

Press Release

Date: 11th October 2021

**To,
Debenture Holders of ECap Equities Ltd.**

Subject: Composite Scheme of Arrangement and Amalgamation amongst Edel Land Limited ('Resulting Company' or 'Amalgamated Company' or 'ELL') and ECap Equities Limited ('Demerged Company' or 'EEL')

We SBICAP Trustee Company Limited (STCL) is the Debenture Trustee in respect of non-convertible debentures issued by ECap Equities Ltd. ("Company") from time to time under different consent /series/tranche. Company has informed STCL vide email dated 30th September 2021 that they have filed an application with the BSE Limited for granting its In-principle approval to the Composite Scheme of Arrangement and Amalgamation amongst Edel Land Limited ('Resulting Company' or 'Amalgamated Company' or 'ELL') and ECap Equities Limited ('Demerged Company' or 'EEL') and EC Commodity Limited ('Amalgamating Company' or 'ECL').

The Board of Directors of the Company at their meetings held on 14th June, 2021, had accorded their approval to the Scheme, whereby ELL will be the surviving entity, subject to the requisite statutory approvals.

The Company had filed an application with Hon'ble NCLT, Hyderabad Bench for approving the Scheme on 20th June, 2021. ELL has filed an application with the Hon'ble NCLT, Mumbai Bench for approving the Scheme on 18th June, 2021. Accordingly, an order was passed on 04th August, 2021 (copy enclosed), by NCLT Hyderabad. Pursuant to the said order the Company had convened the meeting of the secured creditors on 15th September, 2021, and it has been resolved that the secured creditors present in the meeting has unanimously approved the Scheme (copy of extract enclosed as Annexure).

With reference to the above, kindly let us know in case of any query/concern on (dt@sbicaptrustee.com) by this Friday i.e., 15th October, 2021.

Yours faithfully,

For SBICAP Trustee Company Limited

Sd/-

Anupama Naidu

Group Head Debenture Trustee & Company Secretary

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-1 HYDERABAD**

CA (CAA) No.33/230/HDB/2021

U/s 230 & 232 of the Companies Act, 2013

Read with Rule 5 of Companies (Compromises, Arrangements and
Amalgamation) Rules, 2016

In the matter of Composite Scheme of Arrangement and Amalgamation

Between

Edel land limited ("Resulting Company" or "Amalgamated
Company" or "ELL")

And

ECap Equities Limited ("Demerged Company" or "EEL")

And

EC Commodity Limited ("Amalgamating Company" or "ECL")

And

Their shareholders and creditors

ECap Equities Limited

2nd Floor, MB Towers, Plot No 5,
Road No 2, Banjara Hills,
Hyderabad - 500034,
Telangana, India, represented by
its Authorised Signatory, Ritesh Jain.

.... First Applicant /
Demerged Company

EC Commodity Limited

2nd Floor, MB Towers, Plot No 5,
Road No 2, Banjara Hills,
Hyderabad - 500034, Telangana, India,
represented by its Authorised Signatory,
Rajeev Khandal.

....Second Applicant /
Amalgamating Company
Date of order: 04.08.2021

Coram:

Hon'ble Shri Madan B Gosavi, Member (Judicial)

Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

Appearance (via videoconference)

For Applicant: Shri V.B. Raju, Advocate

PER: BENCH

BRIEF FACTS OF THE CASE:

1. This joint Company Application is filed under Section 230 to 232 of the Companies Act, 2013 by the Applicant Companies namely **ECap Equities Limited**, (First Applicant/ “Demerged Company”), and **EC Commodity Limited** (Second Applicant/“Amalgamating Company”) (together referred to as Applicant Companies) praying for dispensation of the meeting of the of equity Shareholders, Preference Shareholder and Unsecured Creditors of First Applicant/Demerged Company and to dispense with the meetings of shareholders, Secured and Unsecured creditors of Second Applicant/ Amalgamating Company and for a direction to convene the meeting of Secured Creditors of First Applicant/Demerged Company for approval of the scheme in terms of Composite Scheme of Arrangement and Amalgamation shown as per **Annexure-I** to the Application.

AVERMENTS:

2. The averments germane to the facts of the Application are :-

a. **FIRST APPLICANT/ DEMERGED COMPANY**

ECap Equities Limited (hereinafter referred to as the “Demerged Company”) was incorporated under the provisions of Companies Act, 1956, on 11.01.2008 under the Provisions of the Companies Act, 1956 and engaged in the business of trading in securities. It also undertakes loan syndication and lending activities. The memorandum and articles of association of the 1st Applicant/ Amalgamating/ Transferor Company was filed and marked as **Annexure-A**.

- b. The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 31stMarch, 2021 was as follows:

Share Capital	Amount in INR
Authorized Capital	
1,00,00,000 equity shares of INR 10 each	10,00,00,000
4,00,00,000 preference shares of INR 10 each	40,00,00,000

Total	50,00,00,000
Issued, Subscribed Capital and Paid Up Capital	
7,40,000 Equity Shares of Rs.10/- (Rupees Ten only) each, fully paid-up	74,00,000
10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) each, fully paid-up	1,00,00,000
Total	1,74,00,000

Subsequent to 31st March, 2021 and as on the date of this Scheme being approved by the Board, there has been issue of equity shares by EEL. The revised share capital structure of EEL as on the date of filing this application is as follows:



Share Capital	Amount in INR
Authorized Capital	
4,00,00,000 equity shares of INR 10 each	40,00,00,000
1,00,00,000 preference shares of INR 10 each	10,00,00,000
Total	50,00,00,000
Issued, Subscribed Capital and Paid Up Capital	
3,07,40,000 Equity Shares of Rs.10/- (Rupees Ten only) each, fully paid-up	30,74,00,000
10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) each, fully paid-up	1,00,00,000
Total	31,74,00,000

A copy of the audited financial statements as on 31st March, 2021 along with the copy of the provisional financial statements as on 31st May, 2021 of the Demerged Company has been filed and marked as **Annexure - B**.

c. **SECOND APPLICANT/AMALGAMATING COMPANY**

EC Commodity Limited, (hereinafter referred to as the "Amalgamating Company") was incorporated on 05.08.2008 under the Provisions of the Companies Act, 1956 in the State of Maharashtra. Subsequently, the registered office of **EC Commodity Limited** was shifted to Hyderabad on 22.08.2008.

and a fresh certificate of incorporation consequent on change in registered office was issued by the Registrar of Companies, Hyderabad. The Company is engaged in the business of trading in securities. A copy of Memorandum and Articles of Association of the Amalgamating Company was filed and marked as **Annexure - C**.

- d. The authorized, issued, subscribed and paid-up share capital of Amalgamating Company as on 31st March, 2021 was as follows:

Share Capital	Amount in INR.
Authorized Capital	
3,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each.	30,00,00,000
Total	30,00,00,000
Issued, Subscribed Capital and Paid Up Capital	
3,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each, fully paid-up	30,00,00,000
Total	30,00,00,000

As on the date of approval of the Scheme by the Board of Directors of Amalgamating Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamating Company.

A copy of the audited financial statements as on 31st March, 2021 along with the copy of the provisional financial statements as on 31st May, 2021 of the Amalgamating Company has been filed and marked as **Annexure - D**.

- e. **RESULTING/AMALGAMATED COMPANY:-**

M/s Edel Land Limited the Resulting/Amalgamated Company was incorporated on 8th October, 2008 in the State of Maharashtra having its registered office in Mumbai, Maharashtra and filed its application before Hon'ble National Company Law Tribunal, Mumbai Bench at Mumbai.

3 **RATIONALE FOR THE PROPOSED SCHEME:**

The objects/benefits of proposed Scheme are:

- enable creation of a larger entity leading to enhancement in fund raising ability;
- reduction in number of entities leading to simplification of group structure;
- enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher operational efficiency and effective administration; and
- Synergies arising on consolidation of supporting businesses through the merger will lead to improved earnings and cash flow of the Amalgamated Company.



4. **APPROVAL OF THE BOARD:**

The Board of Directors of both the Applicant Companies have approved the Scheme of Amalgamation with Appointed Date as 1st April 2020 vide Board Resolutions dated 14.06.2021. The Board Resolutions approving the Scheme were attached as Annexures **G & H** respectively.

5. It is further stated that there are no proceedings/investigation are pending against any of the Applicant Companies.
6. Certificate dated 14.06.2021 issued by GMJ & Co, Chartered Accountants duly certifying that the accounting treatment proposed in the Scheme is in conformity with the accounting standards as prescribed under the provisions of Section 133 of the Companies Act, 2013 is annexed and marked as Annexure-“O”.

7. **CONSENT OF SHAREHOLDERS / PREFERENCE SHAREHOLDER / SECURED / UNSECURED CREDITORS OF 1ST APPLICANT / DEMERGED COMPANY**

- 7.1 The 1st Applicant Company has filed certificate of Chartered Accountant stating that as on 16.06.2021 there are **7 (Seven) Equity Shareholders** in the 1st Applicant/Demerger Company and all the Equity shareholders have given their no objection by

means of consent affidavits agreeing to the proposed Scheme. The Certificate of Chartered Accountant along with list of Equity Shareholders and consent Affidavits are marked as **Annexure - K**.

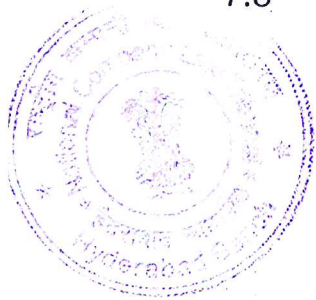
7.2 The 1st Applicant Company has further filed certificate of Chartered Accountant stating that as on 16.06.2021 there is **1(one) Preference Shareholder** in the 1st Applicant/Demerged Company and the lone Preference shareholder has given its no objection by means of consent Affidavit agreeing to the proposed Scheme. The Certificate of Chartered Accountant along with list of Preference Shareholder with consent Affidavit is marked as **Annexure-K**.

7.3 The 1st Applicant Company has filed certificate of Chartered Accountant stating that as on 15.06.2021 there are **36 (Thirty Six) Unsecured Creditors** in the 1st Applicant/Demerged Company. It is stated that **3(Three) unsecured creditors** representing **98%** in value of the total outstanding amount have given their no objection by means of consent Affidavits to the proposed Scheme. The Certificate of Chartered Accountant along with list of Unsecured Creditors and consent Affidavits are marked as **Annexure - M** (Placed at Page Nos.571 to 587).

7.4 It is noted that the Equity Shareholders, Preference shareholder and 98% of the unsecured creditors of 1st Applicant Company have given their consents to the proposed scheme by way of consent Affidavits. As such conducting of the said meetings in respect of 1st Applicant/Demerged Company cited supra can be dispensed with.

7.5 With regard to the Secured Creditors of the 1st Applicant Company, the Learned Counsel has filed certificate of Chartered Accountant which is annexed and marked as **Annexure - M** (Placed at Page Nos.571 to 572, stating that as on 15.06.2021 there are **2 (Two) Secured Creditors** in the 1st Applicant/Demerged Company and requested to order:-

- Convening the meeting of Secured Creditors of the 1st Applicant/Demerged Company at the registered office of the



Company, for consideration of the proposed Scheme consequently.

- Appointing a Chairman for convening and conducting the meeting of Secured Creditors.
- That the quorum be fixed as 02 Secured Creditors present in the Secured Creditors meeting either in person or by proxy.
- The Secured Creditors be permitted to exercise their votes at the said meeting in person or through proxies in any other case.
- As to the manner of giving the notices of the said meeting, it is sufficient to serve the notices on the Secured Creditors through e-mail/Courier/ Ordinary Post.
- That the advertisement be directed to be published once in English Edition of "The Business Standard", Hyderabad Edition and once in Telugu Edition of "Nava Telangana", Hyderabad Edition.

As for the time for the Chairman of the meeting to file his / her report to this Tribunal of the result of the meeting, the time be fixed as 10 days from the date of the said meeting.

8. It is stated that the Amalgamating Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. The 2nd Applicant Company has filed certificate of Chartered Accountant stating that as on 16.06.2021 there are **7 (seven) Equity Shareholders** and have given their no objection by means consent affidavits agreeing to the proposed Scheme. The Certificate of Chartered Accountant along with list and consent Affidavits of Equity Shareholders is marked as **Annexure - L** (Placed at Page Nos.554 to 570).
9. It is stated that there are **no secured creditors** in the Amalgamating Company.
10. The Amalgamating Company has filed certificate of Chartered Accountant stating that as on 15.06.2021 there are **8 (eight) Unsecured Creditors** in the Amalgamating Company. It is stated that **1(one) unsecured creditor** representing 99.99% of the value of the total outstanding amount has given its no objection by means of consent Affidavit to the proposed Scheme.



The Certificate of Chartered Accountant along with list of Unsecured Creditors and consent Affidavits are marked as **Annexure - N** (Placed at Page Nos.588 to 593).

11. It is noted that all the Equity shareholders and one unsecured creditor representing 99.99% in value of the total outstanding amount of the Amalgamating Company have given their consent affidavits agreeing to the proposed Scheme and hence sought the meetings of the Equity Shareholders and unsecured creditors of the 2nd Applicant Company/ Amalgamating Company to be dispensed with. It is noted that there are **no Secured Creditors** in the Amalgamating Company.
12. We have heard the Counsel and seen the consent Affidavits filed by Equity shareholders, Preference shareholders and unsecured creditors of the 1st Applicant Company and also seen the consent Affidavits filed by Equity shareholders and unsecured creditors of the 2nd Applicant Company. We have also seen the certificates given by chartered accountants certifying the list of shareholders and secured and unsecured creditors of the Applicant Companies.
13. Section 230 (i) of Companies Act, 2013 contemplates holding of meeting unless 90% of the Creditors gave consent by way of Affidavits to dispense with meetings. In this case, the equity shareholders, preference shareholders and unsecured creditors of the 1st Applicant Company and equity shareholders, and unsecured creditors of the Transferee Company have given their consent by way of Affidavits to dispense with meetings Applicant Companies. Section 230(9) of Companies Act, 2013 provides that 90% of the Creditors to give consent for dispensing with convening of meeting. Therefore, the request of the 1st Applicant Company for convening meeting of secured creditors is considered. The meeting is to be convened and held in the manner mentioned below.



ORDER

14. After hearing the Counsel and after perusing the documents filed, we pass the following order:-
- (1) Hereby dispense with the meetings of the equity Shareholders, Preference shareholders and unsecured creditors of the 1st Applicant Company
 - (2) Hereby dispense with the meetings of the equity Shareholders, Preference Shareholder and unsecured creditors of the 2nd Applicant Company.
 - (3) Hereby ordered convening meeting of Secured creditors of first Applicant Company.
 - (4) Appointed Shri Cherukuri Srinivasa Rao, Advocate, #R/o Flat No. 503, Srinivasa Towers, Besides ITC Kakatiya Hotel, Begumpet, Green Lands, Hyderabad -16 as Chairperson and Shri Avinash Reddy, #R/o H.No. 3-5-32/C, Keshavnagar Colony, Hyderguda, Attapur, Hyderabad - 500048 as Scrutinizer for convening the meeting of Secured Creditors of First Applicant / Demerged Company. Fee fixed for Chairperson is Rs. 1,25,000/- (Rs. One Lakh twenty five thousand only) and for the Scrutinizer is Rs. 80,000/- (Eighty Thousand only) for the above meetings.
 - (5) Meeting of secured creditors of the first Applicant will be held at the registered office of the Company i.e 2nd Floor, MB Towers, Plot No. 5, Road No.2, Banjara Hills, Hyderabad - 500034, Telangana on 15.09.2021 at 11.00 AM for the purpose of considering the Scheme
 - (6) The Quorum may be fixed as (2) Two secured creditors (person or by proxy).
 - (7) The notice of the Meetings of secured creditors of First Applicant Company shall be published in "Business Standard", English Daily, Hyderabad Edition and one in Telugu Edition of "Nava Telangana", Hyderabad Edition.
 - (8) The Applicant Companies or their respective authorized Signatories are directed to issue notices (s) to the secured creditors of the first applicant Company by Registered Post /



Courier/Ordinary Post/ Registered email to their last known address 30 days before the said meeting as per Form No. CAA2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ensuring convening the said meeting of the Applicant Companies. Further directed to intimate day, date and time, a copy of Explanatory Statement, pursuant to be sent under Section 230 of the Companies Act, 2013 and Proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014.

- (9) The Applicant Companies to serve notices upon the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 if no response is received by the Tribunal from Regional Director within 30 days of the date of receipt of the notice, it will be presumed that Regional Director and/or Central Government has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

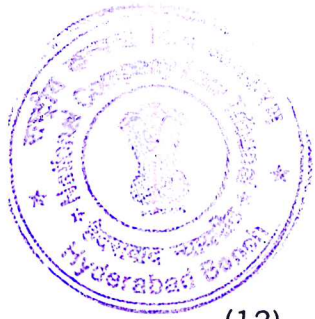
- (10) The Applicant Companies to serve the notice upon the Registrar of Companies Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangement and Amalgamations) Rules, 2016 and if no response is received by the Tribunal from Registrar of Companies, Hyderabad within 30 days of the date of receipt of the notice, it will be presumed that Registrar of Companies, Hyderabad has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise Arrangements and Amalgamations) Rules, 2016.

- (11) The Applicant Companies to serve notice upon the Income Tax Authorities, within whose jurisdiction that Applicant Companies Assessment are made, pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from Income Tax Authorities within 30 days of the date of receipt of the notice, it



will be presumed that Income Tax Authorities has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

- (12) The Applicant Companies to serve notice upon the Official Liquidator pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from Official Liquidator within 30 days of the date of receipt of the notice it will be presumed that Official Liquidator has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.
- (13) The Applicant Companies are further directed to serve notice upon BSE and if no objection to the proposed Scheme is received within 30 days of the date of receipt of notice, it will be presumed that BSE has no objection to the proposed Scheme.
- (14) The Chairman shall have all powers under the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 in relation to the conduct of the meetings (s) including for deciding procedural questions that may arise before or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person (s).
- (15) The voting shall be in person or by proxy or authorized representative in case be permitted, provided that the proxy in the Form No. MGT-11 authorization duly signed by the person entitled to attend and vote at the meeting, is to be filed with the Applicant Company at its Registered office, not later than, forty eight hours before the aforesaid meeting in accordance with Rule 10 of the Companies(Compromise, Arrangement and Amalgamation) Rules, 2016.
- (16) The Chairman to file affidavit within 7 days before the date of the said meeting to this Tribunal that the direction regarding convening and issuance of notice (s) to all the necessary parties have been duly complied with in conformity with the relevant provisions of the Companies Act, 2013 R/w Companies



(Compromise, Arrangement and Amalgamation) Rules, 2016.
The Chairman shall report the result of the aforesaid meeting within 10 days from the date of such meeting as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.




VEERA BRAHMA RAO AREKAPUDI
MEMBER TECHNICAL


MADAN B. GOSAVI
MEMBER JUDICIAL

Binnu


Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

6/8/21

प्रमाणित प्रति
CERTIFIED TRUE COPY
कास संख्या
CASE NUMBER. CA(CAA) No. 33/230/HDB/2021
दिनांक 04 अगस्त
DATE OF JUDGEMENT 4/8/2021
प्रमाणित किया गया कि
COPY MADE READY ON 6/8/2021

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE SECURED CREDITORS OF ECAP EQUITIES LIMITED AT ITS MEETING HELD ON WEDNESDAY, SEPTEMBER 15, 2021, AT THE REGISTERED OFFICE OF THE COMPANY

"RESOLVED that pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as the case may be, or any statutory modification or re-enactment thereof for the time being in force, and subject to the Memorandum of Association and Articles of Association of the Company, subject to the sanction of the Hyderabad Bench and Mumbai Bench of Hon'ble National Company Law Tribunal (Tribunal) and such other requisite approvals, consents, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hyderabad Bench and Mumbai Bench of the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Demerged Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute or any other person authorized by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Composite Scheme of Arrangement and Amalgamation amongst Edel Land Limited ('Resulting Company' or 'Amalgamated Company' or 'ELL') and ECap Equities Limited ('Demerged Company' or 'EEL') and EC Commodity Limited ('Amalgamating Company' or 'ECL') and their respective shareholders and creditors with effect from 1st April, 2020, placed before this meeting, be and is hereby approved.

FURTHER RESOLVED that the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hyderabad Bench and Mumbai Bench of the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

For ECap Equities Limited

RITESH SURESH JAIN
Digitally signed by RITESH SURESH JAIN
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Date: 2021.09.21 17:11:39 +05'30'

Ritesh Jain
Chief Financial Officer

ECap Equities Limited

Corporate Identity Number: U67190TG2008PLC057122

Registered Office: 2nd Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad 500 034 Tel No.: +91 40 40316900
Corporate Office : Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400 098 Tel No.: +91 22 4009 4400