

S.No.12

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
03-05-2023 AT 10:30 AM

CA(CAA) 23/230/HDB/2023
u/s 230 of the Companies Act, 2013

IN THE MATTER OF:

M/s. Meher Distributors Private Limited (transferor company) and M/s. Keined Private Limited (transferee company) and their respective shareholders and creditors
...Petitioner

C O R A M:-

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

O R D E R

Orders pronounced. Recorded vide separate sheets. In the result, the 1st motion application is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD-1**

CA (CAA) NO.23/230/HDB/2023
U/s 230 to 232 read with Companies Compromises,
Arrangements and Amalgamations) Rules, 2016

**IN THE MATTER OF
MEHER DISTRIBUTORS PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
KEIMED PRIVATE LIMITED
(TRANSFeree/ RESULTING COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

MEHER DISTRIBUTORS PRIVATE LIMITED

Having its registered office at

D. No 7-2-1740, K Subbaiah Pillai Godowns,

Main Road, Sanat Nagar, Hyderabad, Telangana, India, 500018.

Represented by its Director, Mr. Arvind Kumar Venkat

...Applicant No.1 /
Transferor Company

KEIMED PRIVATE LIMITED

Having its registered office at

10-3-316/A, Masab Tank, Hyderabad - 500 028, Telangana, India,

Represented by its Director, Mr. Arvind Kumar Venkat.

...Applicant No.2 /
Transferee or Resulting Company

DATE OF ORDER: 22.05.2023

CORAM:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA,
HON'BLE MEMBER (JUDICIAL)
SHRI. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

Counsels / Parties Present

For the Applicant : Mr.A.Sanjay Kishore, Counsel .

SUO-MOTO TAKEN UP

PER BENCH

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Since it is found that in advertently it has been ordered that there shall be a meeting of the secured creditors of Transferor Company even though there are no secured creditors. It is suo-moto ordered that the order dated 03.05.2023 be corrected by deleting the para at page 13, para 1 of the order.

Registry shall issue a fresh order forthwith.

SD

Charan Singh
Member Technical

SD

Dr. Venkata Ramakrishna Badarinath Nandula
Member Judicial

Pavani

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Represented by its Director, Mr. Arvind Kumar Venkat.

...Applicant No.2 /
Transferee or Resulting Company

DATE OF ORDER: 03.05.2023

CORAM:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA,
HON'BLE MEMBER (JUDICIAL)
SHRI. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

Counsels / Parties Present

For the Applicant : Mr.A.Sanjay Kishore, Counsel .

PER BENCH

1. This is an Application filed by the Applicant Company under Sections 230 to 232 read with Companies (Compromises, Arrangements and Amalgamations), Rules 2016 by inter-alia seeking to dispense with the requirement of holding the meeting of the equity shareholders of the Applicant Companies and to convene the meetings of Creditors of the Applicant Companies.
2. The averments made in the application are briefly described as under:
 - a. The Applicant No.1 / Transferor Company, **M/s. Meher Distributors Private Limited** (“**Transferor Company**”) was incorporated on 11th January, 2001 under the provisions of the Companies Act, 1956 in the erstwhile State of Andhra Pradesh. The CIN of the Transferor Company is U24239MH2001PTC130423 and registered under the Registrar of Companies, Mumbai. It is engaged in the business of wholesale of

pharmaceutical and medical goods in Maharashtra (hereinafter referred to as the “**Business of the Transferor Company**”). A copy of the Certificate of Incorporation, Memorandum and Articles of Association of the Transferor Company are annexed as **Annexure 1, Annexure 2** and **Annexure 3** to this application.

- b. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on 31st December 2022 are as under:

Particulars	Amount (in INR)
Authorized Capital	
15,10,000 Equity Shares of INR 10 each	1,51,00,000
80,50,000 1% Optionally Converted Preference Shares of INR 10 each	8,05,00,000
Total	9,56,00,000
Issued, Subscribed and Paid-up	
15,10,000 Equity Shares of INR 10 each	1,51,00,000
Total	1,51,00,000

Subsequent to 31st December 2022, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company. A copy of the latest audited financial statements of the Transferor Company as on 31st March, 2022 and unaudited financial statement as on 31st December, 2022, is annexed as **Annexure 5** and **Annexure 6** respectively to the Application.

The summary of the latest financial position of the Transferor Company as on 31st December 2022, as per the unaudited financial statements are provided below:

Particulars	Amount in Lakhs
Net worth	902
Turnover (Gross Sales)	50,270
Current Assets	10,578
Non-Current Assets	2,941
Current Liabilities	9,639
Non-Current Liabilities	2,978

- c. The Transferee Company i.e **M/s. Keimed Private Limited** was incorporated originally as Keimed Limited on 10th March, 2000 bearing CIN: U72200TG2000PTC033837 with the Registrar of Companies, Hyderabad under the provisions of the Companies Act, 1956. The said company was renamed as Keimed Private Limited on 10th July 2012, pursuant to requisite approvals for conversion into a private company. The Transferee Company is engaged in business of wholesale distribution of pharmaceutical products, healthcare and wellness products across India. A copy of the Certificate of Incorporation, Memorandum and Articles of Association of the Transferee Company are annexed as **Annexure 7**, **Annexure 8**, and **Annexure 9** respectively to the Application.

- d. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on 31st December, 2022 is as under:

Particulars	Amount in INR
Authorized Capital	
65,00,000 equity shares of INR 10 each	6,50,00,000
35,00,000 preference shares of INR 10 each	3,50,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up	
59,48,959 equity shares of INR 10 each	5,94,89,590
34,99,987 preference shares of INR 10 each (paid-up value per share of 10 Paisa each)	3,49,999
Total	5,98,39,589

Subsequent to 31st December 2022, partly paid preference shares of the Transferee Company became fully paid up. Accordingly, revised issued, subscribed and paid-up share capital of the Transferee Company is as below:

Issued, Subscribed and Paid-up	Amount (INR)
59,48,959 equity shares of INR 10 each	5,94,89,590
34,99,987 preference shares of INR 10 each	3,49,99,870
Total	9,44,89,460

The summary of the latest financial position of the Transferee Company as on 31st December, 2022 as per the unaudited financial statements are provided below:

Particulars	Amount in Lakhs
Net worth	26,312.37
Turnover (Gross Sales)	72,375.43
Current Assets	18,449.93
Non-Current Assets	36,285.70
Current Liabilities	20,416.48
Non-Current Liabilities	8,006.77

A copy of the latest audited financial statements of the Transferee Company as on 31st March, 2022 and unaudited financial statements as on 31st December, 2022 are annexed as **Annexure 10** and **Annexure 11** respectively to the Application.

3. The Board of Directors of the Applicant Companies has approved the Scheme of Transferor Company and Transferee Company vide resolution dated 21.03.2023. Certified copy of Board Resolution of the Applicant Company approving the Scheme is annexed and marked as **Annexure-16 and 17** to the Application. A copy of the Scheme of Arrangement is annexed and marked as **Annexure-12** to the Application.

4. BENEFITS ARISING OUT OF AMALGAMATION:

The proposed amalgamation of the Transferor Company into the Transferee Company shall result in the following, benefits, amongst others, to the Transferor Company and the Transferee Company and their respective shareholders and creditors:

- a. Consolidation of activities of the Transferor Company and the Transferee Company, which are similar to each other, and thereby resulting in efficient management of the businesses, higher revenues, profitability and market share;
- b. Reduction in the number of corporate entities in the group thereby leading to simplification of the group structure;
- c. Cost savings due to focused operational efforts, integrated business functions (such as finance, secretarial, IT & HR, administration, procurement etc.), reduction in overhead expenses and synergy generated, thereby enhancing shareholder value, realizing operational synergies and increasing operational efficiency;
- d. Rationalization, standardization and simplification of business processes, productivity improvements and administrative expenses;
- e. Opportunity to leverage the combined assets, financial, managerial and technical resources and build a stronger sustainable business.
- f. The proposed amalgamation by way of the Scheme under the provisions of the Act is beneficial, advantageous and not prejudicial to the interests

of the shareholders, creditors, general public at large and other stakeholders of all the companies involved.

5. It is averred that there are 6 equity shareholders in the each of the Applicant Companies and one preference shareholder in Transferee Company. Consent affidavits of the shareholders of Applicant Companies along with no objection to the proposed Scheme have been filed. The Copy of the certificate issued by independent Chartered Account Mr.N.Rajeswara Rao dated 21.03.2023 certifying the number of shareholders of the Applicant Companies are annexed as **Annexure-18 & 21** to the Application.
6. The list of creditors of the Transferor Company as on 21.03.2023 which has been certified by the Chartered Account Mr.Uzayr Hawa & Associates dated 23.03.2023 is annexed as **Annexure-20** and list of creditors of the Transferee Company as on 21.03.2023 which has been certified by the Chartered Account M/s.N.Rajeswara Rao dated 21.03.2023 is annexed as **Annexure-24** to the Application.
7. **COMPLIANCE OF ACCOUNTING STANDARD**
The certificate issued by the statutory auditors of the Transferee Company stating that the accounting treatment as provided for in the Scheme, is in accordance with the accounting principles laid down under the Act. A copy of the certificate issued by the statutory auditors of the Transferee Company is annexed as **Annexure 14**.

8. **CONSIDERATION**

Upon the coming into effect of the Scheme, and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company, the Transferee Company shall, without any further act or deed, issue and allot fully paid up equity share, to all shareholders of the Transferor Company, holding fully paid up equity shares in Transferor Company and whose names appear in the register of members of Transferor Company on the Record Date (*as defined in the Scheme*) or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner:

“17.069 fully paid up equity share of INR 10 (INR Ten only) each of credited as fully paid-up shares of KPL for every 100 fully paid up equity shares of INR 10 (INR Ten only) each held by such shareholder in MDPL”.

Further, no shares of Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company, directly or indirectly through its subsidiaries and, the entire investment of the Transferee Company directly in the share capital of the Transferor Company shall stand cancelled in the books of Transferee Company. The valuation report for determining swap ratio issued by a Registered Valuer is annexed as **Annexure 13**.

9. **DECLARATION BY THE APPLICANT COMPANIES**

- No similar application/ petition under Section 230 to Section 232 has been filed by the Transferee Company and/ or the Transferor

Company with reference to the Scheme and there has been no material change in the affairs of the Transferor Company/ Transferee Company except in what has been done in the normal course of business.

- No investigation or proceedings under the Companies Act, 1956 / Companies Act, 2013 have been instituted or are pending in relation to the Transferee Company and the Transferor Company.
- The Directors of the Applicants have no material interest in the Scheme except in their capacity as directors and/or shareholders.

10. We have heard the Learned Counsel for Applicant Companies and perused the documents filed. This is the first stage joint Application seeking for dispensation of meetings of Shareholders, and to convene the meetings of Creditors of Applicant Companies for the Scheme of Amalgamation.

Section 230 (i) of Companies Act, 2013 contemplates holding of meeting unless 90% of the Creditors gave consent by way of Affidavits to dispense with meetings. In this case, the shareholders, secured creditors and un secured creditors of the Applicant Company have not given consent by way of Affidavits to dispense with meetings Applicant Companies. Section 230(9) of Companies Act, 2013 provides that 90% of the Creditors to give consent for dispensing with convening of meeting.

Therefore, at request of the Applicant Company for dispensation of meetings of shareholders and to convene the meetings of creditors the following order is passed.

ORDER

After hearing the Learned Counsel and after perusing the documents filed, we here by dispensed with convening the meetings of equity Shareholders, preference shareholders and to convene the meetings of the Creditors of the Applicant Company. With regard to the meetings the following order is passed.

1. *
2. The meeting of the Unsecured Creditors of the Transferor Company will be held on 24th day of June, 2023 at 15.00 PM at the registered office of the Transferor Company. Appointed Shri Dishit Bhattacharjee, Advocate (Mobile Number +91- 9949936611.) as the Chairperson and Shri Monoj Kumar koyalkar, (Mobile Number +91- 9948859300) as the Scrutinizer of the aforesaid meetings. The remuneration of Chairperson is fixed at Rs.1,00,000/- and that of the scrutinizer is fixed at Rs.70,000/- for above meeting.
3. The meeting of the secured creditors of the Transferee Company will be held on 25th day of June, 2023 at at 10.00 AM at the registered office of the Transferee Company. Appointed Mr.D.V.K. Phanindra, Advocate (Mobile Number +91- 9989446236) as the Chairperson and Mr.Vikram Puttapaga (Mobile Number +91- 9160876539) as the Scrutinizer of the aforesaid meetings. The remuneration of Chairperson is fixed at Rs.1,00,000/- and that of the scrutinizer is fixed at Rs.70,000/- for above meeting.

***Amended as per memo dated 17.05.2023**

4. The meeting of the unsecured creditors of the Transferee Company will be held on 25th day of June, 2023 at 11.00 AM at the registered office of the Transferee Company. Appointed Ms. Shradha Gupta Advocate (Mobile Number +91- 9885885705) as the Chairperson and Ms Aishwarya N. (Mobile Number +91- 8977006628.) as the Scrutinizer of the aforesaid meetings. The remuneration of Chairperson is fixed at Rs.1,00,000/- and that of the scrutinizer is fixed at Rs.70,000/- for above meeting.
5. The quorum be fixed as per Section 103 of Companies Act, 2013.
6. The notice of the Meetings of creditors of Applicant Companies shall be published in “Business Standard”, English Daily, Hyderabad Edition and one in Telugu Edition of “Nava Telangana”, Hyderabad Edition. The creditors can exercise their votes at the meeting either person or by proxy or by authorized representative.
7. The Applicant Companies or their respective authorized Signatory are directed to issue notices (s) to the creditors of the Applicant Companies by Registered Post/ Courier/Ordinary Post/ Registered email to their last known address 30 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 Applicant Companies. 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.
8. The Applicant Companies to serve notices upon the Statutory Authorities and Sectoral Regulators pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises,

Arrangements and Amalgamation) Rules, 2016 if no response is received by the Tribunal from Statutory Authorities or Sectoral Regulators within 30 days of the date of receipt of the notice, it will be presumed that the Statutory Authorities or Sectoral Regulators has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

9. 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).
10. The voting shall be in person or by proxy or authorized representative in case be permitted, provided that the proxy in the Form No. MGT-11 authorization duly signed by the person entitled to attend and vote at the meeting, is to be filed with the Applicant 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.
11. The Chairman to file affidavit within 7 days before the date of the said meetings to this Tribunal that the direction regarding convening and issuance of notice (s) to all the necessary parties have been duly complied with in 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 within 10 days from the date of such meetings as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

12. Accordingly, the Company Application C.A. (CAA) No. 23/230/HDB/2023 is allowed and the same is disposed.

SD

Charan Singh
Member Technical

SD

Dr. Venkata Ramakrishna Badarinath Nandula
Member Judicial

Pavani