

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

C.P.(CAA)/80/(MB)2023

CONNECTED WITH

C.A.(CAA)/10/MB/2023

**IN THE MATTER OF SECTIONS 230
TO 232 READ WITH SECTION 52
AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES
ACT, 2013**

AND

**IN THE MATTER OF SCHEME OF
ARRANGEMENT BETWEEN
EDELWEISS FINANCIAL SERVICES
LIMITED AND NUVAMA WEALTH
MANAGEMENT LIMITED
(FORMERLY KNOWN AS
EDELWEISS SECURITIES LIMITED)
AND THEIR RESPECTIVE
SHAREHOLDERS AND CREDITORS**

**Edelweiss Financial Services)
Limited, a public company)
incorporated under the provisions of)
the Companies Act, 1956 having)
corporate identity number)
L99999MH1995PLC094641 and)
having its registered office at)
Edelweiss House, Off. C.S.T. Road,)
Kalina, Mumbai - 400 098,)
Maharashtra)**

**...First Petitioner Company /
Demerged Company**



Nuvama Wealth Management)
Limited (formerly known as Edelweiss)
Securities Limited), a public company)
incorporated under the provisions of)
the Companies Act, 1956 and having)
its corporate identity number)
U67110MH1993PLC344634 and)
registered office at 801-804, Wing A,)
Building No. 3, Inspire BKC, G Block,)
BKC, Bandra East, Mumbai - 400) **...Second Petitioner Company /**
051, Maharashtra) **Resulting Company**

...Collectively referred to as Petitioner Companies

Order pronounced on: 27th day of April 2023

Coram:

Shri H. V. Subba Rao, Hon'ble Member (Judicial)

Ms. Madhu Sinha, Hon'ble Member (Technical)

Appearances (via videoconferencing):

For the Petitioner: Mr. Gaurav Joshi, Senior Advocate a/w Mr. Peshwan Jehangir, Mr. Mehul Shah, Mr. Aman Yagnik, Mr. Anindya Basarkod, Mr. Rushabh Gala, Ms. Roselin Alex and Ms. Dhruvi Dharia i/b Khaitan & Co, Advocates for the Applicant Companies

ORDER

1. The Tribunal convened through videoconferencing.
2. Heard Learned Counsel for the Petitioner Companies. No objections have been received by the Tribunal opposing the Company Scheme Petition and nor has any party controverted any averments made in the Company Scheme Petition.



3. The sanction of this Tribunal is sought under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (“**Act**”) to the Scheme of Arrangement between Edelweiss Financial Services Limited and Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) and their respective shareholders and creditors (“**Scheme**”).
4. The First Petitioner Company is principally engaged in providing investment advisory services, merchant banking services (registered with the Securities and Exchange Board of India (“**SEBI**”)) investment banking services and holding company activities comprising of development, managerial and financial support to the business of its subsidiaries.
5. The Second Petitioner Company is registered as a trading and clearing member with the Stock Exchanges and provides securities broking, investment advisory and research analysis services to its clients. The Resulting Company is a SEBI registered stock broker, investment advisor and research analyst. The Second Petitioner Company also acts as a ‘Sponsor’ to Alternative Investment Funds.
6. The learned Counsel for the Petitioner Companies submit that the rationale mentioned in the Scheme is as under:
 1. *The Demerged Company and the Resulting Company seek to reorganise their respective businesses, by transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company, so as to consolidate the wealth management business under one single entity (i.e. the Resulting Company).*
 2. *The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company will result in the equity shares of the Resulting Company becoming listed on the National Stock Exchange Limited and BSE Limited, with the Resulting Company focussing exclusively on wealth management business and*



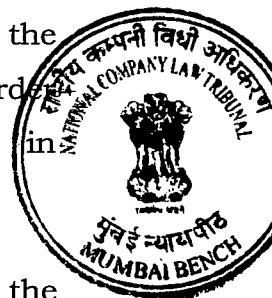
capable of independent valuation and participation therein by any suitable investor interested in such businesses, in the future.

3. *The proposed restructuring pursuant to the said Scheme is expected, inter alia, to result in following benefits:*
- i. value unlocking of wealth management business with ability to achieve valuation based on respective-risk return profile and cash flows;*
 - ii. attracting business specific investors and strategic partners and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective businesses in the longer-term;*
 - iii. segregation and unbundling of the wealth management business of the Demerged Company into the Resulting Company, will enable enhanced focus on the Demerged Company and the Resulting Company for exploiting opportunities in their respective business domains; and*
 - iv. focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.*

The Scheme would be in the best interests of the shareholders, employees, creditors and other stakeholders of each of the Parties as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable the management of each of the aforesaid companies to vigorously pursue revenue growth and expansion opportunities.

7. Learned Counsel for the Petitioner Companies submit that the Company Scheme Petition was filed in consonance with the Order dated 12 January 2023 passed by this Tribunal in C.A.(CAA)/10/MB/2023 ("**said Order**").

8. Learned Counsel for the Petitioner Companies submit that *vide* the said Order, the Company Scheme Application was admitted and the



Petitioner Companies were *inter alia* directed to: (a) convene meeting of the equity shareholders of the First Petitioner Company; (b) dispensed with the requirement of convening and holding the meeting of the equity shareholders of the Second Petitioner Company; (c) dispensed with the requirement of convening and holding meeting of the preference shareholders of the Petitioner Companies as the Petitioner Companies did not have any preference shareholders; (d) dispensed with the requirement of convening and holding meeting of the secured creditors of the First Petitioner Company; (e) dispensed with the requirement of convening and holding of the meeting of the secured creditors of the Second Petitioner Company as the Second Petitioner Company did not have any secured creditors; (f) dispensed with the requirement of convening and holding meetings of the unsecured creditors of the Petitioner Companies. The Learned Counsel for the Petitioner Companies submit that, as directed by this Tribunal *vide* the said Order, the meeting of the equity shareholders of the First Petitioner Company was held on 24 February 2023 at 4:00 p.m. through video conferencing, for the purpose of considering and if thought fit, approving with or without modification, the Scheme. The equity shareholders of the First Petitioner Company approved the Scheme, by passing a resolution with the requisite majority. The Chairperson appointed for the said meeting had filed the Chairperson's Report showing the conduct and result of the said meeting as directed, which is annexed to the Company Scheme Petition.

9. The Learned Counsel for the Petitioner Companies submit that on 24 March 2023, the Company Scheme Petition was admitted and the date for hearing and final disposal was fixed as 27 April 2023. The Petitioner Companies were directed to cause publication of the advertisement in 'Business Standard' in English language having nation-wide circulation and translation thereof in Marathi language in 'Navshakti' having circulation in Maharashtra, at least 10 (ten)



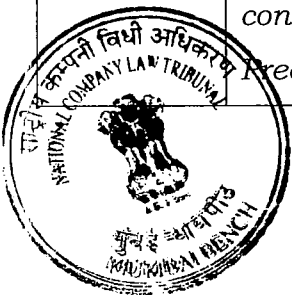
days before the date fixed for hearing and final disposal of the captioned Company Scheme Petition. The Petitioner Companies have filed an Affidavit of Service on 13 April 2023 evidencing the publication of newspaper advertisements.

10. Learned Counsel for the Petitioner Companies state that the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal.
11. The Regional Director has filed its Report dated 24 April 2023 ("**Report**") praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in Paragraphs 2 (a) to (j). The observations of the Regional Director and the reply of the Petitioner Companies as set out in the Affidavit dated 25 April 2023 filed by the Petitioner Companies with the Tribunal, the extract of which is set out in the tabular format below:

Sr. No. of Paragraph 2	Observations in Report filed by the Regional Director	Reply of Petitioner Companies
a)	<i>In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc</i>	<i>As far as the observation made in Paragraph 2(a) of the Report of the Regional Director is concerned, the First Petitioner Company undertakes to pass necessary accounting entries in accordance with Appendix A of Indian Accounting Standard (Ind-AS) 10 'Distribution of Non-</i>



		<p>Cash Assets to Owners' prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, and the Second Petitioner Company undertakes to pass necessary accounting entries in accordance with Indian Accounting Standard 103 on Business Combinations notified under Section 133 of the Act under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time.</p>
b)	<p>As per Definition of the Scheme, "Appointed Date" means the Effective Date or such other date (if any) as may be decided by the Boards of the Parties; And</p> <p>"Effective Date" means date on which last of the conditions specified in Clause 19 (Conditions Precedent) of this Scheme are complied with or</p>	<p>As far as the observation made in Paragraph 2(b) of the Report of the Regional Director is concerned, the Petitioner Companies state that, the Appointed Date as</p>



waived, as may be applicable. Reference in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“effect of this Scheme”** or **“upon the Scheme becoming effective”** shall mean the Effective Date;

In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.

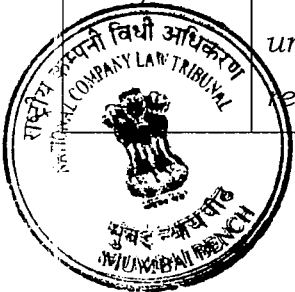
The Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.

defined in the Scheme means the Effective Date or such other date (if any) as may be decided by the Boards of the Parties (as defined in the Scheme). The Effective Date as defined in the Scheme means the date on which last of the conditions specified in Clause 19 (Conditions Precedent) of this Scheme are complied with or waived, as may be applicable.

The MCA Circular states that, in terms of Section 232(6) of the Act, the Scheme shall be deemed to be effective from the 'appointed date' and not a date subsequent to the 'appointed date'. Further, the MCA Circular permits the Petitioner Company to decide and agree upon an 'appointed date'



		<p>from which the Scheme shall come into force and permits the Petitioner Company to choose and state an 'appointed date' in the Scheme. This appointed date may be a specific calendar date or may be tied to the occurrence of an event. Further, the MCA Circular does not restrict the companies to choose a prospective appointed date. The Petitioner Companies have commercially agreed to choose Effective Date of the Scheme as the Appointed Date. Therefore, the Petitioner Companies humbly submit that, the Scheme is in compliance with the requirements specified in the MCA Circular.</p>
c)	The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per	As far as the observation made in Paragraph 2(c) of the



Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with 7 subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.

*Report of the Regional Director is concerned, the Petitioner Companies state that, in terms of the order dated 12th January 2023 passed by the Hon'ble Tribunal in the captioned Company Scheme Application ("**CSA Order**"), the First Petitioner Company was directed to convene and hold meeting of its equity shareholders to consider and approve the Scheme.*

Further, the meetings of the secured creditors and unsecured creditors of the First Petitioner Company were dispensed with due to the fact that, the consents affidavits were provided by the Debenture Trustees representing 100% of the secured creditors of the First Petitioner



Company and more than 90% of the value of the unsecured creditors of the First Petitioner Company, were annexed to the captioned Company Scheme Application.

In compliance with the directions of the Hon'ble Tribunal vide the CSA Order, the First Petitioner Company convened and held meeting of its equity shareholders on 24th February 2023 to consider and approve the said Scheme. The Scheme was approved by the equity shareholders with requisite majority at the said meeting.

A copy of the Chairperson's Report intimating the results of the said meeting of equity shareholders of the First Petitioner Company along with the scrutinizers report



as submitted with the Hon'ble Tribunal, is annexed hereto and marked as **Exhibit A1**.

In terms of the CSA Order, the meeting of the equity shareholders and unsecured creditors of the Second Petitioner Company were dispensed with due to the fact that, consent affidavits of all the equity shareholders and unsecured creditors representing more than 90% of the value of the Second Petitioner Company were annexed to the captioned Company Scheme Application. Further, since the Second Petitioner Company did not have any secured creditors the question of convening and holding the meeting of secured creditors did not arise.



d)	<p>The Petitioner Company has stated that present Scheme complies with the definition of “demerger” as per Section 2(19AA) of the Income Tax Act, in this regard, petitioner companies may be directed to place on record as to how the present scheme complies with the Section 2(19AA) of the Income Tax, Act, 1961;</p>	<p>As far as the observation made in Paragraph 2(d) of the Report of the Regional Director is concerned, the Petitioner Companies submit that, it is specified in the Scheme that, the Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961 (“Income Tax Act”) and inter alia provides for the demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the First Petitioner Company into the Second Petitioner Company on a going concern basis.</p>
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		<p>The Petitioner Companies further state that, the Scheme is compliance with all the conditions specified in Section 2(19AA) of the Income Tax Act.</p>
e)	<p>Petitioner company may be directed to place on record the list of Assets & Liabilities to be demerged and going to transferred in the Resulting company along with value of Assets & Liabilities in order to comment upon this matter. However, both companies shall undertake to service creditors of Demerged Company as the appointed date of the scheme.</p>	<p>As far as the observation made in Paragraph 2(e) of the Report of the Regional Director is concerned, the Petitioner Companies state that, the Appointed Date of the Scheme is the Effective Date or such other date (if any) as may be decided by the Boards of the Parties i.e. a prospective date. A copy of the indicative list of assets and liabilities of the Demerged Undertaking as on 31st December 2021 has been submitted with the Regional Director vide letter dated 1st March 2023. For ease of reference, the copy</p>



of the indicative list of assets and liabilities of the Demerged Undertaking as on 31st December 2021 is annexed hereto and marked as **Exhibit A2**.

The Petitioner Companies have already complied with the provisions of Section 230(9) of the Act, by annexing the consent affidavits of the Debenture Trustees representing the 100% of the secured creditors and more than 90% in value representing the unsecured creditors of the First Petitioner Company and the Second Petitioner Company, respectively, to the captioned Company Scheme Application, therefore, Petitioner Companies humbly state that, sending



		<p>notices to the secured creditors and unsecured creditors of the First Petitioner Company as on the Appointed Date is not required.</p>
f)	<p>It is observed that both petitioner companies are listed, therefore petitioner company may be directed to provide NOC of SEBI, NSE and BSE, if any.</p>	<p>As far as the observation made in Paragraph 2(f) of the Report of the Regional Director is concerned, the Petitioner Companies state that, equity shares of the First Petitioner Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). In compliance with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under SEBI Master Circular No. SEBI/HO / CFD</p>



/DIL1/ CIR /P/ 2021/ 0000000665 dated 23rd November 2021, the First Petitioner Company has already submitted the Scheme with BSE and NSE for their respective no objection. Copies of the observation letters dated 15th December 2022 and 16th December 2022 received from BSE and NSE, respectively, along with comments of the Securities and Exchange Board of India ("**SEBI**") have been submitted with the Regional Director vide letter dated 1st March 2023. For ease of reference, a copy of the said observation letters issued by BSE and NSE are annexed hereto and marked as **Exhibit A3 Colly**.

The Second Petitioner Company holds



		<p>registrations issued by the SEBI, BSE and NSE. Copies of the no objection letters issued by BSE and NSE are annexed hereto and marked as Exhibit A4 Colly.</p>
g)	<p>Further the Resulting company may be directed to place on record NOC, If any of MCE & NCDEX, Indian Clearing Corporation Limited, Association of Mutual Funds of India and RERA.</p>	<p>As far as the observation made in Paragraph 2(g) of the Report of the Regional Director is concerned, the Petitioner Companies state that, the Second Petitioner Company holds registrations issued by Metropolitan Stock Exchange of India Limited ("MSEI"), Multi Commodity Exchange of India Limited ("MCX"), National Commodity and Derivatives Exchange Limited ("NCDEX"), NSE Clearing Limited ("NCL"), Indian Clearing Corporation Limited ("ICCL"), Association of Mutual Funds of India</p>

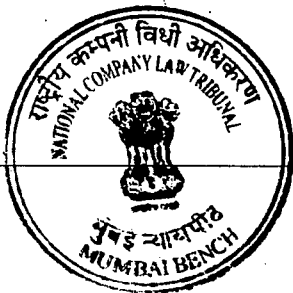


("AMFI") and Maharashtra Real Estate Regulatory Authority ("MRERA").

Copies of the no objection letters issued by the MSEI, MCX and NCDEX are annexed hereto and marked as **Exhibit A5 Colly.**

The Second Petitioner Company states that, under the applicable laws, the Second Petitioner Company is not required to seek prior approval/ no objection from ICCL, AMFI and MAHARERA.

In compliance with the directions of the Hon'ble Tribunal vide the CSA Order, the Petitioner Companies have inter alia served notices under Section 230(5) of the Act upon the regulatory authorities including



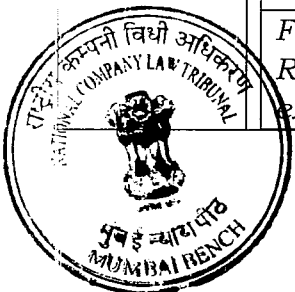
		<p>ICCL, AMFI and MAHARERA. Copy of the Affidavit of Service evidencing service of notice upon the requisite regulatory and sectoral authorities by the Second Petitioner Company is annexed hereto and marked as Exhibit A6.</p>
h)	<p>Since, Demerged Company is a NBFC, therefore, petitioner company may be directed to provide NOC of RBI, if any.</p>	<p>As far as the observation made in Paragraph 2(h) of the Report of the Regional Director is concerned, the Petitioner Companies state that, the First Petitioner Company is principally engaged in providing investment advisory services, merchant banking services (registered with SEBI), investment banking services and holding company activities comprising of development, managerial and financial support to the</p>



		business of its subsidiaries. The First Petitioner Company further states that, it is not registered with the Reserve Bank of India as a Non Banking Financial Company (NBFC), therefore, the requirement of seeking no objection certificate from the Reserve Bank of India is not applicable in this case.												
i)	<p>It is observed from latest MGT-7 for the year ending 31.03.2022 filed by the petitioner companies that transferor company has following corporate body shareholders having more than 10% shareholding, but form Ben-2 has not been filed:-</p> <table border="1"> <thead> <tr> <th>Name of the Company</th> <th>Name of the shareholder</th> <th>Percentage of shareholding</th> <th>Status of Ben-2</th> </tr> </thead> <tbody> <tr> <td>Nuvama Wealth Management Limited (Formerly Known As Edelweiss Securities Limited) (Resulting Company)</td> <td>Edelweiss Global wealth Management Limited</td> <td>50.55%</td> <td>Not filed</td> </tr> <tr> <td></td> <td>Edelweiss Financial Services Limited</td> <td>38.88%</td> <td>Not filed</td> </tr> </tbody> </table> <p>Therefore, petitioner company may be directed to clarify and comply with the same as required u/s. 90</p>	Name of the Company	Name of the shareholder	Percentage of shareholding	Status of Ben-2	Nuvama Wealth Management Limited (Formerly Known As Edelweiss Securities Limited) (Resulting Company)	Edelweiss Global wealth Management Limited	50.55%	Not filed		Edelweiss Financial Services Limited	38.88%	Not filed	<p>As far as the observation made in Paragraph 2(i) of the Report of the Regional Director is concerned, the Petitioner Companies state that, in terms of Section 90 of the Act and rules made thereunder, none of the individual shareholder holds more than 10% of the equity share capital of Second Petitioner Company, therefore, the requirement of filing Form BEN-2 with the Registrar of</p>
Name of the Company	Name of the shareholder	Percentage of shareholding	Status of Ben-2											
Nuvama Wealth Management Limited (Formerly Known As Edelweiss Securities Limited) (Resulting Company)	Edelweiss Global wealth Management Limited	50.55%	Not filed											
	Edelweiss Financial Services Limited	38.88%	Not filed											



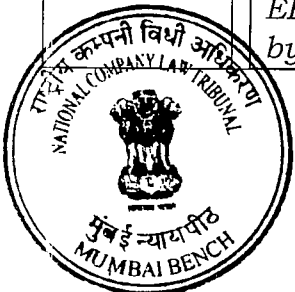
	of the Companies Act, 2013 r.w. companies (Significant Beneficial Owners) Rules, 2018.	Companies is not applicable to the Second Petitioner Company.																				
j)	<p>That on examination of the report of the Registrar of Companies, Mumbai dated 06.04.2023 (Annexed as Annexure A-1)) that all the Petitioner Companies fall within the jurisdiction of ROC, Mumbai. It is submitted that no complaint and /or representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the petitioner companies have filed Financial Statements up to 31.03.2022 further observations in ROC report are as under:-</p> <p>i. That the ROC Mumbai in his report dated 06.04.2023 has stated that no Inquiry, inspection, investigation & prosecution is pending against the subject applicant companies.</p> <p>ii. As per MCA Portal following Charges are having Status as "OPEN" in respect to Demerged Company</p> <table border="1"> <thead> <tr> <th>Assets under charge</th> <th>Charge Amount</th> <th>Date of Creation</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td></td> <td>218/7028000</td> <td>29/04/2021</td> <td>OPEN</td> </tr> <tr> <td>As mentioned in Annexure I</td> <td>2000000000</td> <td>02/12/2020</td> <td>OPEN</td> </tr> <tr> <td></td> <td>2000000000</td> <td>07/01/2021</td> <td>OPEN</td> </tr> <tr> <td>First Ranking exclusive</td> <td>3500000000</td> <td>15/03/2021</td> <td>OPEN</td> </tr> </tbody> </table>	Assets under charge	Charge Amount	Date of Creation	Status		218/7028000	29/04/2021	OPEN	As mentioned in Annexure I	2000000000	02/12/2020	OPEN		2000000000	07/01/2021	OPEN	First Ranking exclusive	3500000000	15/03/2021	OPEN	As far as the observations made in Paragraphs 2(j)(i), 2(j)(ii) and 2(j)(vii) of the Report of the Regional Director is concerned, the Petitioner Companies state that, the said observations are factual in nature.
Assets under charge	Charge Amount	Date of Creation	Status																			
	218/7028000	29/04/2021	OPEN																			
As mentioned in Annexure I	2000000000	02/12/2020	OPEN																			
	2000000000	07/01/2021	OPEN																			
First Ranking exclusive	3500000000	15/03/2021	OPEN																			



charge on the Pledged Share			
As mentioned in Annexure I	280000000	19/05/2021	OPEN
	3678240000	13/09/2021	OPEN
As described in the Pledge Agreement and Deed of H	6500000000	29/09/2021	OPEN
Movable property (not being pledge)	10000000000	24/11/2021	OPEN
	5000000000	28/12/2021	OPEN

b) Resulting Company:

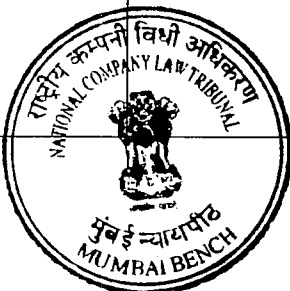
Assets under charge	Charge Amount	Date of Creation	Status
Book debts; Receivables	15000000 00	18/03/20 11	OPEN
Equity shares of EFIL held by ESL	50000000 00	06/05/20 22	OPEN
By way of an exclusive charge, the Fixed Deposits	30000000 00	24/06/20 22	OPEN
25,47,000 equity shares of EFIL held by ESL	30000000 00	14/07/20 22	OPEN



46013440 00	10/05/20 22	OPEN
20180100 00	22/12/20 22	OPEN

iii. There are complaints against Demerged Company regarding non-receipt of Annual Report vide SRNs: I0008543, J00059008, J00059051, which are having Status as: OPEN as per Enforcement Module at MCA.

As far as the observations made in Paragraphs 2(j)(iii) of the Report of the Regional Director is concerned, the Petitioner Companies state that, the First Petitioner Company has never received any complaints/ email from the Registrar of Companies/ Ministry of Corporate Affairs for non receipt of Annual Report of the First Petitioner Company in connection with SRNs I0008543, J00059008, J00059051. The First Petitioner Company further states that, its annual reports for the financial years ended as on 31st March 2016, 31st March 2017, 31st March 2018, 31st March 2019, 31st March 2020, 31st March 2021 and 31st March 2022 is already uploaded on websites of the First Petitioner



Company, BSE and NSE. The First Petitioner Company further undertakes to provide a copy of its annual reports for the said financial years to all such shareholders who specifically place a request for the same with the First Petitioner Company.

iv. As per Para 3 of the Hon'ble NCLT order, the applicant companies to serve CAA-3 to various Authorities as mentioned in Paras (vii) to (xvi), however, the same are not attached with the Scheme filed with this Office. CAA-2 not found with the Scheme.

As far as the observations made in Paragraphs 2(j)(iv) of the Report of the Regional Director is concerned, in compliance with the directions of the Hon'ble Tribunal vide the CSA Order, the Petitioner Companies state that, the notice of meeting of equity shareholders of the First Petitioner Company was published in 'Business Standard' in English language having nationwide circulation



and 'Loksatta' in Marathi language having circulation in the State of Maharashtra. Copy of the Compliance Report filed by the Chairperson appointed for the meeting of the equity shareholders filed with the Hon'ble Tribunal, inter alia annexing the said newspaper publications is annexed hereto and marked as **Exhibit A7**.

Further, in compliance with the directions of the Hon'ble Tribunal vide the CSA Order, the Petitioner Companies have served notices under Section 230(5) of the Act upon the requisite regulatory and sectoral authorities. Copy of the Affidavit of Service evidencing service of notice upon



the requisite regulatory and sectoral authorities by the First Petitioner Company is annexed hereto and marked as **Exhibit A8**. Copy of the Affidavit of Service evidencing service of notice upon the requisite regulatory and sectoral authorities by the Second Petitioner Company is already annexed and marked as Exhibit A6.

v. As per Para 5.4 of the Scheme (Employees Stock Option) and Stock appreciation rights will modified by Demerged Company. Hence applicant Company may be directed to give undertaking that the same will be done as per SEBI Guidelines and by providing for fair and reasonable (FAR) adjustment and should not be detrimental to the interest of the employees.

As far as the observations made in Paragraphs 2(j)(v) of the Report of the Regional Director is concerned, the Petitioner Companies state that, in terms of Clause 5.4 of the Scheme, the First Petitioner Company undertakes that, it shall take necessary steps to modify the EFSL ESOP (as



	<p>vi. Interest of the Creditors should be protected.</p> <p>vii. May be decided on its merit.</p>	<p><i>defined in the Scheme) and EFSL SARP (as defined in the Scheme) in a manner considered appropriate and in accordance with the Applicable Laws (as defined in the Scheme).</i></p> <p><i>The First Petitioner Company further submits that, the Scheme is not detrimental to the interest of its employees.</i></p> <p><i>As far as the observations made in Paragraphs 2(j)(vi) of the Report of the Regional Director is concerned, the Petitioner Companies state that, the meetings of the secured creditors and unsecured creditors of the First Petitioner Company were dispensed with due to</i></p>
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the fact that, the consents affidavits were provided by 2 Debenture Trustees representing 100% of the secured creditors of the First Petitioner Company and more than 90% of the value of the unsecured creditors of the First Petitioner Company, were annexed to the captioned Company Scheme Application. Further, in terms of the CSA Order, the meeting of the unsecured creditors of the Second Petitioner Company were dispensed with due to the fact that, consent affidavits of the unsecured creditors representing more than 90% of the value of the Second Petitioner Company were annexed to the captioned Company Scheme Application. Since the Second



Petitioner Company did not have any secured creditors the question of convening and holding the meeting of secured creditors did not arise.

In terms of the Scheme, the Petitioner Company states that, the creditors of the Petitioner Companies shall, in no way, be affected by the Scheme, as there is no reduction in the amount payable to any of the creditors and no compromise or arrangement is contemplated with the creditors. Thus, the Scheme would not, in any way, adversely affect the operations of the Petitioner Companies or the ability of the Petitioner Companies to honour its commitments or to pay its debts in the

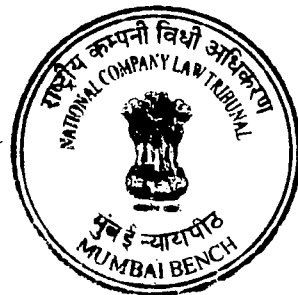


		<p><i>ordinary course of its business.</i></p> <p><i>Therefore, in view of the aforesaid, the Petitioner Companies humbly state that, the interest of the creditors of the Petitioner Companies is protected.</i></p>
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12. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 11 above. The clarifications and undertakings given by the Petitioner Company are accepted by this Tribunal, and the Petitioner Company are directed to comply with the same. Moreover, the Petitioner Company undertake to comply with all the statutory requirements, if any, as may be required under the Companies Act, 2013 and the Rules made thereunder. The Authorised Representative of the Regional Director, MCA (WR), Mumbai Ms. Rupa Sutar who is present at the time of the hearing has submitted that the explanation and clarifications given by the Petitioner Company are found satisfactory for approving the scheme by the Tribunal.
13. The Regional Director has not raised any other objections or dealt with any of the responses of the Petitioner Companies other than as set out above. Learned Counsel for the Petitioner Companies submit that it is apparent that the Regional Director is satisfied with the responses provided.
14. From the material on record, the Scheme annexed to the Company Scheme Petition appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.



15. Since all the requisite statutory compliances have been fulfilled, the said Company Scheme Petition is made absolute in terms of the prayer Clauses 39 (a) to 39 (f) thereof.
16. The Scheme is hereby sanctioned, with the Appointed Date means the Effective Date (*as defined in the Scheme*).
17. The Petitioner Companies are directed to file the certified copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, within 30 (thirty) days from the date of receipt of the certified copy of this Order from the Registry of this Tribunal.
18. The Petitioner Companies to lodge the certified copy of this Order along with the Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 (sixty) days from the date of receipt of the certified Order from the Registry of this Tribunal.
19. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
20. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
21. Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.



22. Ordered accordingly. File to be consigned to records.

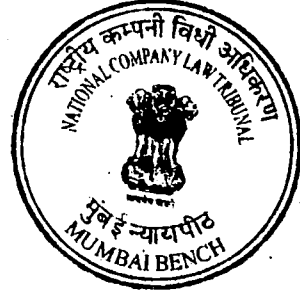
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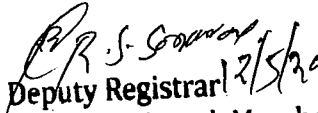
Madhu Sinha
Member (Technical)

Sd/-

H. V. Subba Rao
Member (Judicial)

Certified True Copy _____
Date of Application 03/05/2023
Number of Pages 33
Fee Paid Rs. 165/-
Applicant called for collection copy on 12/05/2023
Copy prepared on 12/05/2023
Copy Issued on 12/05/2023




Deputy Registrar 12/5/23
National Company Law Tribunal, Mumbai Bench