

SL.No.1

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

PHYSICAL HEARING

**CORAM: JUSTICE TELAPROLU RAJANI – HON’BLE MEMBER (J)
CORAM: SHRI CHARAN SINGH - HON’BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 16.03.2023 AT 02:30 PM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CA (CAA) No.8/230/2023
NAME OF THE COMPANY	BE Pharmaceuticals Pvt Ltd (Demerged Co.) & Biological E Ltd (Resulting Co.)
NAME OF THE PETITIONER(S)	
NAME OF THE RESPONDENT(S)	
UNDER SECTION	230

ORDER

This application is allowed, vide separate orders.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II**

CA (CAA) No. 8/230/HDB/2023

U/s 230 to 232 r/w Section 66 of the Companies Act, 2013

IN THE MATTER OF

SCHEME OF DEMERGER AND ARRANGEMENT BETWEEN

**BE PHARMCEUTICALS PRIVATE LIMITED
(Applicant Company-1/Demerged Company)**

AND

**BIOLOGICAL E LIMITED
(Applicant Company-2/Resulting Company)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

M/s.BE Pharmaceuticals Private Limited

CIN: U241000TG2011PTC148362

Regd. Office: 18/1 & 3, Azamabad

Hyderabad – 500020

....Applicant Company-1 / Demerged Company

M/s. Biological E Limited

CIN: U01120TG1953PLC001095

18/1 & 3, Azamabad

Hyderabad – 500020

....Applicant Company-2 / Resulting Company

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Coram:

Hon'ble Justice Smt.Telaprolu Rajani, Member (Judicial)

Hon'ble Shri Charan Singh, Member (Technical)

Counsel/Parties present:

For the Applicants : Mr. Y. Suryanarayana, Advocate

Heard on: 13.03.2023

[PER: BENCH]

ORDER

- I. This is a Joint Application filed on behalf of the Applicants, M/s. BE Pharmaceuticals Private Limited (Applicant Company-1/Demerged Company) and M/s. Biological E Limited (Applicant Company-2/Resulting Company) under Sections 230-232 of the Companies Act, 2013, seeking to dispense with the requirement of holding the Meetings of the Equity Shareholders of the 1st Applicant Company/Demerged Company, Equity Shareholders of the 2nd Applicant Company/Resulting Company, Secured Creditors of the 2nd Applicant Company and Unsecured Creditors of the 2nd Applicant Company and to convene the meeting of the unsecured creditors of the 1st Applicant Company/Demerged Company for consideration of the proposed Scheme of Demerger and Arrangement, for short “**the Scheme**”, between the Applicant Companies, their respective shareholders and creditors as envisaged under the Scheme.

II. The gist of the Application is –

M/s.BE PHARMCEUTICALS PRIVATE LIMITED (BEPPL/Demerged Company) was incorporated under the Companies Act, 1956 under the name and style of “Akorn India Private Limited” on 29.08.2011 in the state of Maharashtra, vide CIN: U24100MH2011PTC221406. Subsequently, the Registered Office of the Company was shifted from the State of Maharashtra to New Delhi on 16.12.2013 thereby allotting new CIN No. U24100DL2011PTC262196. Akorn India Private Limited was acquired by Biological E. Limited on 14.08.2020 and the Company Name was changed from “Akorn India Private Limited” to “BE Pharmaceuticals Private Limited” and the Registered Office of BEPPL was also shifted to the State of Telangana on 05.02.2021 with CIN: U24100TG2011PTC148362.

III. The present main objects of the Demerged Company are as follows:

- i. To carry on the business as manufacturers, producers, makers, processors, buyers, sellers, importers, exporters, distributors, merchants, suppliers, contractors, representatives, chemists, dealers of all kinds and description of drugs, medicines,

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pharmaceuticals, and medicinal and toilet preparations in India and across the world.

The Demerged Company has two primary business undertakings, one being the SGI Business Undertaking and the other being trading of branded formulations.

Copies of the Certificate of Incorporation and Memorandum of Association of the Demerged Company are filed as Annexure - A1 of the Application.

- ii. The Share Capital structure of the Demerged Company as on 31.12.2022 is as follows:

Authorised Capital	Amount (Rs.)
60,00,000 Equity Shares of Rs.10/-each	6,00,00,000
Total	6,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
50,10,061 Equity Shares of Rs.10/-each	5,01,00,610
Total	5,01,00,610

Subsequent to 31.12.2022 and till the date of passing the resolution approving the Scheme of Arrangement by the Board of Directors of the Demerged Company, there is no change in the authorized, issued, subscribed or paid-up share capital of the Demerged Company.

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- iii. The Demerged Company is a wholly owned subsidiary of the Resulting Company and is presently having two business undertakings, namely, SGI Business and Trading of branded formulations.

Copies of the Audited Financial Statements as on 31.03.2022 and Provisional Financial Statements for the period ended 31.12.2022 of the Demerged Company are filed as Annexure –A2 of the application.

- IV. M/s.Biological E. Limited (Resulting Company) was incorporated under the Companies Act, 1913, on 10.12.1953 with CIN U01120TG1953PLC001095 having its Registered Office at 18/1 & 3, Azamabad, Hyderabad-500020.

- i. The main objects of the Resulting Company are as follows:
- a) To carry on the business as manufacturers of and dealers in pharmaceutical, medicinal, herbal, vaccine, biotech, bacteriological, biological, chemical, industrial and other preparations, articles and compounds and as chemist and druggist generally.
- b) To carry on the business as manufacturer of and dealer in chemicals, dyes, dyestuffs, dye wares, gasses, plaster of Paris, gypsum, plasters, salts acids, alkalis, tannins, essences, cordials, oils, isinglass,

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colours, glues, gums, pigments, varnishes, organic or mineral intermediate compositions, tooth-picks, brushes, toilet requisites and preparations, soaps, and washing materials, detergents, perfumes, proprietary articles and laboratory reagents.

- c) To carry on the business of manufacturers and producers of and dealers in fats, fertilizers, manures, dips, sprays, disinfectants, vermifuges, fungicides, insecticides, pesticides and remedies of all kind for agricultural fruit growing or other purposes or as remedies for men or animal and whether produced from vegetable or animal matters or by any chemical process.
- d) To purchase, lease or otherwise acquire, establish, maintain, operate, run, manage or administer hospitals, medicate, day care and healthcare centres, nursing homes, dispensaries, maternity homes, child welfare and family planning centres, diagnostic centres, clinic for in-door and out-door patients and facilities for reception and treatment of persons suffering from injuries and illness, disabilities and deficiencies of any kind or nature whatsoever and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation , geriatric care centres, assisted living, in the generality,

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specialty and /or super-speciality departments and to design, manufacture, import, export, buy, sell or lease out, install, maintain and deal in any kind of medical and surgical equipment, instruments anatomical, orthopaedic and surgical appliances of all kinds, veterinary instruments, medical, curative and healing instruments and equipments, artificial eyes and limb, hospital, laboratory, observatory, chemical, electrical, photographic and scientific instruments, equipments, supplies, furniture, article and products and to own, manage, administer or run all types of laboratories for carrying on investigations and to run X-ray, E.C.G, CT Scan and other tests.

- e) To undertake, promote, or engage in all kinds of research, including clinical research and development of all fields of medical sciences and in all therapies of medical treatment, development work required to promote, assist or engage in setting up hospitals and facilities for manufacturing medical equipment, and also to encourage the discovery of new medical and/or surgical management of diseases and applications and to investigate and make know the nature and merits of investigations and findings and research in the said field and to acquire any patent and licenses on other protective devices relating to the results of any discovery, investigations, findings and researches and

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to acquire any processes upon such terms as may see expedient and to improve the same and to undertake the manufacture of ay product developed and/ or to give licenses for the manufacture of the same to other and either or market the same and also to set up laboratories, purchase, take on lease and acquire any equipment and instruments required for carrying out medical research and to setup medical colleges, institutions, camps to educate and train medical students, nurses, midwives and hospital administrators to further the course of medicine and/ or medical research.”

Copies of the Certificate of Incorporation and Memorandum of Association of the Resulting Company are filed as Annexure – A3 of the application at page nos.117 to 159 of the application.

- ii. The Share Capital structure of the Resulting Company as on 31.12.2022 is as follows:

Authorised Capital	Amount (Rs.)
5,00,000 Equity Shares of Rs.100/- each	5,00,00,000/-
Total	5,00,00,000/-
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
4,95,000 Equity Shares of INR 100 each fully paid-up	4,95,00,000/-
Total	4,95,00,000/-

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Subsequent to 31.12.2022 and till the date of passing the resolution approving the Scheme of Arrangement by the Board of Directors of the Resulting Company, there is no change in the authorized, issued, subscribed or paid-up share capital of the Resulting Company.

Certified copies of the Audited Financial Statements as on 31.03.2022 and Provisional Financial Statements for the period ended 31.12.2022, of the Resulting Company are filed as Annexure -A4 at page nos.160 to 263 of the application.

- V. The Board of Directors of the Applicant Companies at their respective Board Meetings held on 17.02.2023, have resolved to demerge the SGI Business Undertaking of Demerged Company to the Resulting Company pursuant to a Scheme of Arrangement between M/s.BE Pharmaceuticals Private Limited (Demerged Company) and M/s.Biological E Limited (Resulting Company) and their respective Shareholders and Creditors with appointed date as 01.04.2022.

Certified copies of the Board Resolutions passed by the Board of Directors of the Applicant Companies are filed as Annexures-A8 & A9 at page nos.311 to 313 and 314 to 315 of the application respectively.

- VI. According to the Applicant Companies, the objectives of the proposed Scheme are for the ease of doing business by the group companies by consolidating the SGI Business of the Group by demerging the SGI Business Undertaking of the

Demerged Company into the Resulting Company, which are as follows:

- a) The SGI Business Undertaking is subject to different rates of profitability, growth opportunities, future prospects and risks. The nature of risk and competition involved in this business is distinct. With an endeavour to enhance shareholders' value, it is proposed to reorganize and segregate the business of SGI Business Undertaking.
- b) The Demerged Company is engaged in the business of manufacturing, marketing of SGI and trading of branded formulations. The demerger of the SGI Business Undertaking from the Demerged Company into Resulting Company would achieve the objective of consolidation of the SGI business of the Group thereby bringing synergies in the operations of the SGI business of the Resulting Company and would enable the Resulting Company to focus on the SGI business in a more professional manner and to create a more competitive business both in scale and operations.
- c) Enable the business to pursue growth opportunities and offer SGI Business opportunities to potential investors.

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- d) This Scheme is in the best interest of the shareholders, employees and creditors of each of the Demerged Company and the Resulting Company.
- e) The Scheme does not have any adverse effect either on the shareholders or on the employees or on the creditors of the Demerged Company or of the Resulting Company.

VII. SHAREHOLDERS OF THE APPLICANT COMPANIES -

- a) The Applicant Company-1/Demerged Company has Two (2) Equity shareholders holding 50,10,061 equity shares of Rs.10/- each. A Certificate dated 17.02.2023 issued by M/s. Datla & Associates, Chartered Accountants, certifying the list of Shareholders, the number of shares held by them in the Applicant-1 Company, the Shareholding Pattern of the Company and the Company has no secured creditors and 260 (Two Hundred and Sixty) unsecured creditors as on 31.12.2022, is filed as **Annexure-A10 at page no.316 of the application.**
- b) A certificate dated 27.02.2023 issued by M/s.P.S.Rao & Associates, Company Secretaries certifying the Equity Shareholding Pattern of M/s.BE Pharmaceuticals Private Limited/Demerged Company as on 31.12.2022

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is filed as **Annexure-A10A at page no.325 of the application.**

- c) The Applicant Company-2/ Resulting Company has 14 (Fourteen only) Equity shareholders holding 4,95,000 equity shares of Rs.100/- each. A Certificate dated 17.02.2023 issued by M/s. Datla & Associates, Chartered Accountants, certifying the list of Shareholders, the number of shares held by them in the Second Applicant Company, and the Company has 10 (ten only) secured creditors and 1,262 unsecured creditors as on 31.12.2022, is filed as **Annexure-A13 at page no.330 to 355 of the application.**
- d) A certificate dated 27.02.2023 issued by M/s.P.S.Rao & Associates, Company Secretaries is filed as Annexure-A13A certifying the Equity Shareholding Pattern of M/s.Biological E Limited as on 31.12.2022.
- e) The shareholders of the 1st Applicant Company have given their consent Affidavits stating no objection to the proposed Scheme of Arrangement, which are filed as Annexures-A11 & A12 at page nos. 326 to 329 of the application respectively.

VIII. CREDITORS OF THE APPLICANT COMPANIES

- a) The Demerged Company has 260 (two hundred and sixty) Unsecured Creditors for an aggregate amount of Rs.2,45,89,04,005/- (Rupees two hundred and forty five crores eighty nine lakhs four thousand and five only) as on 31.12.2022.

A Certificate issued by the Chartered Accountant, certifying the list of creditors of the Demerged Company and showing the respective amounts due and paid to them by the Demerged Company, is annexed hereto and marked as Annexure- A10 at page no.316 to 323 of the application.

- b) The Resulting Company has 10 (ten) Secured Creditors for an aggregate amount of Rs.2077,40,12,927/- (Rupees two thousand seventy seven crores forty lakhs twelve thousand nine hundred twenty seven only) as on 31.12.2022.

- c) The Resulting Company has 1,262 (one thousand two hundred and sixty two) Unsecured Creditors for an aggregate amount of Rs.21,22,45,90,230/- (Rupees two thousand one hundred twenty two crores forty five lakhs ninety thousand two hundred and thirty only) as on 31.12.2022.

(A Certificate issued by the Chartered Accountant, certifying the list of creditors of the Resulting Company and showing the respective amounts due and

paid to them by the Resulting Company is filed as Annexure- A15 of the application).

IX. ACCOUNTING TREATMENT OF THE SCHEME:

The accounting treatment of the demerger of SGI Business Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the applicable accounting standards notified under Section 133 (including compliance with Ind AS 103 – Business Combination) of the Act and other generally accepted accounting principles in India.

Certificates issued by the Chartered Accountants confirming the Accounting Treatment proposed in the Scheme, are filed as “Annexures- A5 and A6 at page nos.264 to 267 of the application respectively.

- X. It is averred that the Demerged Company is the Wholly owned Subsidiary of the Resulting Company and the SGI Business Undertaking of the Demerged Company is being demerged and transferred to the Resulting Company. The net worth of the Resulting Company is highly positive and further some of the assets of the Demerged Company would be transferred to the Resulting Company pursuant to the Scheme becoming effective. It is also averred that the assets of the Resulting Company are sufficient to discharge its liabilities and the proposed Scheme of Amalgamation is not affecting the rights of the Resulting

Company's shareholders or creditors and hence the Resulting Company need not convene the meeting of its shareholders and Creditors for obtaining their consent for the Scheme.

- XI. Reliance is placed on the Orders pronounced by the Hon'ble NCLT Hyderabad Bench in **C.A. (CAA) No. 223/230/HDB/2020, in re., Scheme of Merger of Vaidehi Avenues Limited and Aster Rail Private Limited with NCC Limited** and in **C.A. (CAA) No. 23/230/HDB/2022, in re., Scheme of Merger of GOCL Corporation Limited with ADPL Estates Limited**, the Hon'ble NCLT Mumbai Bench in **C.A.(CAA) No.2629/MB/2019, in re., Scheme of Merger of Ness Software Services Pvt. Ltd with Ness Technologies (India) Pvt Ltd.** where the facts of the matter are similar to that in the instant case, in consonance with the ratio of the said Hon'ble Tribunal, in re., (i) ***Housing Development Finance Corporation Ltd., in re, in CSA No.243 of 2017***, (ii) ***Godrej Consumer Products Limited, in CSA No.915 of 2017***, (iii) ***Mahindra CIE Automotive Limited, in CSA. No.899 of 2017*** and (iv) ***Godrej Properties Limited, in CSA No. 1019 of 2017***, wherein the tribunal had dispensed with the requirement to hold meeting of Shareholders and creditors of the transferee company therein. Further, the **Hon'ble NCLAT in the**

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**matter of Patel Hydro Power Private Limited and Ors
Vs. Patel Engineering Limited** held as follows:

“12. To reiterate, we observe that the rights and liabilities of Secured and Unsecured Creditors were not getting affected in any manner by way of the proposed scheme as no new shares are being issued by the 'Transferor Company' and no compromise is offered to any Secured and Unsecured Creditors of the 'Transferee Company'. Therefore, we are of the considered view that when the 'Transferor and Transferee Company' involve a parent Company and a Wholly Owned Subsidiary the meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors can be dispensed with as the facts of this case substantiate that the rights of the Equity Shareholders of the 'Transferee Company' are not being affected. Therefore, we hold that obtaining 90% consent Affidavits from its unsecured Creditors is not required keeping in view the facts of the attendant case.”

A copy of the order passed by the **Hon'ble NCLAT Patel Hydro Power Private Limited and Ors. Vs. Patel Engineering Limited** is filed as **Annexure-A16** of the application.

- XII. It is requested that the Demerged Company being the wholly owned subsidiary of the Resulting Company, the requirement of meeting of shareholders and creditors of the Demerged Company may be dispensed with by the Hon'ble Tribunal.
- XIII. In the light of above facts, the Applicant Companies pray for the following reliefs:

In the case of First Applicant Company/Demerged Company

Commented [YJ1]: To be updated based on actual facts

- (i) To dispense with the meetings of the equity shareholders of the First Applicant Company/Demerged Company since its holding company i.e. Biological E. Limited (“Resulting Company”) has given its consent affidavit for the Scheme of Arrangement.
- (ii) To convene the meeting of the unsecured creditors of the First Applicant Company / Demerged Company at the registered office of the Company or any other place as may be directed, for consideration of the proposed Scheme consequently.
- (iii) To appoint a Chairperson for convening and conducting the meeting of the unsecured creditors.
- (iv) That the quorum be fixed as 25 (twenty-five) unsecured creditors personally present in the unsecured creditors’ meeting.
- (v) The unsecured creditors be permitted to exercise their votes at the said meeting either in person or through proxies.

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- (vi) As to the manner of giving the notices of the said meeting, it is sufficient to serve the notices on the unsecured creditors of the First Applicant Company / Demerged Company by Ordinary Post / Speed Post / Registered Post / Email or by hand.
- (vii) 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.
- (viii) As for the time for the Chairperson of the meeting to file their reports to the Hon’ble Tribunal of the result of the meeting, the time be fixed as 10 days from the date of the said meeting.

In the case of the Second Applicant Company/Resulting Company

- i. To dispense with the meeting of the shareholders, secured creditors, and unsecured creditors of the Resulting Company for the purpose of considering the proposed Scheme of Amalgamation since the Demerged Company is a wholly-owned subsidiary of the Resulting Company.

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- XIV. We have heard the Learned Counsel for both sides and we have seen the consent Affidavits filed by the equity shareholders of the 1st Applicant Company. We have also seen the certificates given by the Chartered Accountants and Company Secretaries certifying the list of equity shareholders, Secured and Unsecured Creditors of the Applicant Companies and perused the documents.
- XV. All the shareholders of the 1st Applicant Company have given consent affidavits, agreeing to the proposed Scheme of Arrangement. Hence, the meeting of the Shareholders of the 1st Applicant Company can be dispensed with, in terms of Section 230(9) of the Act.
- XVI. Relying on the following Judgements pronounced by various benches, the meetings of the Shareholders of the 2nd Applicant Company/Resulting Company can be dispensed with.

Hon'ble NCLT Hyderabad Bench in C.A. (CAA) No. 223/230/HDB/2020, in re., Scheme of Merger of **Vaidehi Avenues Limited** and **Aster Rail Private Limited** with **NCC Limited** and in C.A. (CAA) No. 23/230/HDB/2022, in re., Scheme of Merger of **GOCL Corporation Limited with ADPL Estates Limited**, the Hon'ble NCLT Mumbai Bench in C.A.(CAA) No.2629/MB/2019, in re., Scheme of Merger of **Ness Software Services Pvt. Ltd** with **Ness**

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Technologies (India) Pvt Ltd. , where the facts of the matter were similar to that in the instant case, in consonance with the ratio of the said Hon'ble Tribunal, in re., (i) **Housing Development Finance Corporation Ltd., in re**, in CSA No.243 of 2017, (ii) **Godrej Consumer Products Limited**, in CSA No.915 of 2017, (iii) **Mahindra CIE Automotive Limited**, in CSA. No.899 of 2017 and (iv) **Godrej Properties Limited**, in CSA No. 1019 of 2017, wherein the tribunal had dispensed with the requirement to hold meeting of Shareholders and creditors of the transferee company therein and the Order passed by the Hon'ble NCLAT in the matter of **Patel Hydro Power Private Limited and Ors Vs. Patel Engineering Limited.**

XVII. We order convening the meeting of Unsecured Creditors of the 1st Applicant Company/Demerged Company as prayed for.

XVIII. Regarding the quorum for the meetings, Section 103 of the Companies Act, 2013, which is as follows can be looked into:

103. Quorum for meetings.—(1) Unless the articles of the company provide for a larger number,—

(a) in case of a public company,—

(i) five members personally present if the number of members as on the date of meeting is not more than one thousand;

(ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;

(iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

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(b) in the case of a private company, two members personally present, shall be the quorum for a meeting of the company.

(2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company—

(a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or

(b) the meeting, if called by requisitionists under section 100, shall stand cancelled:

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

(3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

Thus, depending on the number of persons to be present at the meeting, unless the Articles of Association provides for a larger number, quorum can be fixed. Clause 74 of the Articles of Association of the 1st Applicant Company/BE Pharmaceuticals is as follows:

“The quorum necessary for the transaction of business at meetings of the Board of Directors shall be a minimum of two directors or one-third of the total strength of the Board, whichever is higher”.

XIX. The **Hon’ble NCLAT, New Delhi Bench in the case of Minda I Connect Pvt. Ltd. vs. Minda Industries Limited CA(AT) No.134/2021**, has held that –

“10% of the shareholders determined by NCLT, to constitute quorum is not provided under Section 230-232 of the Act, or under the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016. The number of creditors present at a meeting can always give consent and approval of the Scheme of Amalgamation, and if the approval satisfies the condition of Section 230(6) of the Act, it is sufficient compliance of the provisions of the Companies Act, 2013”.

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Hence, the quorum, which is prayed for i.e. 25 in case of unsecured creditors meeting of the 1st Applicant Company, is in compliance with Section 103 of the Companies Act, 2013 and the Articles of Association of the 1st Applicant Company. Further, the quorum suggested still holds good, as long as the requirements of Section 230(6) of the Companies Act, 2013 are met.

XX. Meeting of 1st Applicant Company/Demerged Company:

- i. We appoint Mr.P.Anil Mukherji, Advocate, having email: anil@panadvocates.com, Mobile No.: 9885314234 as Chairman and Ms.Mrudula Sarampally, having email: sarampallymrudula@gmail.com, Mobile No.9665523776 as Scrutinizer for convening the meeting of the Unsecured Creditors of the 1st Applicant Company. Fee fixed for Chairman is Rs.1,50,000/- and Rs.1,00,000/- for Scrutinizer respectively for the above meeting.
- ii. The Meeting of Unsecured Creditors of the 1st Applicant Company/Demerged Company will be held on 29.04.2023 at 11:00 AM at the Registered Office of the 1st Applicant Company situated at 18/1 & 3, Azamabad, Hyderabad – 500 020.

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- iii. The Unsecured Creditors, be permitted to exercise their vote at the meeting either in person or through proxies.
- XXI. The notice of Meeting of the Unsecured Creditors of 1st Applicant Company shall be published in “The Business Standard”, English Daily Newspaper, Hyderabad Edition and in “Nava Telangana”, Telugu Daily newspaper, Hyderabad Edition.
- XXII. The 1st Applicant Company or its authorized Signatories are directed to issue notices to unsecured creditors by Ordinary post/Speed post/Registered Post/email or hand delivery to their last known address 30 clear days before the said meetings as per Form No. CAA2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ensuring convening the said meeting of the 1st Applicant Company. 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.
- XXIII. The 1st Applicant Company 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

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(Compromises, Arrangements and Amalgamation) Rules, 2016 if no response is received by the Tribunal from the 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.

XXIV. The 1st Applicant Company 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 the 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.

XXV. The 1st Applicant Company to serve notice upon the Income Tax Authority, within whose jurisdiction that Applicant Company's 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

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the Tribunal from the Income Tax Authority within 30 days of the date of receipt of the notice, it will be presumed that Income Tax Authority has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

- XXVI. 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).
- XXVII. The voting shall be in person or by proxy or authorized representative, provided that the proxy, in the Form No. MGT-11, is duly authorized by the person entitled to attend and vote at the meeting. The form is to be filed with the Demerged 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.
- XXVIII. The Chairman to file affidavit within 7 days from 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

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conformity with the relevant provisions of the Companies Act, 2013 r/w Companies (Compromise, Arrangement and Amalgamation) Rules, 2016. The Chairman shall report the conclusion of the aforesaid meetings as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

Sd/-

**CHARAN SINGH
MEMBER (TECHNICAL)**

Sd/-

**JUSTICE TELAPROLU RAJANI
MEMBER (JUDICIAL)**

Syamala