

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH - II, CHENNAI**

**CA(CAA)/54(CHE)2022**

(filed under Sections 230 to 232 of the Companies Act, 2013)

In the matter of Composite *Scheme of Amalgamation*  
*between*

**EQUITAS HOLDINGS LIMITED**

CIN NO- L65100TN2007PLC064069

Reg Off:-

410A, 4<sup>th</sup> Floor, Phase II, Spencer Plaza,  
No. 769, Mount Road, Anna Salai,  
Chennai – 600 002

... Applicant/ Transferor Company

**EQUITAS SMALL FINANCE BANK LIMITED**

CIN No- L65191TN1993PLC025280

Reg Off:-

4<sup>th</sup> Floor, Phase II, Spencer Plaza,  
No. 769, Mount Road, Anna Salai,  
Chennai – 600 002

... Applicant / Transferee Company

And

**Their Respective Shareholders and Creditors**

Order Pronounced on 22<sup>nd</sup> July 2022

CORAM

**Justice (Retd.) S. RAMATHILAGAM, MEMBER (JUDICIAL)**  
**SAMEER KAKAR, MEMBER (TECHNICAL)**

For Applicants: Pawan Jhabakh, Advocate

**ORDER**

**Per: Justice (Retd.) S. RAMATHILAGAM, MEMBER (JUDICIAL)**

Under consideration is a joint application filed by the Applicant Companies, namely **Equitas Holdings Limited** (for brevity "Transferor Company"), and **Equitas Small Finance Bank Limited** (for brevity "Transferee Company"), under section 230-

232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Composite Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed by the Applicant Companies. The said Scheme is appended as "Annexure -A1" to the Company Application in CA/(CAA)/54(CHE)/2022. Accordingly, the Applicant Companies herein have sought the following reliefs;

	<b>Equity Shareholders</b>	<b>Secured Creditors</b>	<b>Unsecured Creditors</b>	<b>Depositors</b>
<b>Transferor Company</b>	<i>To hold meeting</i>	NA*	<i>To hold meeting</i>	NA*
<b>Transferee Company</b>	<i>To hold meeting</i>	NA*	<i>To hold meeting</i>	To dispense with

\*(As there are no Preference Shareholders/ secured / unsecured creditors, the holding / dispensation of meetings are not applicable)

2. A Joint Affidavit verifying the Application is sworn for and behalf of the applicant Companies have been filed by one **Ms. Srimathy R** in the capacity of Chief Financial Officer of Equitas Holdings Limited and one **Mr. Sampathkumar K R** in the capacity of Company Secretary of Equitas Small Finance Bank Limited along with the application and it is also represented that the Registered office of the Applicant Companies are situated within the jurisdiction of Registrar of Companies, Chennai, Tamil Nadu.

3. **EQUITAS HOLDINGS LIMITED (TRANSFEROR COMPANY)**

- (i) There are **2,40,821** Equity Shareholders (Public) and the shareholding pattern this effect is placed as *Annexure-A9* at page 412 of Volume-II of the typed set filed and ***seeks necessary direction to conduct the meeting.***
- (ii) There is **NIL** Secured Creditor and the certificate issued by the Chartered Accountant to this effect is placed as *Annexure-A10* at page 415 of Volume-II of the typed set filed along with the application.
- (iii) There are **3** Unsecured Creditors and the certificate along with the list issued by the Chartered Accountant to this effect is placed as *Annexure-A10* at page 415 of Volume-II of the typed set filed and ***seeks necessary direction to conduct the meeting.***

4. **EQUITAS SMALL FINANCE BANK LIMITED (TRANSFeree COMPANY)**

- (i) There are **1,35,817** (Promoter & Public) Equity Shareholders and the shareholding pattern to this effect is placed as *Annexure-A9* at page 413 of Volume-II of the typed set filed and ***seeks necessary direction to conduct the meeting.***
- (ii) There is **NIL** Secured Creditor and the certificate issued by the Chartered Accountant to this effect is placed at page 418 of Volume-II of the typed set filed along with the application.

- (iii) There are **5975** Unsecured Creditors and the certificate along with the list issued by the Chartered Accountant to this effect is placed between pages 418-539 of Volume-II of the typed set filed and ***seeks necessary direction to conduct the meeting.***
- (iv) There are **32,95,081** deposit holders collectively holding Rs. 19390,44,25,670/- (Rupees nineteen thousand three hundred and ninety crore forty four lakh twenty five thousand six hundred seventy only) all around the Country. Since this is a banking Company, the number of depositors are large in number and that they are situated all around the country the Transferee Company ***seeks necessary direction to dispense with the meeting*** ensuring that no prejudice would be caused as the Transferee Company continues to be a going concern. During the course of hearing upon the query raised by this Tribunal, a memo dated 13.07.2022 was filed by the Counsel for the Applicant referring a single bench order passed by this Tribunal seeking partial dispensation of meeting for those who hold deposit less than 5 lakh and to hold meeting to **56790** deposit holders holding above 5 lakh. Taking the said order into consideration along with the percentage summary of the deposit holders read with section 230 of the Act, we are of the view to issue direction to convene the meeting of those deposit holders holding deposits above 3 Lakh, who in turn collectively holds above 90% of the total deposit holders as on date of filing of this application. At this Juncture, we are inclined to Order meeting for **76,414**

Deposit Holders those holding deposits above 3 lakh and dispense with the meeting of the rest of deposit holders.

5. We have perused the application and the connected documents / papers filed therewith including the Scheme contemplated by the Applicant companies. No objection from Reserve Bank of India, BSE & NSE have been obtained and is filed along with the typeset of the Application.

6. From the certificate of incorporation filed, it is evident that the Transferor Company was originally incorporated as a "UPDB Micro Finance Private Limited" on 22.06.2007 as a Private Limited Company under the provisions of Companies Act, 1956. Pursuant to a Special Resolution passed dated 17.12.2007 passed by its shareholders the name of the Company was changed to "Equitas Micro Finance India Private Limited" and fresh Certificate of Incorporate was issued on 01.02.2008 is a Public limited company. The micro finance business of the Transferor Company was demerged into Singhivi Investment and Finance Private Limited. Subsequent to the above mentioned demerger Singhivi was renamed as Equitas Micro Finance Private Limited. Thereafter the name of the Transferor Company was changed to "Equitas Holdings Private Limited" by way of special resolution dated 30.01.2012, a fresh Certificate of Incorporation was issued on 29.02.2012.

Pursuant to an order issued by the RBI on 03.12.2012, the Transferor Company was designated as a Non-systemically Important Core Investment Company and pursuant to the request made by the Transferor Company, the certificate of registration dated 13.03.2008 granted to the Transferor Company under Section 45-IA of the Reserve Bank of India Act, 1934 was cancelled. Thereafter, upon a special resolution dated 12.06.2015 passed by EHL's shareholders the Transferor Company was converted into a public limited company and the name was changed to **Equitas Holdings Limited**. The Registrar of Companies issued a fresh certificate of incorporation consequent to change of name on 18.06.2015.

The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on 31<sup>st</sup> March, 2022 is as under:

Particulars	Amount (Rs in Lakhs)
<b>Authorized Share Capital</b>	
44,00,00,000 equity shares of INR. 10/- each	44,000.00
1,00,00,000 compulsorily convertible preference shares of INR 10/- each	1,000.00
<b>Total</b>	<b>45,000.00</b>
<b>Issued, subscribed and paid-up share capital</b>	
34,17,90,115 equity shares of INR. 10/- each	34,179.01
<b>Total</b>	

The Transferor Company has outstanding employee stock options under the EHL ESOP Scheme, the exercise of which may result in further increase in the issued and paid-up share capital of the Transferor Company. The registered office of Transferor Company



is located at 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002.

7. From the certificate of incorporation filed, it is evident that the Transferee Company was originally incorporated on 21.06.1993 under the Companies Act, 1956 as "V.A.P Finance Private Limited". The status of the Transferee Company was changed from a private company to a public limited company on 02.03.1994. Subsequently, the status was again changed from a public company to a private limited company and a fresh certificate of incorporation was issued on 30.03.2011. The name of the Transferee Company was changed to "Equitas Finance Private Limited" pursuant to a fresh certificate of incorporation dated 12.08.2011. The status of Transferee Company was then finally converted into a public limited company and consequently its name was changed to "Equitas Finance Limited in terms of a revised certificate of incorporation dated 29.09.2015. Equitas Micro Finance Limited and Equitas Housing Finance Limited was merged into the Transferee Company vide a scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956 approved by the Hon'ble High Court of Judicature at Madras by order dated 06.06.2016 in Company Petition Nos. 119 to 121 of 2016. The name of the Transferee Company was changed to its



current name of "**Equitas Small Finance Bank Limited**" in terms of a revised certificate of incorporation dated 02.09.2016.

The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on 31<sup>st</sup> March, 2022 is as under:

Particulars	Amount (in Rs Lakhs)
<b>Authorized Share Capital</b>	
170,00,00,000 equity shares of INR. 10/- each	1,70,000.00
<b>Total</b>	<b>1,70,000.00</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
125,20,27,655 equity shares of INR. 10/- each	1,25,202.77
<b>Total</b>	<b>1,25,202.77</b>

The registered office of Transferee Company is situated at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002.

8. The Applicant Companies have filed its Memorandum and Articles of Association *inter alia* delineating its object clauses as well as their last available Audited Annual Accounts for the year ended 31.03.2022.

9. The Boards of Directors of the Transferor and Transferee Company vide its meeting held on 21<sup>st</sup> March 2022 have unanimously approved the proposed Scheme as contemplated above and the copies of resolutions passed thereon have been placed on record by the applicant companies.

10. The Appointed date as defined in the Scheme means *the effective date or such other date as determined by the Board of*



*ESFBL to comply with the approvals/directions from the Appropriate Authority or such other date as NCLT may direct.*

11. The Statutory Auditors of the Applicant Companies have individually examined the Scheme in terms of Sec. 232 of Companies Act, 2013 and the rules made thereunder and certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013. The Certificate of the Statutory Auditors issued in this regard is placed between pages 540 -547 of Volume -II of the typed set filed along with the Company Application.

12. Upon consideration of the application filed by the Applicant Companies and the documents filed therewith as well as the position of law, this Tribunal propose to issue the following directions : -

**A. IN RELATION TO THE TRANSFEROR COMPANY:**

(i) **With respect to Equity shareholders:**

Meeting of Equity Share Holders of the Transferor company is directed to be held on **06.09.2022 at 03:30 PM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.



(ii) **With respect to Secured Creditors:**

It is represented by the Transferor Company that there is **NIL** Secured Creditors, the necessity of convening a meeting does not arise.

(iii) **With respect to Unsecured Creditors:**

Meeting of Unsecured Creditors of the Transferor company is directed to be held on **06.09.2022 at 02:00 PM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

**B. IN RELATION TO THE TRANSFEREE COMPANY:**

(i) **With respect to Equity shareholders:**

Meeting of Equity Shareholders of the Transferee company is directed to be held on **06.09.2022 at 12:00 Noon** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

(ii) **With respect to Secured Creditors:**

It is represented by the Transferee Company that there is **NIL** Secured Creditors, the necessity of convening a meeting does not arise.



(iii) **With respect to Unsecured Creditors:**

Meeting of Unsecured Creditors of the Transferee company is directed to be held on **06.09.2022 at 10:30 AM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

(iv) **With respect to Deposit Holders:**

Meeting of **76,414** Deposit Holders of the Transferee company is directed to be held on **07.09.2022 at 10:30 AM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

13. **QUORUM FOR THE MEETING**


The quorum for the meeting of the Equity Shareholder and Unsecured Creditor of the Transferor and Transferee Company shall be as follows;

	<b>Equity Shareholder</b>	<b>Unsecured Creditor</b>	<b>Deposit Holders</b>
<b>Transferor Company</b>	75	2	NA
<b>Transferee Company</b>	50	75	150

- i) The Chairperson appointed for the above said meeting of the Transferor Company and Transferee Company shall be



**Mr. N.P. Vijayakumar** (Mobile No. 8072135245) and the alternate chairperson appointed for the above said meeting shall be the Company Secretary who have sworn in affidavit on behalf of the Transferee Company. The fee of the Chairperson for the aforesaid meeting of the Transferor Company shall be **Rs. 75,000/-** (consolidated) in addition to meeting their incidental expenses.

- ii) **Ms. Alpa Jain** - (Mobile No. 8320068330) is appointed as a Scrutinizer for meeting of the Transferor Company and Transferee Company and would be entitled to fee of **Rs. 50,000/-** (consolidated) for services in addition to meeting incidental expenses. The Chairperson will file the reports of the meeting within a week from the date of holding of the above said meetings.
- iii) In case the quorum as noted above, for the above meetings of the Applicant Companies is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.
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- iv) The meetings shall be conducted either by way of physical means or by video or other audio visual means enabled with e-voting as per applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5<sup>th</sup> May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II);
- v) That individual notices of the above said meetings shall be sent by the Applicant Companies through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
- vi) That the Applicant Companies shall publish advertisement with a gap of atleast 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily "Business Standard" (All India Edition), "Makkal Kural" Tamil (Tamil Nadu Edition) in Vernacular and "Dainik Jagran" Hindi (All India Edition) stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the respective Applicant

Companies. The Applicant Companies are directed to place on the website of the Applicant Companies the details of the meeting and all other relevant documents of the scheme.

- vii) The companies shall individually send notice to concerned Regional Director, MCA, Registrar of Companies Chennai, Official Liquidator and the Income Tax Authorities, SEBI, BSE & NSE as well as other Sectoral regulators who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.
- viii) Voting shall be allowed on the proposed Scheme by voting in person. The Chairperson shall as aforesaid be responsible to report the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme.
- ix) The applicant companies shall further furnish copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.
- x) The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.



xi) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

14. Accordingly, the Applications stand **Allowed** on the aforementioned directions.

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**SAMEER KAKAR**  
MEMBER (TECHNICAL)

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**JUSTICE (RETD.) S. RAMATHILAGAM**  
MEMBER (JUDICIAL)