

**THE NATIONAL COMPANY LAW TRIBUNAL,  
CHANDIGARH BENCH, CHANDIGARH**

**COMPANY APPLICATION (CAA) NO. 40/Chd/Chd/2018**

IN THE MATTER OF THE COMPANIES ACT, 2013

SECTIONS 230 TO 232

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF

**FINDOC COMMODITIES PRIVATE LIMITED**

**(CIN: U74900PB2012PTC036010)**

**Having its Registered Office at:**

**4th Floor, Kartar Bhawan,**

**Near PAU Gate No.-1,**

**Ferozepur Road, Ludhiana-141001**

**..... Applicant No. 1 / Transferor Company**

**With**

**FINDOC INVESTMART PRIVATE LIMITED**

**(CIN: U74992CH2010PTC035180)**

**Having its Registered Office at:**

**SCO No. 210-211, Sector 34-A**

**Chandigarh -160022**

**.....Applicant No. 2/ Transferee Company**

**EXPLANATORY STATEMENT UNDER SECTION 230 – 232 OF THE  
COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES  
(COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016**

1. In this statement, *Findoc Commodities Private Limited* is referred to as “*Transferor Company*” and *Findoc Investmart Private Limited* is referred to as “*Transferee Company*”. The other definitions contained in the Scheme of Amalgamation between the Transferor Company and Transferee Company and their respective shareholders (hereinafter referred to as the “Scheme”) will also apply to this statement under Section 203-232 of the Companies Act, 2013, read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 (“Explanatory Statement”).

2. Pursuant to the order dated 21.01.2019, passed by the Chandigarh Bench of the National Company Law Tribunal in the above referred Company Application, meeting of the Secured Creditors of the Applicant No. 2/ Transferee Company-**Findoc Investmart Private Limited** is being convened at **4th Floor, Kartar Bhawan, Near PAU Gate No.1, Ferozpur Road, Ludhiana (Punjab)-141001 on Saturday, the 09th March, 2019 at 11 A.M.**, for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Findoc Commodities Private Limited with Findoc Investmart Private Limited. (hereinafter referred to as “this Scheme/the Scheme”).
3. **The Applicant No. 2/ Transferee Company** - was originally incorporated as Private Limited Company with limited liability under the name and style “**Findoc Investmart Private Limited**” on 24.08.2010 under Companies Act, 1956 and Certificate of Incorporation was issued by the Registrar of the Companies, Punjab, Himachal Pradesh & Chandigarh. The Applicant Transferee Company is now holding CIN: U74992CH2010PTC035180 and having PAN: AABCF8332L as allocated by the income-tax department. E-mail of the company is: [compliance@myfindoc.com](mailto:compliance@myfindoc.com)
4. That presently the Registered Office of the *Applicant No.- 2 / Transferee Company* is situated at SCO No. 210-211, Sector 34-A, Chandigarh -160022 within the jurisdiction of this Tribunal.
5. That the Main Objects of the *Applicant No. -2 / Transferee Company* as per its Memorandum of Association are as follows:
  - a) To carry on the business of financial consultant, Investment Consultant, Technical Consultant, Stock Broker and Commodities Broker, sub- broker and also advice, subscribe and deal with sale, purchase, acquire and hold shares, commodities, stocks, debentures, debentures stock, bonds and other financial gems.
  - b) To provide all types of services as depository and participant including custodian, clearing or settlement services in the securities market and also to provide financial services in connection therewith and incidental thereto.
  - c) To provide all types of the professional and technical advices and suggestions related to Finance, wealth management, account writing services, stock broking , dealing, real estate broking, mutual funds, insurance, fixed deposits etc. and to reserve money on deposit at interest or otherwise for fixed period with third parties.
  - d) To provide audio, video programme to promote financial literacy and education and conduct seminars for financial knowledge.

6. Details of changes in Name, Registered Office and Objects of the *Applicant No.2/ Transferee Company* during last five years:

a. Name: No Change in name of the Company during last five years

b. Registered Office: The following amendments were made in the Registered Office of the Transferee Company during the last five years:

(i) The Registered Office situated at 4th Floor, Kartar Bhavan Near Pau Gate No. 1, Ferozepur Road, Ludhiana, Punjab- 141001, India was shifted to SCO-139-140 First Floor Sector 9C, Chandigarh – 160031 w.e.f 11.08.2014.

(ii) The Registered Office then shifted within Chandigarh to Suite No. 202, 1st Floor, SCO-169-170, Sector 8-C, Madhya Marg, Chandigarh-160008 w.e.f 01.07.2016.

(iii) The Registered Office shifted again within Chandigarh to SCO No 210-211, Sector 34-A, Chandigarh-160022 w.e.f 16.02.2018.

c. Objects: The following amendments were made in the objects of the Transferee Company during the last five years:

(i) In the Extra Ordinary General Meeting of the Company held on 14.08.2013, members accorded their consent to make amendments in the MOA as below:

*By amending the existing Memorandum of Association of the Company and replace the same to be read as follows:*

1. To carry on the business of shares and stock brokers, underwriters, sub-underwriters, agents, brokers and sub brokers for subscribing to and for sale, purchase, acquire and hold or otherwise deal in shares, debentures, debenture stock, bonds etc.

2. To provide all types of services as depository and participants including custodial, clearing or settlement services in the securities market and also to provide financial services in connection therewith and incidental thereto.

(ii) In the Extra Ordinary General Meeting of the Company held on 26.02.2018, members accorded their consent to make amendments in the MOA as below:

*By amending the existing Memorandum of Association of the Company and replace the same to be read as follows:*

1. To carry on the business of financial consultant, Investment Consultant. Technical Consultant. Stock Broker and Commodities Broker. sub- broker and also advice. subscribe and deal with sale. Purchase, acquire and hold shares. commodities. stocks. debentures. debentures stock, bonds and other financial gems.
2. To provide all types of services as depository and participant including custodian. clearing or settlement services in the securities market and also to provide financial services in connection therewith and incidental thereto.
3. To provide all types of the professional and technical advices and suggestions related to Finance. wealth management. account writing services. stock broking . dealing. real estate broking, mutual funds. insurance. fixed deposits etc. and to reserve money on deposit at interest or otherwise for fixed period with third parties.
4. To provide audio. videoprogramme to promote financial literacy and education and conductseminars for financial knowledge.
7. That the present Authorized Share Capital of the Transferee Company is Rs.9,90,00,000/- (RupeesNine Crores Ninety Lacs only) divided into 99,00,000 ( Ninety Nine Lacs) Nos. of Equity Shares of Rs.10/- (Rupees Ten) each. The present issued, subscribed and paid-up share capital of the Company is Rs.9,90,00,000/- (Rupees Nine Crores Ninety Lacs only) divided into 99,00,000 ( Ninety Nine Lacs) Nos. of Equity Shares of Rs.10/- (Rupees Ten) each fully paid-up.
8. Currently Shares / securities of the Applicant No.- 2 / transferee Company are not listed on any stock exchange.

9. Details of the promoters, Directors and KMP of “FindocInvestmart Private Limited” are as under:

DIN	Name	Address	Status
00613551	ChanderShekhar	House No.11 Din Dayal, Updhay Nagar, Jalandhar-1 Jalandhar 144001 PB IN	Director
02446952	HemantSood	House No. 175-I Block, Sarabha Nagar, Near Kipps Market, Ludhiana 141001 PB IN	Director and Promoter
02908252	NitinShahi	159 Mayur Vihar Lane I Humbran Road, Ludhiana 141001 PB IN	Director
	Monika Verma	H. No NA 215(W) Mohh Kishan Pura Jalandhar 144004 PB IN	Company Secretary
05346489	Sonia Aggarwal	H. No. 809, New Gopal Nagar, GaziGulla Road, Jalandhar	Promoter
	Findoc Capital Mart Private Ltd.	<i>Regd. Off.:</i> 4 <sup>th</sup> Floor, Kartar Bhawan, Near PAU Gate No 1, FRZ Road, Ludhiana-141001	Promoter

10. The Transferee Company has a Subsidiary Company FindocInvestmart (IFSC) Private Limited.

11. The Board of Directors of the Applicant No.2/ Transferee Company in their meeting held on 25<sup>th</sup> January 2018 had approved the proposed Scheme of Amalgamation with unanimous consent and none of the Director voted against the proposed Scheme of Amalgamation.

12. There are 1277 unsecured creditors in Applicant No.- 2 / Transferee Company and total amount due to them is Rs. 24,23,41,519, as on 31.03.2018 as per the list submitted to the Hon’ble NCLT along with company application.

**13. Transferor Company– Findoc Commodities Private Limited (FCPL),** is a Company incorporated under the Companies Act, 1956 was incorporated on 02.03.2012 with the Registrar of Companies, Punjab & Chandigarh. The Registrar of Companies allocated CIN:U74900PB2012PTC036010 and e-mail id is: [compliance@myfindoc.com](mailto:compliance@myfindoc.com) and PAN: AABCF9455E was allocated to the Transferor Company by the Income-tax department.

14. That presently the Registered Office of the Transferor Company is situated 4th Floor, Kartar Bhawan, Near PAU Gate No.-1, Ferozepur Road, Ludhiana-141001 within the jurisdiction of this Tribunal.

15. That main objects of FCPL as per its Memorandum of Association was:

- a. to do the business of commodity (including Commodity derivatives) broking, trading and hedging.
- b. To carry on business as brokers and traders in all commodities and commodity derivatives, and to act as market makers, finance brokers, underwriters, sub-underwriters, providers of service for commodity related activities.
- c. To buy, Sell, take hold deal in, convert, modify, add value, transfer or otherwise dispose of commodities and commodity derivatives, and to carry on the above business in India and abroad for and on behalf of the Company as well as for others.
- d. To apply for and obtain registration as commodities Broker or Member of any Commodities Exchange anywhere in India and abroad.
- e. To do the business of commodity warehousing, processing and consumption.

16. Details of changes in name, Registered office and objects of the Applicant No. 1 / Transferor Company during last five years:

- a. Name: No Change in name of the Transferor Company during last five years
- b. Registered Office: No change in the registered office of the Company during last five years
- c. Objects : No changes were made in the Objects of the Company during last five years

17. That the present Authorized Share Capital of FCPL is Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 15,000 (Fifteen Thousand) equity shares of Rs.10,000/- (Rupees Ten thousand) each and the present issued, subscribed and paid-up share capital of the Company is Rs.3,25,50,000/- (Rupees Three Crore Twenty-Five Lacs Fifty Thousand only) divided into 3,255 (Three Thousand Two Hundred Fifty-Five) equity shares of Rs.10,000/- (Rupees Ten Thousand) each fully paid-up.

18. Currently Shares / securities of Transferor Company are not listed on any stock exchange.

19. Details of the Directors and promoters of Transferor Company are as under:

<b>DIN</b>	<b>Name</b>	<b>Address</b>	<b>Status</b>
00613551	Chander Shekhar	House No.11 Din Dayal, Updhay Nagar, Jalandhar-1 Jalandhar 144001 PB IN	Director and Promoter
02446952	Hemant Sood	House No. 175-I Block, Sarabha Nagar, Near Kipps Market, Ludhiana 141001 PB IN	Director and Promoter
02908252	Nitin Shahi	159 Mayur Vihar Lane I Humbran Road, Ludhiana 141001 PB IN	Director

20. The Transferor Company is a Group Company of the Transferee Company.

21. The Board of directors of the Applicant No.1/ Transferor Company in their meeting held on 31<sup>st</sup> May 2018 had approved the proposed Scheme of Amalgamation with unanimous consent and none of the Director voted against the proposed Scheme of Amalgamation.

-----

The Scheme of Amalgamation is presented for the Amalgamation of Findoc Commodities Private Limited (“Transferor Company”) with Findoc Investmart Private Limited (“Transferee Company”) and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and all other applicable provisions of the Act and rules, including any statutory modification(s), amendment(s) or re-enactment(s) thereof in the said Act and rules for the time being in force and relevant enforceable sections of Companies Act, 1956.

Since, the management and shareholders of both the companies are common, therefore the Board of Directors of both the Companies recommended for their merger.

It was also examined by the Board of Directors of both the Companies involved in the present Scheme that the amalgamation would result in pooling of their resources and consolidation of the businesses of both the Companies to provide strategic and competitive advantage. The Scheme will result in economies of scale and will provide long term profitable growth to the shareholders. The Amalgamated Company will have better financial and business prospects. The amalgamation would provide synergistic linkages, besides reduction in costs by combining the total business functions and the related activities and thus contribute to the profitability of the Amalgamated Company. The detailed rationale for the present amalgamation has been provided in the Scheme itself which is accompanying the present notice of the meeting and shall be read part and parcel of the present notice and this explanatory statement.

The Board of Directors of the Companies are of the opinion that the amalgamation of both the Companies to the Scheme would result in benefit to the shareholders, creditors, depositors, employees, if any, of both the Companies and all concerned and the Scheme shall not in any manner be prejudicial or adversely affect the interest of concerned shareholders or directors or creditors or key managerial personnel or promoters or non-promoter members or depositors or employees, if any, of the Companies or general public at large and in no manner adverse to public interest. Further there is no material interest of directors or key managerial personnel of the Companies in the present scheme of amalgamation.

In view of the above, the Board of Directors of both the Companies involved in the Scheme approved the said scheme of Amalgamation unanimously on 25.01.2018 in their respective board meetings held separately.

Consequently, an application was moved before the Hon'ble National Company Law Tribunal, Chandigarh Bench seeking dispensation/directions of the Hon'ble Tribunal with respect to the meetings of shareholders and creditors of the Companies involved in the Scheme. All the shareholders of both the Companies have given their written consents by way of affidavits with respect to the Scheme. Further, the requisite percentage of the unsecured creditors of both the Companies have also given their written consents by way of affidavits and there are no secured creditors in the Transferor Company.

In view of the above, the Hon'ble National Company Law Tribunal vide its order dated 21.01.2019 dispensed with the requirement of convening the meeting of shareholders and of the unsecured creditors of both the applicant Companies. Further, meeting of the secured creditors of the Transferor Company has also been dispensed with.

Furthermore, vide the aforesaid order dated 21.01.2019, the Hon'ble Tribunal ordered the meeting of secured creditors of Transferee Company to be held at 11.A.M. at 4th Floor, KartarBhawan, Near PAU Gate No. 1, Ferozepur Road, Ludhiana (Punjab)-141001 on 09.03.2019.



*The copies of orders of the Hon'ble National Company Law Tribunal dated 21.01.2019 is already annexed with this notice and same shall also be available for inspection as per the instructions mentioned herein below.*

Transferor Company and the Transferee Company are closely held Companies and have common management but the shareholders except for one are different.

***Salient features of the Scheme***

- a . The Scheme provides for Amalgamation of Transferor Company as mentioned above with Transferee Company through a Tribunal approved Scheme of Amalgamation pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 including any rules or regulations made there under and also including any statutory modification or re-enactments thereof for the time being in force;
- b . The Scheme provides that "Appointed Date" shall be 1<sup>st</sup> April, 2017 such other date as may be approved by the Hon'ble National Company Law Tribunal (NCLT) or Hon'ble National Company Law Appellate Tribunal (NCLAT), or any other competent Court (s), judicial or quasi-judicial authority or any other competent authority having power to sanction the Scheme, as the case may be.
- c . Upon the Scheme become effective, all the equity shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled and 2 equity shares of Transferee Company of face value of Rs. 10 each fully paid up for every 1 equity share of Transferor Company of Rs. 10 each fully paid up shall be issued by the Transferee Company. A copy of the valuation report is also annexed with the Notice.
- d . On Scheme becoming effective, Transferee Company shall account for amalgamation of Transferor Company with itself in its books of account as per prevailing accounting standards as notified under the relevant sections of the Companies Act, 2013.
- e . On the coming into effect of the Scheme, all staff and employees of the Transferor Company, if any, in service on such date shall become the staff and employees of Transferee Company without any interruption or break in their service and on the basis of continuity of service and

the terms and conditions of their employment with Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Companies on the Appointed Date.

- f . This Scheme is and shall be conditional upon and subject to (a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors (where applicable) of the Transferor Company and the Transferee Company as may be directed by the Hon'ble Tribunal; and (b) The sanction of the Hon'ble Tribunal under Sections 230-232 of the Act in favour of the Transferor Company and the Transferee Company under the said provisions and to the necessary Order under the aforesaid Section being obtained.
- g . The Scheme provides that the Transferor Company and the Transferee Company, by their respective Board of Directors may make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Transferor Companies and the Transferee Company by their respective Board of Directors shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- h . All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Transferee Company and the Transferor Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

**The features set out above being only the salient features of the Scheme of Amalgamation, the concerned creditors are requested to read the entire text of the Scheme of Amalgamation to get themselves fully acquainted with the provisions thereof.**

No proceedings under Sections 235 to 251 of the Companies Act, 1956 and/or under Section 206 to 229 of the Companies Act, 2013 are pending or instituted against any of the Transferor Company and Transferee Company involved in the present scheme of amalgamation.

A copy of the draft Scheme has already been filed with the Registrar of Companies, NCLT of Chandigarh in accordance with the provisions of this Act.

### **Summary of Valuation report**

Valuation of Equity Shares for the purpose of Amalgamation/Merger of Findoc Commodities Private Limited into Private Limited has been carried out on the basis of the information extracted from Audited Balance Sheet as on 31.03.2018 of the Transferor Company as well as the Transferee Company under Amalgamation/Merger and in accordance with Net Asset Value Method based on Historical Cost/ Book Value As per Annexure I attached to the valuation report. The proposed exchange ratio for the purpose of amalgamation/merger is 20 equity shares of Rs. 10/- each fully paid up for every 17 equity shares of Rs. 10/- each fully paid up. The valuation of all the entities has been done using the Going Concern assumption. The standard of value applied for all the entity is the 'Fair Value' approach. A copy of the Valuation report is annexed with the Notice.

### **Details of capital or debt restructuring**

The present Scheme is not a Scheme of Corporate Debt Restructuring as envisaged under Section 230(2) (c) of the Act or a Scheme of compromise or arrangement under section 230 of the Act.

### **Amount due to Secured Creditors**

The total amount due to secured creditors of the Transferee Company involved in the Scheme as on 31.03.2018 areas under:

<b>S. No.</b>	<b>Name of the Company</b>	<b>Amount (in Rs.)</b>
1.	Capital first Limited	7,00,00,000
2.	HDB Financial Services Limited	23713904
3.	HDFC Car Loan Mercedes GLS 350	5544032.73
4.	ICICI Loan Account	5,57,44,192
5.	RBL Bank Findoc Loan	4,93,17,760

(Transferor Company has no Secured Creditors)

### **Amount due to Unsecured Creditors**

That there are 302 (Three hundred two) unsecured creditors of A-1 Transferor Company as on 31.03.2018 amounting to Rs. 12,30,27,602.85/- as per list annexed at Annexure A-16 of Petition submitted to NCLT. That 3 unsecured creditors, valuing 90.35 % of unsecured debt, have given consent to the scheme by way of affidavits and Board Resolutions which is a part of Annexure A-17 of Petition submitted to NCLT. As regards, unsecured creditors of the A-2 Transferee Company are

concerned, there are 1277 unsecured creditors as on 31.03.2018 amounting to Rs. 24,23,41,519/- as per list annexed at Annexure A-22 of Petition submitted to NCLT. That 52 unsecured creditors, valuing 90.15 % of unsecured debt, have given consents to the scheme by way of affidavits and Board Resolutions which is a part of Annexure A-23 of Petition submitted to NCLT.

Since the last duly audited annual accounts of the Companies Involved in the scheme are for the financial year 2017-18 which is ending more than 6 months before the meetings summoned for the purpose of approving the scheme, provisional financial statements of both the Companies as on 30.09.2018 along with financial statements as on 31.03.2018 is accompanying the present notice along with a copy of scheme.

The other details required as per Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 have been provided in the Scheme itself which has been annexed hereto along with the notice of this Meeting and shall be construed as part and parcel of the present statement.

The present statement has been adopted by the Board of Directors of both the Companies involved in the present scheme of amalgamation to satisfy the requirement of section 232 (2)(a) and (c) of the Companies Act, 2013 and shall be construed accordingly.

All documents mentioned in the accompanying notice and explanatory statement including the documents provided under Rule 6(3)(ix) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, so far as applicable, in physical or electronic mode, are open for inspection at the registered office of the Company between 11 A.M. to 4 P.M. on all working days except Sunday up to the date of this meeting and copies thereof shall also be made available for inspection in physical or electronic form at 4<sup>th</sup> Floor, Kartar Bhawan, Near PAU Gate No1, Frz Road, Ludhiana-141001 and also at the meeting.

Accordingly, the Board of Directors recommends the proposed resolution for your approval.

Persons entitled to attend and vote at the meeting, may vote in Person or by proxy.

Mr. Hemant Sood, Mr. Chander Shekhar and Mr. Nitin Shahi shall be deemed to be concerned or interested in the aforesaid amalgamation due to their common directorship in both Companies. Apart from them, none of the directors / key managerial personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed amalgamation except in the ordinary course of business.

By the order of the Hon'ble National Company Law Tribunal, Chandigarh Bench  
For **FindocInvestmart Private Limited**

**Mr. Nitin Shahi**  
**(Director)**  
**(DIN: [02908252](#))**

**Date: February 04, 2019**  
**Place: Ludhiana**