

10th May, 2024

To,

Department of Corporate Relationship

BSE Ltd.

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort, Mumbai – 400 001.

Scrip Code: 539177

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex,

Bandra (E), Mumbai – 400051

NSE Symbol – AAIL

The Calcutta Stock Exchange Limited

7, Lyons Range, Murgighata, Dalhousie,

Kolkata, West Bengal - 700 001.

Scrip Code: 011262

Dear Sir/Madam,

Subject: Intimation under Regulations 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) – Sanction of Scheme by Hon’ble National Company Law Tribunal, Mumbai Bench (“NCLT”)

Reference: Scheme of Arrangement between Reliance Commercial Finance Limited (“RCFL” or “Demerged Company”) and Authum Investment & Infrastructure Limited (“AAIL” or “Resulting Company”) and their respective shareholders and creditors (“the Scheme”) under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder

Dear Sir/Madam,

In continuation to our intimation dated July 14, 2023, we wish to inform the exchange that the Hon’ble National Company Law Tribunal, Mumbai Bench (“NCLT”), has approved the Scheme of Arrangement for demerger of Lending Business of Reliance Commercial Finance Limited to Authum Investment & Infrastructure Limited vide its order dated May 10, 2024.

A copy of the said order, uploaded on the NCLT website today i.e. on May 10, 2024 is enclosed herewith. The Scheme shall come into effect, upon filing of certified true copy of the order with the Registrar of Companies.

This intimation is given under Regulation 30 of the Listing Regulations.

We request you to take this on record, and to treat the same as compliance with the applicable provisions of the Listing Regulations.

Thanking you,

For Authum Investment & Infrastructure Limited

Hitesh Vora

Company Secretary

Mem No.: A40193

Encl: As above



**THE NATIONAL COMPANY LAW TRIBUNAL
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In

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*In the matter of
Section 232 r/w Section 230
other applicable provisions of the
Companies Act, 2013 and Rules
framed there under as in force
from time to time;*

AND

*In the matter of
Scheme of Arrangement
between*

Reliance Commercial Finance Limited

CIN: U66010MH2000PLC128301 Applicant Company No. 1
/ Demerged Company

Authum Investment & Infrastructure Limited

CIN: L51109MH1982PLC319008 Applicant Company No. 1
/ Resulting Company

Order delivered on 10.05.2024

Coram:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Justice V.G. Bisht (Retd.)
Hon'ble Member (Judicial)



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Appearances (through)

For the Petitioner(s) : Mr. Harsh Ruparelia, PCS i/b ARCH
Associates

For the Regional Director: Mr. Bhagwati Prasad, Authorised
Representative on behalf of Regional
Director, Western Region.

Order

1. Heard learned Authorized Representative for the Petitioner Companies. No objector has come before the Tribunal to oppose the Petition and nor any party has controverted any averments made in the Petition, except otherwise stated hereunder.
2. The sanction of this Tribunal is sought under Sections 232 r/w Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ('Act') and Rules framed there under as in force from time to time in the matter of Scheme of Arrangement between **Reliance Commercial Finance Limited** ("RCFL" or "Demerged Company") and **Authum Investment & Infrastructure Limited** ("AIIIL" or "Resulting Company") and their respective shareholders and creditors ("the Scheme").



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3. The Authorized Representative for the Petitioner Companies submits that the Petitioner Company No. 1 was set up in the year 2000 and principally engaged in lending activities and provides loans to small and medium enterprises for working capital and growth, loans to commercial vehicles and two wheelers, loans against property, personal loans and financing of various micro enterprises, housing finance business, rental business.
4. The Authorized Representative for the Petitioner Companies submits that the Petitioner Company No. 2 commenced its business in the year 1982 and engaged in the business of providing loans and making investments in shares and securities.
5. The Board of Directors of the Petitioner Company No. 1 and Petitioner Company No. 2 vide their resolution dated July 14, 2023, approved the Scheme of Arrangement between RCFL and AIIL and their respective shareholders and creditors. The Appointed Date for the scheme is October 01, 2023.
6. The Petitioner Company No. 1 is a wholly owned subsidiary of the Petitioner Company No. 2. The Board of Directors of the Petitioner Company No. 1 and the Petitioner Company No. 2 are of the opinion that the Demerger of Demerged Undertaking including Lending Business under this Scheme would result in benefit to members, creditors and employees of each of the



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Petitioner Company No. 1 and the Petitioner Company No. 2, will not be detrimental to the public and would result in consolidation of entire NBFC business activities (existing AAIL business & RCFL business) into single entity. The demerger, transfer and vesting of the Demerged Undertaking including Lending Business of the Petitioner Company No. 1 on a going concern basis to the Petitioner Company No. 2 will result in the following benefits for the group as whole:

- a. RCFL and AAIL are Non-Banking Financial Companies registered with the Reserve Bank of India. RCFL is primarily engaged in Lending Business & rental business. AAIL is listed company and RCFL is a wholly owned subsidiary of AAIL.
- b. RBI vide letter dated October 01, 2022 had provided No Objection Certificate for transfer of control through change of shareholding and management of RCFL and acquisition of 100% equity stake of RCFL by AAIL. RBI had specified few conditions to be complied by AAIL which includes surrender the Certificate of Registration of RCFL by AAIL. Accordingly, proposed demerger will transfer the Lending Business of RCFL to comply with RBI conditions.
- c. Further, following benefits shall accrue on demerger of Lending Business.
 1. Entire NBFC business activities (existing AAIL business & RCFL business) to be consolidated into



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- single entity.
2. Lending Business of RCFL shall be consolidated with AIL for efficient business management which will lead to business synergies to grow business of AIL.
 3. The proposed demerger will facilitate pursuit of scale, operational synergies, administrative synergies.
7. The Petitioner Companies submits that RCFL had entered into a resolution plan/ Inter-Creditor Agreement (“ICA”) with its lenders, in accordance with the circular dated June 7, 2019 issued by the RBI on Prudential Framework for Resolution of Stressed Assets. Pursuant to the terms of the ICA, the lenders had evaluated, voted upon and selected AIL as the final bidder on July 15, 2021. Further, the debt resolution plan was approved by the ICA lenders and Hon’ble Supreme Court order dated August 30, 2022 and a Resolution Plan Implementation Memorandum to this regard between the ICA lenders and AIL has been entered into on September 30, 2022. It is further submitted that RBI vide letter dated October 01, 2022 had provided No Objection Certificate for transfer of control through change of shareholding and management of RCFL and acquisition of 100% equity stake of RCFL by AIL. RBI had specified few conditions to be complied by AIL, one of which was surrender the Certificate of Registration of RCFL by AIL. Accordingly, primary reason of the proposed Scheme of



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Arrangement is to transfer the Lending Business of RCFL into AIL to comply with RBI conditions. The present Scheme would enable consolidation of NBFC businesses of the Demerged Company and the Resulting Company resulting in compliance with RBI conditions, as specified hereinabove and commercially aid in growth of NBFC business of the Group and help the Demerged Company and the Resulting Company in achieving operational synergies and other Rationale, as laid down in the Scheme.

8. The Scheme of Arrangement complies with the provisions of Section 2(19AA) of the Income-tax Act, 1961. Accordingly, demerger of Demerged Undertaking including Lending Business and rights and entitlements attached thereto of the Demerged Company viz. RCFL shall be transferred to and vested in the Resulting company viz. AIL as a going concern, as per the provisions of the Income-tax Act, 1961.



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9. The Company Scheme Petition has been filed in consonance with the order dated February 15, 2024, passed by this Tribunal in C.A. (CAA) / 1 / MB / 2024. Further, the meetings of the equity shareholders, preference shareholders, unsecured creditors and secured creditors of the Petitioner Companies were dispensed with by the Tribunal vide its order and the Petitioner Companies have complied with all the requirements as per directions of the Hon'ble Tribunal. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules & Regulations made there under. The said undertaking is accepted.
10. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed his Report dated 10th April 2024 making certain observations ("**Report**"). The Petitioner Companies have submitted/undertaken that: -
- a. The Scheme enclosed to Company Scheme Application and Company Scheme Petition, are one and same and there are no discrepancies or no changes are made;
 - b. The approval of the Scheme by this Hon'ble Tribunal would not deter such authorities to deal with any of the issues arising after giving effect to the Scheme and the decision of such authorities would be binding on the Petitioner Companies, subject to appropriate rights and remedies available to the Petitioner Companies under the applicable law;



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- c. The Scheme has been drawn-up to comply with provisions of Section 2(19AA) of the Income-tax Act, 1961 read with relevant rules framed in this regard. Further, the Petitioner Companies shall ensure compliance of all the provisions of the Income-tax Act, 1961 including Section 2(19AA) and the rules framed thereunder;
 - d. The Petitioner Companies shall comply with the requirements clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs;
 - e. The Petitioner Companies shall comply with directions of the Income-tax Department and GST Department, subject to appropriate rights and remedies available under the applicable law;
 - f. The Petitioner Company No. 2 had acquired entire management and control of the Petitioner Company No. 1 under the applicable Resolution Framework and obtained necessary approvals.
11. The Regional Director, Mumbai appeared through its representative and submitted that their observations/ objections have been satisfactorily explained by the Petitioner Company and are acceptable to them. Hence, the Regional Director does not have any further objection to the proposed Scheme Company Petition.



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12. The entire issued, subscribed and paid-up equity share capital and preference share capital of the Demerged Company is held by the Resulting Company and its nominee(s). Upon the Scheme becoming effective, no shares of the Resulting Company shall be allotted in lieu or exchange of the holding of equity & preference shares in the Demerged Company.
13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA) / 45 / MB / 2024 connected with C.A. (CAA) / 1 / MB / 2024 filed by the Petitioner Companies is made absolute in terms of prayer clauses of the said Company Scheme Petition.
14. The creditors of undertaking, being demerged, shall be entitled to make claim against the resulting company as well as demerged company in relation to their debt up to the date of demerger. In case the resulting Company is made to pay the debt of such undertaking, it shall be entitled to seek reimbursement of the amount so paid from the Demerged Company.



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15. The Company Scheme is hereby sanctioned, and the Appointed Date of the scheme is October 01, 2023. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Equity Shareholders, Preference Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors, Employees and/or any other stakeholders concerned.
16. The Petitioner Companies are directed to file a certified copy of this Order along with the copy of Scheme with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 days or an extended timeline with payment of additional fees, as may be applicable, from the date of receipt of the Order duly certified by the Deputy Registrar/Assistant Registrar of this Tribunal. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.
17. The Petitioner Companies shall lodge a copy of this Order along with the Scheme duly certified by Deputy Registrar/Assistant Registrar of this Tribunal, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within a period of 60 working days from the date of the receipt of the certified copy of the Order from the Registry of this Tribunal.



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18. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the designated Registrar of this Tribunal. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.
19. Ordered accordingly. The Company Scheme Petition with C.P. (CAA) / 45 / MB / 2024 in C.A. (CAA) / 1 / MB / 2024 is allowed.

Sd/-
Prabhat Kumar
Member (Technical)

Sd/-
Justice V. G. Bisht
Member (Judicial)