c) Hereby ordered to convene a meeting of un-secured Creditors of Karvy Computer Share private Limited/second applicant herein, and appointed Sri D. Sreekanth Advocate, H.No. 3-11-147, I Floor RTC Coloney, Opp. Karnataka Bank, L.B.Nagar, Hyderabad - 500 074, Mobile 95425 58134 as Chairperson to convene and hold the meeting of the Unsecured Creditors of the 2nd Applicant Company for the purpose of considering the proposed Scheme.
- (d) Further directed to issue notice to the unsecured Creditors of the 2nd Applicant Company in accordance with the provision of Section 230 (3) of the Companies Act, 2013 and also cause publication of the notice in newspapers calling the meetings of Unsecured Creditors of the 2nd Applicant Company in 'Business Standard' and Eenadu Telugu Daily, in both the Telangana and Andhra Pradesh State Editions. And also issue individual notices to all Statutory authorities by intimating the conducting of proposed meeting;





- (e) Venue of the meeting to be conducted is at Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Nankramguda, Serilingampally Mandal, Gachibowli, Hyderabad- 500032, at 11.30 AM on 29nd December, 2017.
- (f) Further directed the Company to ensure substantial representation during the meeting so as to get minimum 75% of total un-secured creditors consent for the proposed scheme to be considered later by the Tribunal. Quorum fixed is at 30 and parties may present in person or through proxy.
- (g) Fee fixed for Chairperson is Rs.75,000/- (seventy five thousand only), which is suggested by the Learned Counsel for the Company.
- (h) Chairperson is directed to submit his report within two weeks after conducting of meeting.

Sd/-

RAJESWARA RAO VITTANALA
MEMBER (JUDICIAL)

**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**

[Signature]
Dy. Regr./Asst. Regr./Court Officer/
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER *CA/CPD No. 7/20/103/2017*
निर्णय का तारीख
DATE OF JUDGEMENT *20-11-2017*
प्रति तैयार किया गया तारीख
COPY MADE READY ON *20-11-2017*