

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH-IV**

**CA (CAA)/ 74/MB-IV/2022**

*In the matter*

*Of*

*The Companies Act, 2013*

*AND*

*In the matter*

*Of*

*In the matter of Section 230-232 and other  
applicable provisions of the Companies Act, 2013  
and the rules made thereunder*

*AND*

*In the matter*

*Of*

*The Scheme of Arrangements and Amalgamation*

*Of*

*Johnson & Johnson Private Limited*

*("Applicant Company-1")*

*And*

*JNTL Consumer Health (India) Private Limited*

*("Applicant Company-1")*

Johnson & Johnson Private Limited  
[CIN: U33110MH1957PTC010928]

.... Applicant Company 1/  
Demerged Company

JNTL Consumer Health (India) Private Limited .... Applicant Company 2/  
[CIN: U24290MH2022FTC376097] Resulting Company 1

**ORDER DELIVERED ON: 12.05.2022**

*Coram:*

Mr. Chandra Bhan Singh  
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli  
Hon'ble Member (Judicial)

*Appearances (via videoconferencing):*

For the Applicants : Mr. Ravindra M. Kadam, Senior Advocate a/w Mr. Ashish Kamat, Mr. Tapan Deshpande, Ms. Priyanka Mitra, Advocate and Mr. Aekaanth Nair, Advocates i/b M/s. Cyril Amarchand Mangaldas, Advocates for Applicant Companies.

**ORDER**

1. This Bench is convened through video conferencing today.
2. Perused the present Company Application, along with the respective Affidavits in support of Mr. Manish Vora and Mr. Mayur Vasani, the Authorized Signatories of the respective Applicant Companies (defined hereinbelow) in support of the Company Application, the Further Affidavit dated 23<sup>rd</sup> April 2022 and also the Further Additional Affidavit dated 10<sup>th</sup> May 2022 both on behalf of Applicant Company 1 and heard Senior Advocate for the Applicant Companies.
3. The Applicant Companies have filed (i) the present Company Application (hereinafter referred to as "Application"), under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Act") and in terms of Rule 3 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in respect of the Scheme of Arrangement and Demerger between

- Johnson & Johnson Private Limited (hereinafter referred to as “Applicant Company 1” / “Demerged Company”) and JNTL Consumer Health (India) Private Limited (hereinafter referred to as “Applicant Company 2” / “Resulting Company 1”) and JNTL (APAC) Holdco Pte. Ltd. (hereinafter referred to as “Resulting Company 2”), and respective shareholders (Applicant Company 1 and Applicant Company 2 above are hereinafter collectively referred to as “Applicant Companies”) (hereinafter referred to as the “Scheme” or the “Scheme of Arrangement and Demerger”), as more particularly set out therein; and
- (ii) Further Affidavit on behalf of Applicant No. 1 placing on record the Affidavit of consent of the unsecured creditors of Applicant Company 1 for seeking dispensation of holding meeting of the unsecured creditors of Applicant Company 1.
4. The Scheme of Arrangement and Demerger, provides *inter alia* for the transfer by way of a demerger of the Demerged Undertaking (*as defined in the Scheme*) of the Applicant Company 1 to the Applicant Company 2, and the consequent issue of equity shares by the Resulting Company 2 to the shareholders of the Applicant Company 1 in accordance with the Share Entitlement Ratio (*as defined hereinafter*) (“Demerger”) and various other matters consequential or integrally connected therewith in relation to the Companies pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in the proposed Scheme and in compliance with Section 2(19AA) of the Income Tax Act, 1961 (IT Act) and other applicable provisions of the IT Act.
5. The rationale and benefits of the Scheme are as follows:
- (a) Globally, the Johnson & Johnson Group has three segments of business: (i) consumer health; (ii) medical devices; and (iii) pharmaceuticals. On 12<sup>th</sup> November 2021, Johnson & Johnson

Group announced its plan to separate its Consumer Health Business, across all geographical markets (“Global Restructuring”). This Global Restructuring is to create two global leaders that are better positioned to deliver improved health outcomes for patients and consumers through innovation, pursue more targeted business strategies and accelerate growth.

- (b) In India, the three business segments of the Demerged Company corresponding to the aforesaid three businesses of the Johnson & Johnson Group are: (a) “Consumer Health Business” which means and include business of manufacturing / trading and distribution of various categorizes of consumer health products including baby care, beauty, ear buds, food products/electrolyte drinks, oral care, prescription and non-prescription drugs, skin care, toothbrushes, women’s health and hygiene/sanitary napkins, providing services including research and development services, analytics and others; (b) “Medical Devices Business” which means and includes business of manufacturing / trading and distribution of disposable eye lenses, hospital products, orthopedic products, surgical sutures, various surgical and surgeon related equipment, products for needs in arrhythmias, bariatric and metabolic surgery, cancer surgery, cardiovascular disease, coronary artery disease, general surgery, hernia, medical education and training services, neurovascular disease, peripheral vascular and obstructive disease, urologic surgery and vision care (c) “Pharmaceutical Business” which means and include business of manufacturing / trading and distribution of products in the categories of prescribed drugs including products for needs in dermatology, immunology, infectious diseases and metabolic diseases, neuroscience and analgesia, oncology, research and

development and other services.

- (c) Pursuant to the Global Restructuring, this Scheme proposes to transfer the Consumer Health Business of Applicant Company 1 to the Applicant Company 2 by way of a demerger of the Demerged Company with a view to create two businesses that are each leader in their respective industries with increased management focus, resources, agility, and speed to effectively address differing industry trends and to better meet the needs of the patients and consumers of both the businesses. Pursuant to the Scheme the Applicant Companies would have corporate and operational structures better able to create compelling financial profiles that more accurately reflects the strengths and opportunities of each business and, as a result, offers investors a more targeted investment opportunity, drives growth and furthers value creation, operational optimization and unlocking of significant value in the Applicant Companies.
6. The clause in the Scheme providing the consideration is reproduced hereinbelow:

*“9. Consideration for Demerger*

- 9.1. On the date of the effectiveness of this Scheme in accordance with Clause 20, and in consideration for the demerger of the Demerged Undertaking pursuant to Clause 8 of this Scheme, Resulting Company 2 shall issue and allot 81 (eighty one) ordinary shares of Resulting Company 2 each fully paid up for every 8 (eight) equity shares of Demerged Company of INR 100 (Indian Rupees Hundred) each fully paid-up to the shareholders of Demerged Company in proportion to the shares held by them in Demerged Company (“Share Entitlement Ratio”) in accordance with Section 2(19AA) and Section 2(41A) of the IT Act and other provisions of the Applicable Law.*
- 9.2 In case any member’s shareholding in Demerged Company is such that on the basis of the aforesaid, the member is entitled to a fraction of share, such fractional entitlements may be dealt with in a manner as the Boards*

*may deem fit to be in the best interests of the shareholders of the Demerged Company and the Resulting Company 2.*

*9.3 The equity shares to be issued to the members of Demerged Company as above shall be subject to the constitutional documents of Resulting Company 2 and shall rank pari passu with the existing equity shares of Resulting Company 2 in all respects.”*

7. The Issued, Subscribed and Paid-Up share capital of the Applicant Company 1 as on 31<sup>st</sup> December 2021, is as under:

<b>Particulars</b>	<b>Amount in Rs.</b>
<b>Authorised Capital</b>	
5,200,000 equity shares of INR 100 each	<b>520,000,000</b>
<b>TOTAL</b>	<b>520,000,000</b>
<b>Issued, Subscribed and Paid-up share capital</b>	
1,406,752 equity shares of INR 100 each fully paid up	<b>140,675,200</b>
<b>Total</b>	<b>140,675,200</b>

8. The Issued, Subscribed and Paid-Up share capital of the Applicant Company 2 as on 21<sup>st</sup> February 2022, is as under:

<b>Particulars</b>	<b>Amount in Rs.</b>
<b>Authorised Capital</b>	
50,000,000 equity shares of INR 10 each	<b>500,000,000</b>
<b>TOTAL</b>	<b>500,000,000</b>
<b>Issued, Subscribed and Paid-up share capital</b>	
3,750,000 equity shares of INR 10 each fully paid up	<b>37,500,000</b>
<b>Total</b>	<b>37,500,000</b>

9. The Boards of Directors of the Applicant Companies in their respective Board meetings, both held on 25<sup>th</sup> February, 2022 and Boards of Directors of the Resulting Company 2 in its Board meeting on 1<sup>st</sup> March, 2022, have approved the Scheme.

#### **Applicant Company 1**

10. Convening and holding the meeting of equity shareholders of the Applicant Company No.1 is dispensed with in view of the affidavits of

- consent filed by both the equity shareholders of the Applicant Company No.1.
11. Applicant Company 1 has no secured creditor as on 23<sup>rd</sup> February, 2022. Certified true copy of the certificate dated 23<sup>rd</sup> February, 2022 from an independent chartered accountant certifying that there are no secured creditors of Applicant Company 1 as on 23<sup>rd</sup> February, 2022 is annexed to the Company Application as Annexure M.
  12. Applicant Company 1 has an aggregate outstanding amount of INR 501,60,12,485/- (Rupees Five Hundred and One Crores, Sixty Lakhs, Twelve Thousand and Four Hundred and Eighty-Five only) towards unsecured debts of 2274 (Two Thousand Two Hundred Seventy Four) unsecured creditors of the Applicant Company 1 as on 30<sup>th</sup> January, 2022. The certified true copy of the certificate dated 25<sup>th</sup> February, 2022 from an independent chartered accountant of Applicant Company 1 certifying that there are 2274 (Two Thousand Two Hundred Seventy Four) unsecured creditors of the Applicant Company 1 as on 30<sup>th</sup> January, 2022 having in the aggregate an outstanding amount of INR 501,60,12,485/- (Rupees Five Hundred and One Crores, Sixty Lakhs, Twelve Thousand and Four Hundred and Eighty-Five only) along with the list of unsecured creditors of Applicant No. 1 is annexed as Annexure N to the Company Application.
  13. The Applicant Company 1 has submitted Affidavits of consent and approval to the Scheme from 191 (One hundred Ninety One) unsecured creditors constituting 90.38% of the total outstanding debt of the unsecured creditors of the Applicant Company 1 as on 30<sup>th</sup> January, 2022, 2021 by way of the, the Further Affidavit dated 23<sup>rd</sup> April 2022 and also the Further Additional Affidavit dated 10<sup>th</sup> May 2022 both on behalf of Applicant Company 1.

14. The said Scheme is not, in any manner prejudicial to the interests of the unsecured creditors of Applicant Company 1 nor any liability of the said unsecured creditors of Applicant Company 1 is proposed to be reduced or extinguished; the Scheme does not contemplate any variation in the rights of the unsecured creditors of Applicant Company 1 in any manner whatsoever; and that most of these unsecured creditors of Applicant Company 1 are sundry creditors and are in day to day business of Applicant Company 1. Applicant Company 1 has a positive networth of INR 3231,53,00,000/- as on 31<sup>st</sup> December 2021 in terms of the networth certificate annexed as Annexure "O" to this Company Application and is in a position to meet with the liabilities of its unsecured creditors as and when the same arise. In view of the aforesaid, it is directed that the convening and holding of the meeting of its unsecured creditors to seek approval to the Scheme is dispensed with.
15. The Applicant Company 1 is directed to publish notice of intimation of filing of the present Company Application once each in 'Business Standard' in English and 'Loksatta' in Marathi, both circulated in Mumbai.

### **Applicant Company 2**

16. Applicant Company 2 has 2 (two) equity shareholders, holding the entire share capital of the Applicant Company 2. Applicant Company 2 has submitted to this Tribunal the certificate from an independent chartered accountant along with the list of its equity shareholders certifying the list of equity shareholders and their respective shareholdings in Applicant Company 2 as on 23<sup>rd</sup> February, 2022. The said Certificate is annexed to the Company Application as Annexure "P". Both the equity shareholders have given their respective Affidavits of consent and approval to the Scheme and the same are annexed to the



Company Application as Annexures “Q-1” to “Q-2”. The convening and holding the meeting of the equity shareholders of Applicant Company 2 to seek their approval to the Scheme, is dispensed with in view of Affidavits of consent to the Scheme given by both the equity shareholders of Applicant Company 2.

17. Applicant Company 2 has no secured creditor as on 23<sup>rd</sup> February, 2022. Certified true copy of the certificate dated 25<sup>th</sup> February, 2022, from an independent chartered accountant certifying that there are no secured creditors of Applicant Company 2 as on 23<sup>rd</sup> February, 2022 is annexed to the Company Application as Annexure R.
18. Applicant Company 2 does not have any secured creditors and unsecured creditors. Accordingly, the question of convening a meeting/ issuing notices to the secured creditors of the Applicant Company 2 does not arise and is not required.

**Other Directions**

19. Applicant Company 1 and Applicant Company 2 to serve notice of intimation of filing of the present Company Application and the order passed therein to the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, Maharashtra, stating therein that it may submit its representation in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the concerned Applicant Company and if no response is received by the Tribunal from the Central Government (through the Regional Director) within 30 days of the date of receipt of the said notice, it will be presumed that the Central Government (through the Regional Director) has no objection to the Scheme.
20. Applicant Company 1 (PAN:AAACJ0866E) and Applicant Company 2 (PAN:AAFJK887N) to serve the notice of intimation of filing of the

present Company Application and passing of this order, upon the concerned Income Tax Authority within whose jurisdiction their assessments are made i.e. Mr. Deepak Shukla, Deputy/ Assistant CIT, Range 3(4), 29<sup>th</sup> floor, World Trade Centre – 1, Cuffe Parade, Mumbai 400005 for Applicant Company 1 and Income tax officer, ward 15(2)(1), Room no 360/ 480, 3<sup>rd</sup> Floor, Aaykar Bhawan, Churchgate, Mumbai 400020 for Applicant Company 2, stating therein that it may submit representations in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the concerned Applicant Company and if no response is received by the Tribunal from the concerned Income Tax Authority within 30 days of the date of receipt of the said notice, it will be presumed that the concerned Income Tax Authority has no objection to the Scheme.

21. Applicant Company 1 and Applicant Company 2 to serve notice of intimation of filing of the present Company Application and the order passed therein, upon the Registrar of Companies, Mumbai, Maharashtra, stating therein that it may submit its representation in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the concerned Applicant Company and if no response is received by the Tribunal from the Registrar of Companies, within 30 days of the date of receipt of the said notice, it will be presumed that the Registrar of Companies has no objection to the Scheme.
22. Applicant Company 1 (GSTIN 27AAACJ0866E1ZR) and Applicant Company 2 (GSTIN 27AAFJ4887N1ZQ) to serve notice of intimation of filing the present Company Application and order passed therein, upon the GST Authority within whose jurisdiction their assessment are made, i.e. Office of Assistant Commissioner, Division VI, Range III, 10<sup>th</sup> Floor, Lotus Info Centre, Station Road, Parel (East), Mumbai – 400012,

Maharashtra for Applicant Company 1 and Commissionerate Office, Division IV, Range III, Satra Plaza, 16<sup>th</sup> Floor, Palm Beach Road, Sector 19D, Vashi, Navi Mumbai – 400703, Maharashtra for Applicant Company 2, pursuant to Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, respectively stating therein that it may submit their representation in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the concerned Applicant Company and if no response is received by the Tribunal from the concerned GST Authority, within 30 days of the date of receipt of the said notice, it will be presumed that the concerned GST Authority has no objection to the Scheme.

23. Applicant Company 1 and Applicant Company 2 to publish the notices of the filing of this Company Application and the order passed therein in the *Business Standard* (Mumbai Edition) in the English language and a Marathi translation thereof in *Loksatta* (Mumbai Edition), both having circulation in Mumbai.
24. In view of the averments made in paragraphs 38, 39 and 40 of the Company Application, the aforesaid notices are not required to be given to the Competition Commission of India by the Applicant Companies.
25. In view of the averments made in paragraph 41 of the Company Application, the aforesaid notices are not required to be given to any stock exchanges, Securities and Exchange Board of India and the Official Liquidator, High Court, Bombay by the Applicant Companies.
26. The Applicant Companies are directed to issue notice along with a copy of the Scheme to other applicable regulators including sectoral regulators, if any.

27. The Applicant Companies are further directed to publish their respective aforesaid notices on their websites, if any.
28. Applicant Companies undertake to this Tribunal to file their respective Affidavit proving compliance of the said order in this Tribunal within the stipulated time.

Sd/-

**KISHORE VEMULAPALLI**  
Member (Judicial)

Sd/-

**CHANDRA BHAN SINGH**  
Member (Technical)