



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI BENCH, COURT-III**

COMPANY APPLICATION NO. (CAA) – 17(ND)/2026

*(Under Section 230-232 of the Companies Act, 2013 r/w the Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016)*

IN THE MATTER OF SCHEME OF AMALGAMATION:

M/s. REX OVERSEAS PRIVATE LIMITED

... APPLICANT NO. 1/TRANSFEROR COMPANY NO. 1

AND

M/s. S & S BALAJEE MERCANTILE PRIVATE LIMITED

... APPLICANT NO. 2/TRANSFEROR COMPANY NO. 2

AND

M/s. EKAM LEASING AND FINANCE CO. LIMITED

...APPLICANT NO. 3/ TRANSFEREE COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Order reserved on: 20.04.2026

Order Pronounced on: 08.05.2026

CORAM:

**(MAHENDRA KHANDELWAL)
MEMBER (JUDICIAL)**

**(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)**

PRESENT:

For the Applicant : Mr. Kartikeya Goel Adv



ORDER

The present application has been jointly preferred by **Rex Overseas Private Limited (Applicant No. 1/Transferor Company No. 1)** and **S & S Balajee Mercantile Private Limited (Applicant No. 2/Transferor Company No. 2)** with **Ekam Leasing and Finance Co. Limited (Applicant No. 3/Transferee Company No. 3)** seeking approval of this Tribunal for the Scheme of Amalgamation (**Scheme**) under Sections 230 and 232 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 in respect of the amalgamation of M/s Rex Overseas Private Limited and S & S Balajee Mercantile Private Limited with Ekam Leasing and Finance Co. Limited (hereinafter referred to as **Applicant Companies**). The prayers made in the application are as follows:

- a. *Dispense with the requirement of convening meetings of the Equity Shareholders of the Transferor Companies No.1 & 2 and the Transferee Company;*
- b. *Dispense with the requirement of convening meetings of the unsecured creditors of the Transferor Companies No. 1 & 2 and the Transferee Company.*

None of the Applicant the Transferor Companies No. 1 & 2 and the Transferee Company have any Secured Creditor.

Alternatively, *convene a meeting of Equity Shareholders of the Transferee Company through Video Conferencing with the facility of remote e-voting; and to pass necessary directions for convening, holding and conducting of such meeting.*

- c. *Direct service of notice of the present Application on (a) the Central Government through the office of the Regional Director, Northern Region [Directorate], Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, New Delhi-II; (c) the Official Liquidator, New Delhi; (d) the Income Tax Department; (e) Reserve Bank of India; (e) BSE Limited; and (f) SEBI; and*



d. Pass such other/further order(s) as this Hon'ble Tribunal may deem fit and proper

2. The Transferor Company No. 1, M/s. Rex Overseas Private Limited, having CIN: U74899DL1988PTC032551, was incorporated under the provisions of the Companies Act, 1956, as a private limited company on 22.07.1988 with the Registrar of Companies, NCT of Delhi & Haryana at Delhi. The registered office of the Company is presently situated at 11, Rani Jhansi Road (Motia Khan), M M Road, New Delhi-110055. The Transferor Company No.1 is a wholly owned subsidiary of the Transferee Company. Its main objects are to carry on the business of importers, exporters and dealers in all kinds of commodities.
3. The Authorised Share Capital of the Transferor Company is Rs. 28,00,000/- (Rupees Twenty Eight Lakh Only) divided into 28,000 (Twenty Eight Thousand) Equity Shares of Rs. 100/- (Rupees Hundred) each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 27,29,500 /- (Rupees Twenty-Seven Lakh Twenty-Nine Thousand Five Hundred Only) divided into 27,295 (Twenty Seven Thousand Two Hundred Ninety Five) Equity Shares of Rs. 100/- (Rupees Hundred) each.
4. The Transferor Company No. 2, M/s. S & S Balajee Mercantile Private Limited, bearing CIN: U51109DL1993PTC052329, was incorporated under the provisions of the Companies Act, 1956 as a private limited company on 01.03.1993 with the Registrar of Companies, NCT of Delhi & Haryana at Delhi. The registered office address of the Applicant Company is situated at 11, Rani Jhansi Road (Motia Khan), M M Road, New Delhi-110055. The Transferor Company No. 2 is a wholly owned subsidiary of the Transferee Company. Its main objects are to carry on the business of importers, exporters and dealers in all kinds of commodities.



5. The Authorised Share Capital of the Transferor Company is Rs. 35,00,000/- (Rupees Thirty Five Lakh Only) divided into 3,50,000 (Three Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 30,12,500/- (Rupees Thirty Lakh Twelve Thousand Five Hundred Only) divided into 3,01,250 (Three Lakh One Thousand Two Hundred Fifty) Equity Shares of Rs. 10/- (Rupees Ten) each.

6. The Transferee Company, M/s. Ekam Leasing and Finance Co. Limited, bearing CIN: L74899DL1993PLC055697, was incorporated under the provisions of the Companies Act, 1956, as a Public limited company on 19.10.1993 with the Registrar of Companies, NCT of Delhi & Haryana at Delhi. The registered office address of the Applicant Company is situated at 11, Rani Jhansi Road (Motia Khan), M M Road, New Delhi-110055. Its main objects are to carry on the business of Investment in securities and lending and other related and ancillary activities. The Transferee Company is also registered with the Reserve Bank of India (**RBI**) as a non-deposit accepting Non-Banking Financial Company (**NBFC-ND**).

The Authorised Share Capital of the Transferee Company is Rs 5,00,00,000/- (Rupees Five Crore Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 5/- (Rupees Five) each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 3,00,00,000 /- (Rupees Three Crore Only) divided into 60,00,000 (Sixty Lakh) Equity Shares of Rs. 5/- (Rupees Five) each.

7. The registered offices of the Applicant Companies are situated in Delhi and, accordingly, fall within the territorial jurisdiction of this Bench. The Applicant companies have furnished the following documents:

- a) Copy of Memorandum and Articles of Association, and copy of Master Data of Applicant No.1/Transferor Company No. 1 (**Annexures A-1/1** of the main application);
- b) Copy of the latest Audited Financial Statement of Applicant No.1/Transferor Company No. 1 as on 31.03.2025 and unaudited financial statement as on 30.09.2025 (**Annexures A-1/2 and A-1/3** of the main application);



- c) Copy of list of directors of Applicant No.1/Transferor Company No. 1 & Copy of Board Resolution approving the Scheme (**Annexures A-1/4 and A-1/5** of the main application);
- d) Copy of List of Shareholders of Applicant No.1/Transferor Company No. 1 as on 30.09.2025, along with their consent letters, and the certificate of Chartered Accountant certifying the same (**Annexures A-1/6** of the main application);
- e) Copy of the list of Secured Creditors (Nil) of Applicant No.1/Transferor Company No. 1 as on 30.09.2025, along with the certificate of Chartered Accountant certifying that there are no secured creditors; and copy of the list of Unsecured Creditors as on 30.09.2025, along with their consent letters and certificate of Chartered Accountant certifying the same (**Annexures A-1/7 & A-1/8** of the main application);
- f) Certificate of Chartered Accountant certifying status of statutory and no other dues of Applicant No.1/Transferor Company No. 1 (**Annexures A-1/9** of the main application);
- g) Copy of Memorandum and Articles of Association, and copy of Master Data of Applicant No.2 / Transferor Company No.2 (**Annexures A-2/1** of the main application);
- h) Copy of the latest Audited Financial Statement of Applicant No.2 / Transferor Company No.2 as on 31.03.2025 and unaudited financial statement as on 30.09.2025 (**Annexures A-2/2 and A-2/3** of the main application);
- i) Copy of list of directors of Applicant No.2 / Transferor Company No.2 & Copy of Board Resolution approving the Scheme (**Annexures A-2/4 and A-2/5** of the main application);
- j) Copy of List of Shareholders of Applicant No.2 / Transferor Company No.2 as on 30.09.2025 along with their consent letters, and the certificate of Chartered Accountant certifying the same (**Annexures A-2/6** of the main application);
- k) Copy of the list of Secured Creditors (Nil) of Applicant No.2 / Transferor Company No.2 as on 30.09.2025, along with the certificate of Chartered Accountant certifying that there are no secured creditors; and copy of the list of Unsecured Creditors as on 30.09.2025, along with their consent letters and certificate of Chartered Accountant certifying the same (**Annexures A-2/7 & A-2/8** of the main application);
- l) Certificate of Chartered Accountant certifying status of statutory and no other dues of Applicant No.2/Transferor Company No.2 (**Annexures A-2/9** of the main application);



- m) Copy of Memorandum and Articles of Association, and copy of Master Data of Applicant No.3/Transferee Company (**Annexures A-3/1** of the main application);
- n) Copy of the latest Audited Financial Statement of Applicant No.3/Transferee Company as on 31.03.2025 and unaudited financial statement as on 30.09.2025 (**Annexures A-3/2 and A-3/3** of the main application);
- o) Copy of list of directors of Applicant No.3/Transferee Company & Copy of Board Resolution approving the Scheme (**Annexures A-3/4 and A-3/5** of the main application);
- p) Copy of Shareholding pattern of Applicant No.3/Transferee Company along with the certificate of Chartered Accountant certifying the same (**Annexures A-3/6** of the main application);
- q) Copy of the list of Secured Creditors (Nil) of Applicant No.3/Transferee Company as on 30.09.2025, along with the certificate of Chartered Accountant certifying that there are no secured creditors; and copy of the list of Unsecured Creditors as on 30.09.2025, along with their consent letters and certificate of Chartered Accountant certifying the same (**Annexures A-3/7 & A-3/8** of the main application);
- r) Certificate of Chartered Accountant certifying status of statutory and no other dues of Applicant No.3/Transferee Company (**Annexures A-3/9** of the main application);
- s) Copy of the Scheme as approved (**Annexure A-4** of the main application)
- t) Certificate of the respective statutory Auditors of the Applicant No. 1 & 2 and the transferee company certifying that the present Scheme is in conformity with the Accounting Standards, Generally Accepted Accounting Principles in India (Indian GAAP) and is in conformity with Section 133 of the Companies Act, 2013 (**Annexure A-5** of the main application);
- u) Proof of filing of the scheme of Amalgamation with BSE (**Annexure A-6** of the main application)
- v) Copies of orders passed by various Coordinate Benches of NCLT, and the Hon'ble NCLAT (**Annexures A-8, A-9, A-10, A-11, A-12 & A-13** of the main application)
- w) Copy of PRAVAAH acknowledgement evidencing filing of the Scheme of Amalgamation with the RBI **Annexure A-14** of the main application)

8. The Appointed Date of the Scheme is 01.04.2025, as mentioned in the scheme. The Effective Date as mentioned in the scheme is the last of the



dates on which all the conditions, matters and filings referred to in clause 1.1.8 of the scheme have been fulfilled, and necessary orders, approvals and consents referred to therein have been obtained.

9. The rationale and benefits for the proposed Scheme of Amalgamation, as stated by the Applicant Companies, are as follows:

“The Circumstances which justify and/or necessitate the proposed Scheme of Amalgamation of Rex Overseas Private Limited and S & S Balajee Mercantile Private Limited with Ekam Leasing and Finance Co. Limited; and benefits of the proposed amalgamation, as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, given below.

- i. *Group Simplification and Structural Consolidation: The Transferor Companies are wholly owned subsidiaries of the Transferee Company. The proposed Amalgamation will result in consolidation of group entities into a single listed operating entity, thereby simplifying the corporate structure and eliminating multiple layers within the group.*
- ii. *Elimination of Redundant Corporate Entities and Costs: The Scheme will eliminate duplication of administrative, compliance, audit, regulatory and governance costs associated with maintaining multiple corporate entities, leading to improved cost efficiency and streamlined operation.*
- iii. *Operational and Managerial Efficiency: The Amalgamation will enable centralised management, unified decision-making and optimal utilisation of managerial, financial and operational resources, thereby enhancing overall operational efficiency.*
- iv. *Optimised Capital and Balance Sheet Efficiency: The consolidation of assets, liabilities and reserves of the Transferor Companies into the Transferee Company is expected to strengthen the balance sheet of the Transferee Company and improve capital efficiency, liquidity management and deployment of funds.*
- v. *Improved Regulatory and Compliance Efficiency: As the Transferee Company is a listed NBFC regulated by the Reserve Bank of India, the Amalgamation will allow for consolidated regulatory oversight, simplified reporting and improved compliance efficiency.*
- vi. *Enhanced Transparency and Shareholder Value: The Scheme will result in all business operations being carried out through a single listed entity, enhancing transparency, investor visibility and alignment of business performance with shareholder interests, thereby contributing to long-term value creation.*
- vii. *No Dilution or Change in Control: Since the Transferor Companies are wholly owned subsidiaries of the Transferee Company, the proposed*



Amalgamation will not result in any dilution of shareholding, change in control or alteration in the shareholding pattern of the Transferee Company.

- viii. *Long-Term Strategic Flexibility: The simplified corporate structure post-Amalgamation will provide greater strategic flexibility to the Transferee Company in terms of future growth, capital raising, regulatory compliance and business expansion.*
- ix. *The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.”*

10. It is further noted that the Board of Directors of all the Applicant Companies, at their respective meetings held on 31.01.2026, have approved the proposed Scheme. Copies of the Board Resolutions passed by the Applicant Companies are on record and annexed to the main application as **Annexure Nos. A-1/5, A-2/5 and A-3/5** respectively.
11. The proposed Scheme involves the Amalgamation of the Transferor Companies with the Transferee Company, whereby the entire business of the Transferor Company is proposed to be amalgamated with the Transferee Company in the manner set out in the Scheme.
12. That the Transferor Companies No.1 & 2 are wholly owned subsidiaries of the Transferee Company. Accordingly, the entire issued and paid-up Equity Share Capital of the Transferor Company No. 1 & 2 is held by the Transferee Company and its nominee Shareholders. Since it is an amalgamation of Wholly Owned Subsidiaries with their Holding Company, no new shares will be issued pursuant to the Scheme of Amalgamation. Hence, no Valuation of Shares or Share Exchange Ratio is required for the proposed Scheme of Amalgamation.
13. The Transferor Company Nos. 1 and 2 are profit-making entities, and both the Transferor Companies and the Transferee Company possess a strong net worth. Further, the combined assets of the Transferor and Transferee Companies are sufficient to meet and discharge all their respective liabilities. The rights and interests of the equity shareholders and creditors of the Transferee Company shall not be adversely affected by the proposed Scheme of Amalgamation. The net worth of the Applicant companies as extracted from the petition is reproduced below:



- vi. As on 30th September 2025, the Transferor Companies No. 1 & 2 have a positive Net Worth, as per the following:

Sl. No.	Company	Total Net Worth (INR)
1.	Transferor Company No. 1	2,75,73,010
2.	Transferor Company No. 2	2,96,16,749

- vii. As on 30th September 2025, the Transferee Company has a Net Worth of more than INR 173.46 Lakh as per the detail given below:

Company	Total Net Worth (INR in lakh)
Transferee Company	173.46

Certificate from the Chartered Accountants certifying the aforesaid Net Worth is enclosed with the 1st motion Application being filed with the Hon'ble Tribunal.

14. The Applicant Company No.3/Transferee Company is an NBFC-ND registered with the RBI, and classified under the Base Layer. In compliance with Paragraph 7(3) of the RBI (Non-Banking Financial Companies - Voluntary Amalgamation) Directions, 2025, the Transferee Company has duly submitted the proposed Scheme of Amalgamation to the Reserve Bank of India for its record and necessary consideration.
15. The Applicant Company No.3/ Transferee Company has submitted that a copy of the Scheme of Amalgamation has been filed on the PRAVAAH [Platform for Regulatory Application, Validation and Authorisation] portal of the Reserve Bank of India under the relevant category. The said submission has been acknowledged by the Reserve Bank of India and is presently under process (**Annexure-14** of the application).
16. The Applicant Company No.3/ Transferee Company further submits that the Transferor Companies are wholly owned subsidiaries of the Transferee Company and the proposed Scheme does not result in any change in management, control, shareholding pattern, voting rights, or capital structure of the Transferee Company. Accordingly, in terms of the applicable provisions of the RBI NBFC Directions, no prior approval of the RBI is required for the implementation of the Scheme.
- Nevertheless, the Transferee Company undertakes to comply with all applicable post-sanction requirements and regulatory filings as may be prescribed.



17. The Applicant Company No.3/ Transferee Company also submitted that the Equity Shares of the Transferee Company are listed on BSE, and in terms of the provisions of Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by the Securities and Exchange Board of India (**SEBI Scheme Circular**), since the present Scheme solely provides for amalgamation of a Wholly Owned Subsidiaries with its Parent Company, no formal approval, NOC or vetting is required from BSE or SEBI for the Scheme.
18. In terms of the SEBI Scheme Circular, the present Scheme of Amalgamation is only required to be filed with BSE for the purpose of disclosure and dissemination on its website. It is confirmed by the Transferee Company that they have already filed the proposed Scheme of Amalgamation with BSE for the purpose of disclosure and dissemination on its websites. The Transferee Company has also undertaken to serve a copy of the present application upon BSE and SEBI.
19. It has been submitted that the proposed Scheme of Amalgamation shall not, in any manner whatsoever, adversely affect the rights or interests of any of the members, creditors and other stakeholders. The proposed Scheme of Amalgamation is fair, reasonable, and in no way detrimental to the interests of the public at large.
20. The Applicant Companies have stated the following material facts relating to the Applicant Companies in terms of Section 230(2):
- a. There is no investigation or any other legal proceeding pending against the Transferor Company.
 - b. There are two legal proceedings pending against the Transferee Company. It was clarified by way of affidavit that none of these legal proceedings will be adversely affected by the proposed Scheme of Amalgamation. The Applicant Transferee Company is not a subject matter of dissolution subsequent to the sanction of the Scheme of Amalgamation. The details of the pending proceeding are extracted herein below:



i. Writ Petition in respect of Income Tax Matter

Nature of Proceedings	Writ Petition in respect of Income Tax matter
Forum	Delhi High Court
CA/CP No./ITA No./ Appeal No.	Writ Petition No. W.P. (C): 14310/2021
Brief Particulars of the litigation/issues involved	Section 153C Pursuant to search conducted on third party, certain incriminating material related to Ekam (detail below) were seized and handed over to AO of Ekam (Central Circle 6) as jurisdiction transferred to central charge u/s 127 by way of order dated 25.02.2021) under satisfaction note recorded on 24.03.2021 and cases for 7 years (AY 2011-12 to 2017-18) were reopened u/s 153C of the act. The said notices have been challenged in Delhi High Court on limitation ground under case no. W.P.(C) 14310/2021 in which court have stayed the operation of section 153C notice vide order dated 21.12.2021. The case is still pending with the court, last heard on 19.02.2026.
Current Status	next date of hearing is fixed for 03.08.2026.
Any other relevant information	AY 2011-12 to 2017-18

ii. SEBI SOP Fine Waiver Application

Nature of Proceedings	SEBI SOP FINE terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.
Forum	Bombay Stock Exchange
CA/CP No./ITA No./ Appeal No.	Fresh Waiver Application Dated 17-02-2025
Brief Particulars of the litigation/issues involved	Fine of Rs. 21,09,840/- was imposed by BSE Limited towards various non compliances of the provisions of SEBI (LODR), Regulations, 2015 in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. Our Application for waiver dated 27-01-2022 and representation letter dated 21/02/2024 was rejected by BSE vide email dated 07/01/2025. Further, Fresh application for waiver of fines for violation of certain regulations of SEBI LODR amounting to Rs. 9,74,680/-(out of total fine amount of Rs. 21,09,840/-) was made 17-02-2025 with BSE which is under consideration with BSE and balance Rs. 11,35,160/- payable to BSE is still unpaid.
Current Status	Application under consideration with BSE
Any other relevant information	-

- c. The Transferor Companies and the Transferee Company have not entered into any Corporate Debt Restructuring arrangement.



21. The details regarding the number and value of shareholders and creditors of the Applicant Companies, along with the status of their consent to the proposed Scheme, is tabulated for ease of reference:

Company	Particulars	Total No.	Consent
Transferor Company No. 1	Equity Shareholders	2	Consent affidavits are given by 100% Equity shareholders
	Secured Creditors	NIL	N.A.
	Unsecured Creditors	5	Consent affidavits are given by 100% Unsecured Creditors
Transferor Company No. 2	Equity Shareholders	2	Consent affidavits are given by 100% of equity shareholders
	Secured Creditors	Nil	N.A.
	Unsecured Creditors	3	Consent affidavits are given by 100% of unsecured creditors
Transferee Company	Equity Shareholders	3,569	Consent not taken; Directions are sought by way of this application
	Secured Creditors	Nil	N.A.
	Unsecured Creditors	12	Consent Affidavit given by 8 Unsecured Creditors, 90.62% in value

22. We have heard the learned counsel appearing for the Applicant Companies and have perused the material available on record.

23. It is considered appropriate to refer to the provisions of Section 230(9) of the Companies Act, 2013, which read as under:

“230. Power to compromise or make arrangements with creditors and members.

...

(9) The Tribunal may dispense with the calling of a meeting of creditors or a class of creditors, where such creditors or class of creditors, having at least ninety per cent in value, have agreed to and confirmed, by way of affidavit, the scheme of compromise or arrangement.”



24. At this first motion stage, this Tribunal is required to consider whether, on a prima facie examination of the Scheme and the supporting materials, appropriate directions should be issued for convening or dispensing with meetings of the concerned classes of shareholders and creditors.
25. Since the unsecured creditors of all the applicant companies representing more than 90% in value have given their no objection affidavits, and there are no secured creditors, the requirement of convening the meetings of secured/unsecured creditors also does not arise.
26. Further, in the context of shareholders, reference may be made to the proviso to Section 230(4) of the Companies Act, 2013, which reads as under:
- “(4) Provided that any objection to the compromise or arrangement shall be made only by persons holding not less than ten per cent of the shareholding or having outstanding debt amounting to not less than five per cent of the total outstanding debt as per the latest audited financial statement.”*
27. The no objection affidavit from 100% of the shareholders for Transferor Companies No. 1 & 2 has been placed on record.
28. Further, with respect to equity shareholders of the Transferee Company, it is noted that the present Scheme provides for amalgamation of the Wholly Owned Subsidiaries/Transferor Companies with their Parent/Transferee Company. Hence, no new shares will be issued by the Transferee Company pursuant to the Scheme. The proposed Scheme does not envisage any compromise or arrangement between the Transferee Company and its Shareholders or Creditors or any other class of persons whatsoever within the meaning of Sections 230 and 232 of the Companies Act, 2013, and other applicable provisions, if any.

It is, accordingly, confirmed by the Transferee Company that the rights of the Equity Shareholders and Creditors of the Transferee Company will not be adversely affected by the present Scheme.

29. It is pertinent here to again refer to **SEBI Scheme Circular 3**, the relevant portion of which is extracted below:



4. Valuation Report

- a) All listed entities are required to submit a valuation report from a Registered Valuer.¹⁰ The valuation report shall contain the workings, relative fair value per share and fair share exchange ratio in the manner as provided in [Annexure-II](#).

For the purpose of this clause, the Registered Valuer shall be a person, registered as a valuer, having such qualifications and experience and being a member of an organization recognized, as specified in Section 247 of the Companies Act, 2013 read with the applicable Rules issued thereunder.

- b) However, Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed entity / resultant company.
- c) For the limited purpose of this Circular, 'change in the shareholding pattern' shall mean;
- i. change in the proportion of shareholding of any of the existing shareholders of the listed entity in the resultant company; or

- ii. new shareholder being allotted equity shares of the resultant company; or
- iii. existing shareholder exiting the company pursuant to the Scheme of Arrangement

- d) Further, a few examples illustrating 'no change in shareholding pattern' are indicated below:

- i. In case a listed entity (say, "entity A") demerges a unit and makes it a separate company (say, "entity B");
 - 1) if the shareholding of entity B is comprised only of the shareholders of entity A; and
 - 2) if the shareholding pattern of entity B is the same as in entity A; and
 - 3) every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger
- ii. In case a wholly-owned subsidiary (say, "entity X") of a listed entity is merged with its parent listed entity (say, "entity Y"), where the shareholders and the shareholding pattern of entity Y remains the same, it will be treated as 'no change in shareholding pattern'.

For the limited purpose of this Circular, 'resultant company' shall mean a company arising / remaining after the listed entity undertakes a Scheme of Arrangement.

30. In the present case, the proposed amalgamation involves the merger of a wholly-owned subsidiary with its parent company, resulting in no change in the shareholding pattern of the transferee company. Since, the shareholders of the Transferee Company continue to hold shares in the same proportion both before and after the scheme, and no new shares are issued nor is there any alteration in ownership rights, hence, the arrangement squarely falls within the category of *no change in shareholding pattern* as per the SEBI's circular extracted above.



31. The Applicant in para 26 of the Petition has stated that the Transferee Company is not required to obtain Consent Affidavits from its Equity Shareholders for the proposed Scheme of Amalgamation in view of the facts mentioned in that para. Some of those facts are narrated as under:

- i. The present Scheme solely provides for amalgamation of Wholly Owned Subsidiaries/Transferor Companies with their Parent Transferee Company.
- ii. Since entire share capital of the Transferor Companies No. 1 & 2 is held by the Transferee Company itself, no new share will be issued by the Transferee Company to anyone pursuant to the present Scheme of Amalgamation.
- iii. Accordingly, the proposed Scheme embodies an arrangement between the Transferor Companies No. 1 & 2 and its Shareholders. It is clarified and confirmed that the Transferor Companies No.1 & 2 are not proposing any compromise or arrangement with any of its Creditors.
- iv. There will not be any change in the share capital of the Transferee Company pursuant to the proposed amalgamation. There is no proposal for reorganization of share capital of the Transferee Company. The proposed Scheme of Amalgamation does not envisage any compromise or arrangement between the Transferee Company and its Shareholders or Creditors or any other class of persons whatsoever within the meaning of Sections 230 and 232 of the Companies Act, 2013, and other applicable provisions, if any.
- v. Moreover, the Transferor Companies No.1 & 2 are profit making companies and that the Transferor Companies No. 1 & 2 and the Transferee Company have strong Net Worth. Combined Assets of the Transferor and Transferee Companies are more than sufficient to meet all the liabilities of the Transferor and Transferee Companies. It is, accordingly, clarified and confirmed that rights of the Equity Shareholders and Creditors of the Transferee Company will not be adversely affected by the present Scheme of Amalgamation.



- vi. As on 30th September 2025, the Transferor Companies No. 1 & 2 have a positive Net Worth. (Figure of net worth is given in para 11 of the Order.)

32. The Applicant Companies have also referred to various judicial precedents in support of their aforementioned contentions. Copies of those precedents are annexed with the Petition as Annexure A-8 to A-13.
33. We have considered the above submissions and have perused the judgment cited by the Applicants.
34. One of the lead judgment relied upon by the Applicants is judgment of Hon'ble NCLAT in the case of Ambuja Cements Limited (Company Appeal (AT) No. 19 of 2021 decided on 06.04.2021 wherein Hon'ble NCLAT has observed as under:

*29. From the perusal of the pleadings it is amply clear that the Appellant Company is a 100% holding of its Subsidiary i.e. the transferor Company. Therefore, there is no issuance of any new shares, there is no reorganisation of share capital of the Appellant Company and no arrangement wherein shareholders have to compromise with creditors of the Transferor Company. **Further, we have also seen that the net worth of the Appellant Company is highly positive in compare to the net worth of the Transferor Company.***

35. Hon'ble NCLAT in the matter of Patel Hydro Power Private Limited & ors. COMPANY APPEAL (AT) No.137of 2021 in their judgment dated 22.12.2021 after referring above judgment in Ambuja Cement has observed as under:

“10. It is seen that Section 232(1) of the Companies Act, 2013 uses the word 'may' which introduces an element of discretion to the Tribunal to be exercised in the interest of justice in appropriate situations. It is evident from the aforesaid citations that the High Courts have exercised this discretion dispensing with the requirement of convening the meetings, if the Bench is satisfied in all respects. Section 232 is a specific provision carved out by the Legislature when both conditions maintained in clauses (a) and (b) of sub Section (1) of Section 232 are met. In the instant case the



amalgamation sought for is between a Wholly Owned Subsidiary and the Holding Company. The point which needs to be noted is whether such an arrangement alters the rights of the Stakeholders of the Company; whether such an amalgamation has any bearing internally on Creditors/Members of both the Companies; whether not holding the subject meeting would amount to violation of any of the provisions of the Companies Act, 2013; whether the Tribunal can exercise their discretion when the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company and financial position of the Transferee Company is positive and the merger is not affecting the rights of the Shareholders or the Creditors."

36. Hon'ble NCLAT in the case of Mega Corporation Ltd. Company Appeal (AT) No. 04 of 2018 decided on 31.01.2018 considered the following arguments of Appellant for dispensation of meeting in the light of judgment of NCLT Mumbai Bench in HDFC case (Company Scheme Application no. 243 of 2017):

"4. The present appeal has been filed against such judgment and order. The learned counsel for the appellant has reiterated the submissions which was raised before NCLT and also relied on judgment in the matter of HDFC passed in Company Scheme Application no. 243 of 2017 by NCLT Mumbai Bench on 24th September, 2017. Copy of the same has been filed at page 475 in the present appeal. The learned counsel referred to various paragraphs of the judgment to submit that emphasis is on protecting the rights of members/creditors of the Companies involved in mergers and amalgamations and as long as mergers and amalgamations have no bearing internally on creditors/ members of respective companies calling of meeting of the creditors or members is not necessary. It is argued that sub-section 14 of Section 233 itself permits the parties to opt for procedure u/s 232 and NCLT cannot insist that they should have proceeded u/s 233 of the Act."

37. Hon'ble NCLAT in above judgment has emphasized upon the discretion of NCLT in ordering/ dispensing meetings. Hon'ble NCLAT has observed as under:



7. When it is a question of merger and the provisions require and give discretion to the NCLT with regard to calling of meetings, it is a discretion to be exercised judiciously by NCLT. NCLT is duty bound to follow procedure laid down by law. The NCLT recorded reasons why it finds that calling of the meetings is necessary and we do not find that the reasons recorded are arbitrary. The Law provides and the NCLT has exercised discretion that the meetings are required to be called. We do not wish to substitute our discretion over the discretion exercised by the NCLT. We do not find any substance in the appeal.

38. In the present case in hand, net worth of the Transferee Company is much less than net worth of Transferors companies. Further, the Transferee Company is a listed entity and substantial portion of its securities is held by the public at large and no consent or NOC has been obtained from any of its shareholder. Taking into account these facts, we are of the view alternative prayer in prayer clause (b) of this Petition may be allowed to direct convening a meeting of Equity Shareholders of the Transferee Company through video conferencing with a facility of remote e voting."

ORDER

39. Accordingly, upon consideration of the application, affidavits, annexures, and the material placed on record, the following directions are hereby issued:

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

40. In view of the consent affidavits placed on record from the requisite equity shareholders, the requirement of convening the meeting of the shareholders of Transferor Company No. 1 is hereby dispensed with.

Since Applicant Company No.1/ Transferor Company No.1 has nil secured creditors, the requirement of convening the meeting of its secured creditors does not arise and stands dispensed with. In view of the consent affidavits placed on record from the all unsecured creditor, the requirement of convening the meeting of the unsecured creditors of Applicant Company No.1/ Transferor Company No.1 is hereby dispensed with.



B. In relation to Applicant Company No. 2 / Transferor Company No.2

1. In view of the consent affidavits placed on record from the equity shareholders of Transferor Company No. 2, the requirement of convening the meeting of its shareholders is hereby dispensed with.
42. Since Transferor Company No. 2 / Transferor Company No. 2 has nil secured creditors, the requirement of convening the meeting of its secured creditors does not arise and stands dispensed with.
43. In view of the consent affidavits placed on record from all unsecured creditors, the requirement of convening the meeting of the unsecured creditors of Transferor Company No. 2 is hereby dispensed with.

C. In relation to Applicant Company No.3/Transferee Company

44. The Transferee Company has nil secured creditors; the requirement of convening the meeting of its secured creditors does not arise and stands dispensed with.
45. In view of the consent affidavits placed on record from the 8 unsecured creditors representing more than 90% in value, the requirement of convening the meeting of the unsecured creditors of Transferee Company is hereby dispensed with.
46. In view of the discussion above, the meeting of the equity shareholders of Transferee Company be convened.
47. It is directed that a meeting of the equity shareholders of Applicant Company No. 3 / Transferee Company shall be convened through Video Conferencing / Other Audio Visual Means, on a date and time to be fixed by the Chairperson in consultation with the Applicant Company, for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation.
48. Dr. Alok Shrivastava, IAS (Retd.), (Email-medrag1@yahoo.com) (Mob: +919868107118) is hereby appointed as the Chairperson for the meeting of the equity shareholders of Applicant Company No. 3/ Transferee Company.;



49. Mr. Dinesh Bhardwaj, ILS (Retd.), (Email-bdinesh.bhardwaj56@gmail.com) (Mob: +919810641819) is hereby appointed as the Alternate Chairperson for the said meeting of the equity shareholders of Applicant Company No. 3 / Transferee Company.
50. Mr. R.K. Shrivastava, Advocate (Email-r.k.srivastava4762@gmail.com) (Mob: +919818212654) is hereby appointed as the Scrutinizer for the said meeting of the equity shareholders of Applicant Company No. 3/ Transferee Company.
51. The Chairperson's fee for the aforementioned meeting shall be Rs 2,00,000 the fees for the alternate chairperson shall be Rs 1,50,000 and the fees for the Scrutinizer shall be Rs 1,00,000 in addition to reimbursement of any incidental expenses. The fees for the Chairperson, alternate chairperson and Scrutinizer, along with their out-of-pocket expenses, shall be borne by the Applicant Companies.
52. The quorum for the meeting of the Equity Shareholders shall be not less than 75% in value of members voting, in accordance with the provisions of Section 230(6) of the Companies Act, 2013.
53. In case the quorum as noted above for the above meeting of the Applicant Companies is 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. The Chairperson and Alternate Chairperson appointed herein, along with the Scrutinizer, shall ensure that the proxy registers are properly maintained. Individual notices of the aforesaid meetings shall be sent by the Applicant Companies to the shareholders through e-mail as well as by speed post, at least 30 days prior to the scheduled date of the meeting, specifying the day, date, time, and the mode of the meeting. The notice shall be accompanied by a copy of the Scheme of Amalgamation, the prescribed form of proxy, and the explanatory statement as required under the Companies Act, 2013.



54. It is further directed that along with the notice, the Transferee Company shall also send, a statement explaining the effect of the scheme on the shareholders, creditors, key managerial personnel, promoters and non-promoter members, etc. along with the effect of the Scheme of Arrangement on any material interests of the Directors of the Company, if any, as provided under sub-section (3) of Section 230 of the Act.
55. It is also directed that the Provisional Financial Statements of Applicant Companies not older than 6 months prior to the date of the meeting be also circulated for the aforesaid meeting(s) in terms of Section 232(2)(e) of the Act.
56. The Chairperson shall ensure that remote e-voting facility and all incidental arrangements for participation through VC/OAVM are provided in accordance with the applicable statutory provisions, circulars and SEBI requirements.
57. The Chairperson shall file their report, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (seven) days of the conclusion of the meeting. The Chairperson would be fully assisted by the authorized representative/ Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Hon'ble Chairperson in preparing and finalizing the report
- The Applicant Companies shall publish an advertisement at least 30 clear days prior to the aforesaid meeting, indicating the day, date, time, and mode of the meeting. The advertisement shall be published in the 'Financial Express' (English Edition, Delhi) and 'Jansatta' (Hindi Edition, Delhi), and shall state that copies of the Scheme of Amalgamation, the explanatory statement required to be furnished pursuant to Section 230 of the Companies Act, 2013, and the prescribed form of proxy shall be made available free of charge at the registered office of the Applicant Companies.
58. Voting shall be allowed on the proposed Scheme by voting in person or through proxy as per the guidelines issued by the Ministry of Corporate Affairs.



59. Further, the Applicant Companies have prayed for notices to be issued in terms of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Thus, the Applicant Companies are hereby directed to issue notices in Form CAA-3, together with a copy of the Scheme, explanatory statement and requisite annexures, upon the following authorities to intimate them about the filing of the first motion application:

- i. Central Government through the Regional Director (Northern Region);
- ii. Registrar of Companies, NCT of Delhi & Haryana;
- iii. Official Liquidator, High Court of Delhi;
- iv. Jurisdictional Income Tax Department, New Delhi & Chief Commissioner of Income Tax, New Delhi;
- v. Reserve Bank of India
- vi. Bombay Stock Exchange Limited
- vii. Securities and Exchange Board of India;

The said notice shall be sent forthwith by registered post or by speed post or by hand delivery at the office of the authority as required by sub-rule (2) of Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Applicant Companies shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any shareholder entitled to attend the meeting as aforesaid.

The authorized representative of the Applicant Companies shall furnish an affidavit of service of notice of meeting and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meeting.

60. On completion of the exercise as above, the Applicant Companies shall be entitled to move an appropriate application.
61. It is clarified that the observations made herein are only for the purpose of the present first motion application and shall not be construed as an expression on the merits of the Scheme at the second motion stage.



62. The Court Officer/Registry is directed to send a copy of this order to the Applicant Companies for the necessary steps to be taken at their end

63. The present Company Application **stands disposed of in the aforesaid terms.**

Sd/-

(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)

Sd/-

(MAHENDRA KHANDELWAL)
MEMBER (JUDICIAL)