

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI
COURT-IV

CA(CAA)/131/MB/2026

In the matter of
Sections 230 to 232 of the Companies Act, 2013

and

In the matter of
Composite Scheme of Arrangement

between

*HSBC InvestDirect Sales & Marketing (India) Private
Limited
(Transferor Company/Applicant Company-1)*

and

*HSBC InvestDirect (India) Private Limited
(Transferee Company/Applicant Company-2)*

and

and their respective Shareholders.

**HSBC InvestDirect Sales & Marketing
(India) Private Limited**
[CIN: U67100MH2001PTC133074]

....Applicant Company-1/
Transferor Company

**HSBC InvestDirect (India) Private
Limited**
[CIN: U67120MH1997PTC110386]

....Applicant Company-2/
Transferee Company

Pronounced: 13.10.2026

CORAM:

**SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)**

**SHRI K.R. SAJI KUMAR
HON'BLE MEMBER (JUDICIAL)**

Appearance : *Hybrid*

For the Applicants : PCA Harsh C. Ruparelia, PCA i/b A R C H
& Associates

ORDER

1. This is a joint Application filed under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 seeking necessary directions of this Tribunal for notices and convening meetings/dispensation of meetings with respect to the Composite Scheme of Arrangement between HSBC InvestDirect Sales & Marketing (India) Private Limited (Transferor Company) and HSBC InvestDirect (India) Private Limited (Transferee Company) and their respective Shareholders (Scheme).
2. The Applicant Companies stated that the Board of Directors of the Applicant Companies, in their respective board meetings held on 18.06.2026, have approved the Scheme. The copies of the relevant resolutions are part of the Application. The Appointed Date fixed for the Scheme is 01.04.2026.
3. **Nature of Business:** It is submitted by the Applicant Companies that:
 - The First Applicant Company was engaged in the business of distribution of home loan products of The Hongkong and Shanghai Banking Corporation Limited (HSBC), India up to 30.06.2012, and such business has been discontinued with effect from 01.07.2012.
 - The Second Applicant Company is engaged in the business of investing in and providing loans to its subsidiaries, associates and employees' welfare trusts.
4. **Rationale of the Scheme:** It is submitted by the Applicant Companies that –
 - *The First Applicant Company's parent company, namely HSBC InvestDirect (India) Private Limited ("HIDL"), holds 99% of the share capital of the First Applicant Company.*
 - *The reduction of share capital of the First Applicant Company, would, inter alia, enable the First Applicant Company to rationalize its capital structure and present a true and fair financial position of the First Applicant Company in a better manner as well as reflect the true holding structure, which is commensurate with its business and assets.*

- *Amalgamation of the First Applicant Company with the Second Applicant Company, would, inter alia, yield the following benefits:*
- The business objects and activities of HSBC InvestDirect (India) Private Limited ("HIDL"), being primarily in the nature of an investment and financing company, are capable of supporting and absorbing the residual framework and corporate structure of HSBC InvestDirect Sales & Marketing (India) Private Limited ("HISML"), which has discontinued its operations. The proposed amalgamation would facilitate consolidation of the group structure, align related financial and investment functions within a single entity, reduce administrative, managerial and other overhead costs, and significantly minimize the legal and regulatory compliances currently required to be undertaken separately by the First Applicant Company and the Second Applicant Company;*
 - Assist in rationalizing the corporate structure by eliminating an inactive entity (HISML) and consolidating operations, investments and corporate governance under HIDL.*
 - Result in savings of administration and other costs associated with maintaining and managing separate corporate entities, particularly where one entity is no longer carrying on active business operations;*
 - Facilitate optimum and efficient utilization and rationalization of capital, resources, assets and managerial bandwidth within the combined entity, thereby improving overall operational efficiency.*
5. The Applicant Companies stated that the Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Companies as on 31.03.2026 are as under:

First Applicant Company

Particulars	Amount (Rs.)
<u>Authorised Share Capital</u>	
2,20,10,000 Equity Shares of Rs. 10/- each	2,20,100,000

TOTAL	2,20,100,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
1,00,000 Equity Shares of Rs. 10/- each	10,00,000
TOTAL	10,00,000

Second Applicant Company

Particulars	Amount (Rs.)
<u>Authorised Share Capital</u>	
7,50,00,000 Equity Shares of Rs. 10/- each	75,00,00,000
TOTAL	75,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
7,09,54,359 Equity Shares of Rs. 10/- each	70,95,43,590
TOTAL	70,95,43,590

6. **Consideration:** The Applicant Companies submitted that:

- (a) 1,000 number of equity shares (having face value of Rs.10/- each) of the First Applicant Company, constituting 1% of the equity share capital of the First Applicant Company as on 31.03.2026, held by HSBC InvestDirect Employees' Welfare Trust, shall stand extinguished and cancelled through capital reduction under the Scheme. Such shareholder, whose shares are getting cancelled will receive Rs.283.90 per share as consideration. A copy of the Valuation report is part of the Application.
- (b) post capital reduction of equity shares of the First Applicant Company, it will become the wholly owned subsidiary of the Second Applicant Company. The entire issued, subscribed and paid-up share capital of the First Applicant Company shall be held by the Second Applicant Company. Accordingly, upon amalgamation, there will be no issue and allotment of shares of the Second Applicant Company to the shareholders of the First Applicant Company, being the Second Applicant Company itself.

7. *Meetings of Shareholders and Creditors*

Shareholders:

- 7.1 The Ld. PCA for the Applicant Companies submitted that there are 2 (Two) Equity Shareholders in the First Applicant Company. A copy of the certificate from an Independent Chartered Accountant certifying the list of equity shareholders of the First Applicant Company is part of the Application. The First Applicant Company has obtained consent affidavits from all its Equity Shareholders, which are part of the Application.
- 7.2 The Ld. PCA for the Applicant Companies further submitted that there are 2 (Two) Equity Shareholders in the Second Applicant Company. A copy of the certificate from an Independent Chartered Accountant certifying the list of equity shareholders of the Second Applicant Company is part of the Application. The Second Applicant Company has obtained consent affidavits from all its Equity Shareholders, which are part of the Application.
- 7.3 In view of the fact that all the Equity Shareholders of the First and Second Applicant Companies have given their Consent Affidavits in favour of the proposed Scheme, the meetings of the Equity Shareholders of both the Applicant Companies are hereby dispensed with.

Secured Creditors

- 7.4 The Ld. PCA for the Applicant Companies submitted that there are no Secured Creditors in both the Applicant Companies as on 15.06.2026. Copies of the certificates from an Independent Chartered Accountant certifying that there are no secured creditors in the Applicant Companies are part of the Application. Since there are no Secured Creditors in either Applicant Company, no meetings of secured creditors need to be convened.

Unsecured Creditors

- 7.5 The Ld. PCA for the Applicant Companies submitted that there is 1 (One) Unsecured Creditor having an amount of Rs.1,10,522/- (One Lakh Ten Thousand Five Hundred and Twenty-Two Rupees) in the First Applicant Company as on

15.06.2026. A copy of the certificate from an Independent Chartered Accountant certifying the list of Unsecured Creditors of the First Applicant Company is part of the Application.

7.6 The Ld. PCA for the Applicant Companies further submitted that there are 6 (Six) Unsecured Creditors aggregating to Rs.24,29,908/- (Twenty-Four Lakh Twenty-Nine Thousand Nine Hundred and Eight Rupees) in the Second Applicant Company as on 15.06.2026. A copy of the certificate from an Independent Chartered Accountant certifying the list of Unsecured Creditors of the First Applicant Company is part of the Application.

7.7 The Ld. PCA for the Applicant Companies further stated that the present Scheme is a Scheme of Arrangement of the Applicant Companies and their respective shareholders, as contemplated under Section 230(1)(b) of the Companies Act, 2013, and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013, as there is no compromise and/or arrangement with the creditors as no sacrifice is called for. Upon the Scheme becoming effective, the Second Applicant Company shall continue to be owned and controlled by the same group and same set of shareholders with the same management, and the Second Applicant Company undertakes to protect the interest of their creditors and no prejudice shall be caused to any of the Creditors as a result of the Scheme.

It is further submitted that the pre and post scheme net-worth of the Applicant Companies as on 31.03.2026 is as under:

Total Book Net-worth	<i>Amount in Rs.</i>	
	Pre-Scheme	Post-Scheme
First Applicant Company	2,83,90,001	NA
Second Applicant Company	570,56,60,298	573,21,73,115

7.8 As the Transferee Company has undertaken to protect the interests of its creditors and will be paid off as per its terms of payment or in the ordinary course of business, as the case may be, the rights of the Unsecured Creditors of the

Applicant Companies will not be affected. In view of the same, the meetings of Unsecured Creditors of both the Companies are hereby dispensed with. However, the Applicant Companies are directed to intimate their Unsecured Creditors about the proposed Scheme by sending notices through R.P.A.D / speed post/courier/hand delivery of the proposed Scheme, with a direction that they may send their representations, if any, within a period of 30 (Thirty) days from the date of receipt of such intimation, to the Tribunal with copy of such representation shall simultaneously be served upon the Applicant Companies, failing which, it shall be presumed that they have no representations to make on the proposal.

8. The Ld. PCA for Applicant Companies submitted that there are no proceedings/investigation instituted or pending against the Applicant Companies under the Companies Act, 1956 / 2013. Further, there are no winding up petitions pending in any Court or Tribunal, and no application under the Insolvency and Bankruptcy Code, 2016 admitted against the Applicant Companies.
9. The Applicant Companies are directed to serve notice along with a copy of the Scheme upon the -
 - i. Central Government through the office of the Regional Director, Western Region, Mumbai;
 - ii. Jurisdictional Registrar of Companies;
 - iii. Jurisdictional Income Tax Authority within whose jurisdiction the respective Applicant Company's assessment is made, indicating PAN of the Company;
 - iv. Concerned Nodal Officer in the Income Tax Department i.e., Pr. CCIT, Mumbai, Address: 3rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020;
 - v. Official Liquidator (in the case of First Applicant Company);
 - vi. Concerned Goods and Service Tax Authorities;
 - vii. Any other Sectoral/Regulatory Authorities relevant to the Applicant Company or their business.

10. The above notice shall be served through R.P.A.D./Speed Post and e-mail pursuant to section 230(5) of the Companies Act, 2013 and rule 8 of the CCAA Rules. The said notice will contain a statement that *"If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme"*.
11. The Applicant Companies shall host the notices along with a copy of the Scheme on their respective websites, if any.
12. The Applicant Companies to file an Affidavit of Service and Compliance Report within 10 working days after serving notice to all the Regulatory Authorities as stated above.
13. With the above directions, **CA(CAA)/131/2026** is **allowed**.

Sd/-
ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

Sd/-
K. R. SAJI KUMAR
MEMBER (JUDICIAL)

/pvs