

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT MUMBAI**

COMPANY SCHEME APPLICATION NO. 878 OF 2017

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of SeQuent Scientific Limited [CIN: L99999MH1985PLC036685], a company incorporated under the Companies Act, 1956, having its registered office at 301, 3rd Floor, Dosti Pinnacle, Plot No.E7 Road No. 22, Wagle Industrial Estate, Thane West – 400604, Maharashtra;

And

In the matter of the Composite Scheme of Arrangement between Strides Shasun Limited (“**Demerged Company 1**”) and Sequent Scientific Limited (“**Demerged Company 2**”) and Solara Active Pharma Sciences Limited (“**Resulting Company**”).

SeQuent Scientific Limited [CIN:)
L99999MH1985PLC036685], a company)
incorporated under the Companies Act, 1956,)
having its registered office at 301, 3rd Floor,)
Dosti Pinnacle, Plot No.E7 Road No. 22, Wagle)
Industrial Estate, Thane West – 400604,)
Maharashtra.)

...Applicant Company/
Demerged Company 2

Order delivered on 17th November, 2017

Mues

Coram:

Hon'ble Mr. M. K. Shrawat, Member (J)

For the Applicant Company: Mr. Tapan Deshpande and Ms. Priya Patwa,
Advocates of M/s. Cyril Amarchand Mangaldas.

Per- M. K. Shrawat, Member (J)

ORDER

1. Perused the Company Scheme Application, along with the Affidavit dated 6th September, 2017 and also Further Additional Affidavit dated 27th October, 2017, of Mr. Krupesh Mehta, Company Secretary of the Applicant Company, in support of the Company Scheme Application, and heard Mr. Tapan Deshpande, Advocate for the Applicant Company.
2. The proposed Composite Scheme of Arrangement between Strides Shasun Limited ("**Demerged Company 1**") and Sequent Scientific Limited ("**Applicant Company**" / "**Demerged Company 2**") and Solara Active Pharma Sciences Limited ("**Resulting Company**"), (hereinafter referred to as the "**Scheme**" or the "**Scheme of Arrangement**") and various other matters consequential to or otherwise integrally connected with the Scheme, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 provides for transfer by way of a demerger of the commodity active pharmaceutical ingredients business ("**Commodity API Business**") undertaking of the Demerged Company 1 and the human active pharmaceutical ingredients business ("**Human API Business**") undertaking of Demerged Company 2 into the Resulting Company and issuance of shares by the Resulting Company to shareholders of the Demerged Company 1 and Demerged Company 2 in consideration for transfer of the respective undertakings. The rationale for the Scheme is as follows (a) the Commodity API Business and Human API Business, being

mly

“B2B” businesses, require a differentiated strategy and direction to grow and deliver value; (b) segregation of the Commodity API Business from the other core “B2C” businesses of Demerged Company 1 will allow concentrated focus by Resulting Company management on the Commodity API Business and Demerged Company 1 management on its other core B2C businesses – (c) segregation of the Human API Business from the animal healthcare business of Demerged Company 2 will allow concentrated focus by Resulting Company management on the Human API Business and Demerged Company 2 management on the animal healthcare business; (d) the unbundling of Commodity API Business and Human API Business and consolidation into Resulting Company will create an active pharmaceutical ingredients company in India with critical size, and is expected to unlock value by enabling the business activities to be carried out with greater focus and specialization for sustained growth.; (e) the demergers are expected to enhance shareholder value for shareholders of both Demerged Company 1 and Demerged Company 2; and (f) the Scheme is expected to be in the best interests of the shareholders, employees and the creditors of each of the Demerged Company 1, Demerged Company 2 and the Resulting Company.

3. The net worth of the Applicant Company as on 30th June, 2017 is INR 1232,46,70,000/-. The Applicant Company has 3 secured creditors having an outstanding of INR 84,29,10,000/- as on 14th August, 2017. The Applicant Company has 659 unsecured creditors having an outstanding of INR 96,00,10,138/-, as on 14th August, 2017. In view of the foregoing and in view of the provisions of Section 230 of the Companies Act, 2013, the following directions are issued:

4. That the meeting of the equity shareholders of the Applicant Company be convened and held at Hotel Satkar Grande, WIFI Park, Opp Aplab Industries, Wagle Estate, Thane West – 400 604 on Tuesday, the 26th day

of December, 2017, at 12:00 noon. (1200 hours), or any adjourned date(s) thereof, for the purpose of considering and, if thought fit, approving the Scheme.

5. In view of Regulation 44 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company is required to provide the facility of remote e-voting to its shareholders in respect of all shareholder resolutions. Additionally, the Applicant Company proposes to offer the facility of voting by postal ballot to its shareholders in respect of the resolutions to be passed at the said meeting of equity shareholders. Accordingly the equity shareholders of the Applicant Company are allowed to avail e-voting facility and/or voting by postal ballot or voting by ballot at the venue, for the said meeting) to be held on 26th day of December, 2017. The e-voting facility and postal ballot facility for the shareholders of the Applicant Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014 as substituted by the Company (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.
6. That at least 30 clear days before the said meeting of the equity shareholders of the Applicant Company to be held as aforesaid, a notice convening the said meeting and also the instructions with regard to e-voting and voting by postal ballot together with a copy of the Scheme, a copy of the statement disclosing all material facts as required under Section 230 (3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the prescribed Form of Proxy shall be sent by Registered Post or Courier or Speed Post or Air Mail

www

or hand delivery or through e-mail (to those shareholders whose email addresses are duly registered with the Applicant Company for the purpose of receiving such notices by email), addressed to each of the equity shareholders of the Applicant Company, at their last known address or email addresses as per the records available with the Applicant Company and/or depositories.

7. That at least 30 days before the meeting of the equity shareholders of the Applicant Company, to be held as aforesaid, a notice convening the said meeting, indicating the place, date and time of the meeting and also instructions with regard to e-voting and voting by postal ballot as aforesaid be published in the Free Press Journal (Mumbai edition) in the English language and a Marathi translation thereof in Navshakti (Mumbai edition), stating that copies of the Scheme and the statements required to be furnished pursuant to Section 230 (3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Form of Proxy/ies shall be obtained free of charge at the registered office of the Applicant Company as aforesaid and/ or at the offices of its Advocates, Cyril Amarchand Mangaldas, Advocates & Solicitors, 5th Floor, Peninsula Chambers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel 400 013.
8. The Applicant Company undertakes to:
 - i. Issue Notices convening the meeting of the equity shareholders as per Form No. CAA 2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
 - ii. Issue Statements containing all the particulars as per Section 230 of the Companies Act, 2013;

- iii. Issue Form of Proxy/ies as per Form No. MGT- 11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and
- iv. Advertise the Notice convening the meeting as per Form No. CAA 2 (Rule 7) the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.

The undertaking given by the Applicant Company is accepted.

9. That Dr. Gopakumar Gopalan Nair, a Chairman of the Applicant Company and in his absence, Mr. Manish Gupta, Managing Director and Chief Executive Officer and in his absence Mr. Sharat Narasapur, a Joint Managing Director, of the Applicant Company shall be the Chairperson of the aforesaid meeting of the equity shareholders of the Applicant Company, to be held at Hotel Satkar Grande, WIFI Park, Opp Aplab Industries, Wagle Estate, Thane West – 400 604 on Tuesday the 26th day of December, 2017, at 12:00 noon (1200 hours) or on any adjourned date(s) thereof. The Scrutinizer for the purpose of conducting the voting process by remote e-voting, postal ballot and voting conducted through ballot voting at the venue of the meeting shall, shall be Mr. Nilesh Shah, Company Secretary (Membership No. FCS: 4554; CP: 2631), in his absence Ms. Hetal Shah, Company Secretary (Membership No. FCS: 8063; CP: 8964) and in her absence Mr. Mahesh Darji, Company Secretary (Membership No. FCS: 7175; CP: 7809).
10. The Chairperson appointed by the Tribunal for the said meeting, to issue notice of the meeting to the shareholders and publication of date of notice of the meeting in the newspapers. The said Chairperson shall have all the powers as per the Articles of Association, also under the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting,

including for deciding procedural questions that may arise thereat or at any adjourned dates thereof or any other matter including an amendment to the Scheme or the resolution, if any proposed at the meeting by any person(s).

11. That the quorum of the aforesaid meeting of the equity shareholders shall be 30 (thirty) members personally present, as prescribed under Section 103(1) (a) (iii) of the Companies Act, 2013.
12. That the voting by proxy or by authorized representative in the case of a body corporate be permitted, provided that a proxy in the prescribed form/ authorisation, duly signed by the person entitled to attend and vote at the meeting, is filed with the Applicant Company at its registered office at 301, 3rd Floor, Dosti Pinnacle, Plot No.E7 Road No. 22, Wagle Industrial Estate, Thane West – 400604, Maharashtra, not later than 48 (forty eight) hours before the aforesaid meeting.
13. The number and value of the equity shares of the equity shareholders shall be in accordance with the records or registers of the Applicant Company and where the entries in the records or registers are disputed, the Chairman of the meeting shall determine the number or value, as the case may be for the purposes of the meeting and his decision in that behalf would be final.
14. That the Chairman to file an affidavit not less than 7 (Seven) days before the date fixed for the holding of the meeting and do report to this Tribunal that the direction regarding the issue of notice and the advertisement have been duly complied with.
15. That the Chairman of the meeting to report to this Tribunal, the result of the aforesaid meeting within 30 (thirty) days of the conclusion of the meeting and the said Report shall be verified by his Affidavit as per Rule 12 of the

www

Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

16. The convening and holding the meeting of the secured creditors of the Applicant Company for the purpose of considering and if thought fit, approving the Scheme is dispensed with in view of the Consent Affidavits from 2 secured creditors of the Applicant Company out of its 3 secured creditors aggregating to 97.29% of the total outstanding of the secured creditors as on 14th August, 2017, as set out in the averments made in paragraph 4 of the Further Additional Affidavit dated 27th October, 2017 in support of the Company Scheme Application.
17. The convening and holding the meeting of the unsecured creditors of the Applicant Company for the purpose of considering and if thought fit, approving the Scheme is not required in view of the averments made in paragraph 24 of the Company Scheme Application. The Applicant Company is directed to issue notice to all its unsecured creditors under Section 230(3) of the Companies Act, 2013 intimating the meeting of the equity shareholders, with a direction that they may submit their representations to this Tribunal, if any.
18. The Applicant Company to serve the notice of the meeting of the equity shareholders upon the Central Government through the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, Maharashtra, pursuant to Section 230 (5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. 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 proposed Scheme.

www

19. The Applicant Company to serve the notice of the meeting of the equity shareholders upon the Registrar of Companies, Maharashtra, Mumbai, pursuant to Section 230 (5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. 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 proposed Scheme.
20. The Applicant Company to serve the notice of the meeting of the equity shareholders upon the Reserve Bank of India, pursuant to Section 230 (5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the Reserve Bank of India 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 proposed Scheme.
21. The Applicant Company having Permanent Account Number (PAN) "AAACV1501G" to serve the notice of the meeting of the equity shareholders upon the concerned Income Tax Authority within whose jurisdiction the Applicant Company's assessment are made i.e. Mr. Yogendra Tukaram Wakare, Deputy Commissioner of Income-tax, Circle 3, having address at Room No. 22, 'A' Wing, Ashar I.T. Park, Wagle Estate, Thane(West) -400 604, pursuant to Section 230 (5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. 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 proposed Scheme, as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules,

ms

2016.

22. In view of the averments made in paragraph 28 of the Company Scheme Application, giving notice of the meeting of the equity shareholders issued under Section 230 (3) of the Companies Act, 2013, to (i) Official Liquidator, High Court, Bombay; (ii) BSE Limited, (iii) National Stock Exchange of India Limited, (iv) the Securities and Exchange Board of India, and (v) the Competition Commission of India, in terms of Section 230 (5) of the Companies Act, 2013, is not necessary.
23. The Applicant Company undertakes to file an Affidavit proving service of notice of the meeting of the equity shareholders on the Central Government through the Regional Director, Registrar of Companies, Maharashtra, Mumbai, concerned Income Tax Authority, the Reserve Bank of India, the unsecured creditors of the Applicant Company and publication of notice in newspapers, not less than 7 (Seven) days before the date fixed for the holding of the meeting.

Dated : 17.11.2017

Sd/-

**M. K. SHRAWAT
MEMBER (JUDICIAL)**