

**THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, CHANDIGARH  
(through web-based video conferencing platform)**

**CA (CAA) No.37/Chd/Hry/2022  
(1<sup>st</sup> Motion)**

**Under Sections 230 to 232 of the  
Companies Act, 2013 read with  
Companies (Compromise,  
Arrangements and Amalgamations)  
Rules, 2016**

**IN THE MATTER OF SCHEME OF ARRANGEMENT OF:**

**NIIT Limited**

with its registered office at  
Plot No. 85, Sector 32,  
Institutional Area,  
Gurugram-122001  
PAN: AAACN0085D  
CIN: L74899DL1981PLC015865

...Applicant Company No. 1/Transferor Company

And

**NIIT Learning Systems Limited**

with its registered office at  
Plot No. 85, Sector 32,  
Institutional Area,  
Gurugram-122001  
PAN: AACCM9500C  
CIN: U72200HR2001PLC099478

...Applicant Company No. 2/Transferee Company

**Order delivered on: 29.08.2022**

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)  
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

**Present through Video Conferencing: -**

For the Applicant Companies: Mr. Atul V Sood, Advocate

**Per: Subrata Kumar Dash, Member (Technical)**

**ORDER**

This is a joint First Motion Application filed by Applicant Companies namely; **NIIT Limited** (for short hereinafter referred to as Applicant Company No.1/Transferor Company) and **NIIT Learning Systems Limited** (for short hereinafter referred to as Applicant Company No.2/Transferee Company) under Section 230-232 of the Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 (the Rules) in relation to the Scheme of Arrangement between the Applicant Companies. The said Scheme is attached as Annexure A-1 of the Application.

2. The Applicant Companies have prayed for dispensing with the requirement for convening the meetings of the Equity Shareholders of Applicant Company No. 2/ Transferee Company. It is further prayed to convene the meeting of Equity Shareholders, Secured Creditors of the Applicant Company No.1 and Unsecured Creditors of Applicant Company No. 1 and 2.

3. As per Part IV of Composite Scheme of Arrangement (Annexure A-1 of the application), the CLG Business Undertaking (as defined under Clause 1.1.1 (iv) (a)) is being transferred from Transferor Company to Transferee Company. Further, Part III of the Scheme deals with the reduction of share capital and security premiums to be undertaken by the Transferee Company. Since, both the companies will continue to exist after the approval of Composite Scheme of Arrangement hence, there is no requirement of issuing notice to Official Liquidator.

4. The Applicant Company No.1/Transferor Company is presently engaged in the business of rendering management services like staff and management

recruitment, skill development, training and placements, technical analysis of data, electronic data processing and to establish and render all consultancy and other professional services of professional and technical nature.

5. The Applicant Company No.2/Transferee Company is presently engaged in the business to involve in the research and development activities for the purpose of discovering the extent to which poor children in rural and slum areas in India can (a) access and (b) learn from web-based curricula using a purpose built 'Internet kiosk'; the minimal level of intervention required to assist children to master a curriculum- and the extent to which this intervention can be software based; the extent to which the 'Internet kiosk' concept is commercially viable, thus enabling the project to become sustainable in the medium to long term.

6. It is submitted that the registered offices of the Applicant Companies are situated in the State of Haryana and, therefore, all the applicant companies are under the territorial jurisdiction of this Bench.

7. The rationale of the Scheme is given below:-

- i. The CLG Business and the Residual Business (defined hereinafter) address different market segments with unique opportunities and dynamics in terms of business strategy, customer set, geographic focus, competition, capabilities set, talent needs and distinct capital requirements. The transfer of the CLG Business Undertaking into the Transferee Company will enable each business to sharpen their focus and organize their activities and resources to improve their offerings to their respective customers. This would help to improve their competitiveness, operational efficiency, agility and strengthen their position in relevant markets resulting in more sustainable growth and competitive advantage.
- ii. Both businesses have attained a significant size, scale and have a large headroom for growth in their respective markets.

As both these businesses are entering the next phase of growth, the transfer and vesting of the CLG Business Undertaking into the Transferee Company pursuant to this Scheme would result in focused management attention and efficient administration to maximize their respective potential.

- iii. Further, as the two businesses have separate growth trajectories, risk profile and capital requirement, the segregation of the CLG Business Undertaking and the Residual Business will enable independent value discovery and lead to unlocking of value for each business.
- iv. The Transferee Company is the existing wholly owned subsidiary of Transferor Company that provides managed training solutions which predominantly include technology-based solutions to customers. Housing the CLG Business Undertaking in the Transferee Company is expected to be synergistic and will leverage the experience and expertise available in the Transferee Company of providing IP driven solutions including content, tools and platforms to customers in the education sector.

8. It is stated that the Board of Directors of Applicant Companies in their respective meetings held on 28.01.2022 have considered and unanimously approved the Scheme of Arrangement subject to sanctioning of the same by this Tribunal. The copies of the Board Resolutions of Applicant Companies are attached as Annexure A-6 and A-7, respectively of the application.

9. The appointed date of the Scheme is 01.04.2022 as mentioned in Part-I Clause 1.2.3 of Scheme of Arrangement which is attached as Annexure A-1 of the application.

10. It is stated that Applicant Companies have filed the audited financial statements as on 31.03.2022 which are attached as Annexure A-3 and Annexure A-5, respectively of the application.

11. It is further submitted that in pursuance of the proviso to Sec. 230 (7) and Section 232 (3) of the Act, Applicant Companies have filed the certificates dated 28.01.2022 issued by statutory auditors of applicant companies certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act and the same are attached as Annexure A-17 and A-18 respectively of the application.

12. It is further submitted by the counsel for applicant companies that as per Valuation Report/Share Exchange Ratio Report dated 28.01.2022 submitted by Ms. Drushti R. Desai, Registered Valuer (S&FA) bearing registration No. IBBI/RV/06/2019/10666 is attached as Annexure A-16 of the application. The Share Exchange Ratio is given below:-

*For every 1 (One) Equity share of face and paid-up value of Rs. 2/- (Two) held in the Transferor Company, 1 (One) Equity Share of face and paid-up value of Rs. 2/- (Two) in the Transferee Company to be issued to the equity shareholders of the Transferor Company.*

13. It is submitted by the learned counsel that the Scheme also takes care of the interests of the staff/workers and employees of the Applicant Companies, by virtue of Para 4.5 of the Scheme (Annexure A-1).

14. It is deposed by the authorised representative of Applicant Companies that there are no material investigation or other proceedings pending against Transferor Company under Provisions of Chapter XIV of the Companies Act, 2013 or any other provision of law have a material bearing effect on the aspect of sanctioning of the Scheme attached as Annexure A-26, A-27 respectively. It is

deposed by way of affidavit that the notification of the Scheme of Arrangement to the Competition Commission of India is exempted under Item 9 of Schedule 1 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as the Transferee Company is a wholly owned subsidiary of the Transferor Company are attached as Annexure A-21 and A-22 of the petition.

15. The Applicant Companies have furnished the following documents:-
- i. Proposed Composite Scheme of Arrangement (Annexure A-1 of the application).
  - ii. Certificate of Incorporation along with Memorandum and Articles of Association of the Applicant Companies (Annexure A-2 and A-4, respectively of the application).
  - iii. List of Equity Shareholders of the Applicant Companies as on 10.06.2022 & 22.06.2022 duly certified by Ghosh Khanna & Co LLP, Chartered Accountants (Annexure A-9 and A-12, respectively of the application).
  - iv. Consent Affidavit of Equity Shareholder of the Applicant Company No.2/Transferee Company (Annexure A-13 of the application).
  - v. List of Secured Creditors of the Applicant Company No. 1 as on 10.06.2022 duly certified by Ghosh Khanna & Co LLP (Annexure A-10 of the application).
  - vi. List of Unsecured Creditors of the Applicant Companies as on 10.06.2022 duly certified by Ghosh Khanna & Co LLP, Chartered Accountants (Annexure A-11).

- vii. Certificates of Statutory Auditors to the effect that the Accounting treatment proposed in the Scheme is in conformity with Section 133 of the Companies Act, 2013 (Annexure A-17 and A-18 of the application).
- viii. Audited Financial Statement as on 31.03.2022 of the Applicant Companies (Annexure A-3 and A-5, respectively of the application).
- ix. Proposed Share Exchange Ratio (Annexure A-16 of the application).
- x. Affidavits stating that there are no legal proceedings against the Applicant Companies (Annexure A-26 and A-27 of the application).

16. The Applicant Companies have furnished the details of the Equity Shareholders, Secured Creditors and Unsecured Creditors as follows:

Name of the Applicant Companies	Shareholders along with their consent on affidavit				Creditors along with their consents on affidavit			
	Equity Shareholder	Consents submitted on affidavit	Preference Shareholders	Consents submitted on affidavit	Secured Creditors	Consents submitted on affidavit	Unsecured Creditors	Consents submitted on affidavit
Transferor Company	1,15,458	No	Nil	No.	2	No	796	No
Transferee Company	7	100% in value	NIL	No	Nil	No.	34	No

17. Accordingly, the directions of this Bench in the present case are as under:-

**I. In relation to Applicant Company No.1/Transferor Company:**

- a. The meeting of the Equity Shareholders of the Applicant Company No.1/Transferor Company be convened as prayed for on 15.11.2022 at 10:00 AM through video conferencing with facility of remote e-voting,

subject to notice of the meeting being issued. The quorum of the meeting of the Equity Shareholders shall be 46183 in number or 40% in value of the Equity Shareholders;

- b. The meeting of the Secured Creditors of the Applicant Company No.1/Transferor Company be convened as prayed for on 15.11.2022 at 12:00 PM through video conferencing with facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the Secured Creditors shall be 1 in number or 40% in value of the Secured Creditor;
- c. The meeting of the Unsecured Creditors of the Applicant Company No.1/Transferor Company be convened as prayed for on 15.11.2022 at 2:00 PM through video conferencing with facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the Unsecured Creditors shall be 318 in number or 40% in value of the Unsecured Creditors;

**II. In relation to Applicant Company No.2/Transferee Company**

- a. The meeting of the Equity Shareholders is dispensed with keeping in view the shareholding and ownership pattern of the company and the fact that the consent by way of affidavit has been received from the major shareholder ;
- b. The meeting of the Unsecured Creditors of the Applicant Company No.1/Transferor Company be convened as prayed for on 15.11.2022 at 4:00 PM through video conferencing with facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the



meeting of the Unsecured Creditors shall be 14 in number or 40% in value of the Unsecured Creditors;

- III. In case the required quorum as noted above for the meetings is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter the persons present and voting shall be deemed to constitute the quorum.
- IV. Mr. Anand Chhibbar, Senior Advocate, address: House No. 721, Sector 8b, Chandigarh, Mobile No. 9814006721, email id: [anand@chhibbarandco.in](mailto:anand@chhibbarandco.in), is appointed as the Chairperson for the meeting to be called under this order. An amount of ₹2,00,000/- (Rupees Two Lakhs Only) be paid for his services as the Chairperson.
- V. Mr. Vaibhav Sharma, Advocate, R/o H. No. 1680, Sector- 60, Mohali, Mobile No. 9872170870, e-mail id: [vaibhav@vaibhavsharma.in](mailto:vaibhav@vaibhavsharma.in) , is appointed as the Alternate Chairperson for the meeting to be called under this order. An amount of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) be paid for his services as the Alternate Chairperson.
- VI. Mr. Pawan Kumar Goyal, Practising Company Secretary, R/o H. No. 645, Sector-7, Panchkula-134109, Mobile No.9872220645, e-mail id: [pkgoyal2003@gmail.com](mailto:pkgoyal2003@gmail.com), is appointed as the Scrutinizer for the above meeting to be called under this order. An amount of ₹1,00,000/- (Rupees One Lakh Only) be paid for his services as the Scrutinizer.
- VII. The fee of the Chairperson, Alternate Chairperson, Scrutinizer and other out-of-pocket expenses for them shall be borne by the Applicant Company No.1.

- VIII.** It is further directed that individual notices of the said meetings shall be sent by Applicant Company Nos.1 & 2 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 time as aforesaid, together with a copy of the Scheme, copy of the explanatory statement with Share Exchange Ratio as discussed in para 7 of this order required to be sent under the Companies Act, 2013 and the applicable Rules and any other documents as may be prescribed under the Act shall also be duly sent with the notice.
- IX.** It is further directed that along with the notices, Applicant Company Nos.1 & 2 shall also send, statements explaining the effect of the scheme on the creditors, key managerial personnel, promoters and non-promoter members, etc. along with the effect of the scheme of arrangement on any material interests of the Directors of the Company or the debenture trustees if any, as provided under sub-section (3) of Section 230 of the Act.
- X.** It is also directed that the Provisional Account statements of Applicant Companies as on 31.03.2022 or as on a subsequent date be also circulated for the aforesaid meeting(s) in terms of Section 232 (2) (e) of the Act.
- XI.** That the Applicant Company Nos.1 & 2 shall publish an advertisement with a gap of at least 30 clear days before the aforesaid meeting, indicating the day, date and place and the time of the meeting as aforesaid, to be published in “Financial Express” (English) and “Jansatta” (Hindi), both in Delhi NCR Edition. The publication shall also indicate that

the explanatory statement required to be furnished pursuant to Sections 230 & 232 read with Section 102 of the Companies Act, 2019 can be obtained free of charge at the registered office of the Applicant Companies. The Applicant Company Nos.1 & 2 shall also publish the notice on its website, if any.

- XII.** Voting shall be allowed on the “Scheme” through electronic means which will remain open for a period as mandated under Clause 8.3 of Secretarial Standards on General Meetings to the Applicant Companies under the Act and the Rules framed thereunder.
- XIII.** The Scrutinizer’s report will contain his/her findings on the compliance to the directions given in Para VII to XII above.
- XIV.** The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA-4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (seven) days of the conclusion of the meeting. The Chairperson would be fully assisted by the authorized representative/Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Hon’ble Chairperson and Alternate Chairperson in preparing and finalizing the report.
- XV.** The Applicant Companies shall individually and in compliance of sub-section (5) of Section 230 of the Act and Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA-3 along with copy of the Scheme, Explanatory Statement and the disclosures mentioned in Rule 6 of the “Rules” to (i) Central Government through the Regional Director (Northern Region),

Ministry of Corporate Affairs, New Delhi; (ii) Jurisdictional Registrar of Companies; (iii) BSE (Bombay Stock Exchange) Limited; (iv) NSE (National Stock Exchange) India Limited (v) Reserve Bank of India (RBI); and (v) Income Tax Department through the Nodal Officer – Principal Commissioner of Income Tax, NWR, Aayakar Bhawan, Sector 17-E, Chandigarh by mentioning the PAN number of the Applicant Companies; and to such other Sectoral Regulator(s) governing the business of the Applicant Companies, if any, stating that report on the same, if any, shall be sent to this Tribunal within a period of 30 days from the date of receipt of such notice and copy of such report shall be simultaneously sent to the applicant companies, failing which it shall be presumed that they have no objection to the proposed Scheme.

**XVI.** The Applicant Companies shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any creditor or member/shareholder entitled to attend the meeting as aforesaid.

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

**XVIII.** All the aforesaid directions are to be complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies

18. With the aforesaid directions, this First Motion Application stands disposed of. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutinizer immediately.

Sd/-  
**(Subrata Kumar Dash)**  
**Member (Technical)**

Sd/-  
**(Harnam Singh Thakur)**  
**Member (Judicial)**

August 29 , 2022

PB/TB

THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, CHANDIGARH  
(through web-based video conferencing platform)

Item 26  
CA No.215/2022  
In  
CA (CAA) No.37/Chd/Hry/2022  
(1<sup>st</sup> Motion)  
Under Section 230-232, CA 2013  
& R 11 NCLT

**In the matter of:-**  
NIIT Limited

...Applicant Company No.1/Transferor Company

And  
NIIT Learning Systems Limited

...Applicant Company No.2/Transferee Company

Date of pronouncing the Order: 29.08.2022  
Corrigendum Order: 08.09.2022

Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)  
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)

**Present through Video Conferencing:**

Mr. Atul V Sood, with Mr. Alind Chopra, Ms. Gunjan Soni, Advocates for  
the applicant Companies.

**ADDENDUM CUM CORRIGENDUM ORDER**

1. In the order dated 29.08.2022 inadvertently there are certain typographical  
errors which are corrected as follows:

- (a) At Page No. 6, **Paragraph 15 (iii)**, the date should be read as 17.6.2022  
instead of " 10.6.2022 & 22.06.2022"
- (b) At Page No. 6, **Paragraph 15 (v)**, It should be read as 30.4.2022 instead of  
"10.6.2022"
- (c) At Page No. 6, **Paragraph 15 (vi)**, It should be read as 30.4.2022 instead  
of "10.6.2022"

2. The following Sub-para is added at Page No. 8 in **Paragraphs 17 II** of the order dated 29.08.2022

*"c. There are nil Secured Creditors in Applicant Company 2/Transferee Company. Hence, there is no requirement for directing the convening of meeting of Secured Creditors of Applicant Company 2/Transferee Company"*

3. The rest of the order shall remain unchanged.
4. The Registry is directed to send e-mail copies of the order forthwith to all the parties for information and for taking necessary steps.
5. Urgent Certified copy of this order be supplied to the parties, subject to compliance with all requisite formalities.

Sd/-  
(Subrata Kumar Dash)  
Member (Technical)  
29.09.22

Sd/-  
(Harnam Singh Thakur)  
Member (Judicial)  
29.09.22

September, 08, 2022  
SD