

33

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO.915OF 2017**

In the matter of the Companies Act, 2013 (18 of 2013);

And

In the matter of Sections 230 read with Sections 232 and 234 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

And

In the matter of Godrej Consumer Products US Holding Limited ('Transferor Company 1') and Godrej Consumer Products Mauritius Limited ('Transferor Company 2') with Godrej Consumer Products Limited ('the Applicant Company' or 'the Transferee Company')

And

Their Respective Shareholders

GODREJ CONSUMER PRODUCTS LIMITED, a)
Company incorporated under the Companies Act, 1956)
having its Registered Office at Godrej One, 4th Floor,)
Pirojshanagar Eastern Express Highway, Vikhroli (E))
Mumbai – 400079.) ... Applicant Company

Order delivered on 5th October, 2017

Coram:

Hon'ble Mr. **B.S.V. Prakash Kumar**, Member (J)

Hon'ble Mr. **V.Nallasenapathy**, Member (T)

For the Applicant: Mr. Hemant Sethi i/b Hemant Sethi & Co.

Per: B. S. V. Prakash Kumar (J)

ORDER

1. The Counsel for the Applicant states that the present Scheme is a Scheme of Amalgamation of wholly owned subsidiary companies namely, Godrej Consumer Products US Holding Limited ('Transferor Company 1') and Godrej Consumer Products Mauritius Limited ('Transferor Company 2') with their holding company namely,

Godrej Consumer Products Limited ('the Applicant Company' or 'the Transferee Company') and their respective Shareholders under the provisions of Sections 230 to 232 and 234 of the Companies Act, 2013.

2. The Transferor Company 1 was incorporated on 29th day of March, 2016 under the provisions of Mauritius Companies Act, 2001. The Registered Office of the Transferor Company 1 is situated at C/o CIM Corporate Services Limited, Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius. The Transferor Company 2 was incorporated on 15th day of February, 2008 under the provisions of Mauritius Companies Act, 2001. The Registered Office of the Transferor Company 2 is situated at C/o CIM Corporate Services Limited, Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius.
3. The Counsel for the Applicant Company further submits that both the Transferor Companies are investment holding companies. Further, the Applicant Company is engaged in fast moving consumer goods market with leadership in personal, hair, household and fabric care categories.
4. The rationale for the proposed Scheme is as under:
 - Ensuring a streamlined group structure by reducing the number of legal entities in the group structure;
 - Reducing the multiplicity of legal and regulatory compliances required at present;
 - Eliminating duplicative communication and coordination efforts across multiple entities and countries;
 - Rationalizing costs by eliminating multiple record keeping and administrative functions;
 - Reducing time and efforts for consolidation of financials at the group level.
5. The Applicant Company respectfully submits that:
 - a) The Transferee Company, directly and indirectly, has 100% holding in the Transferor Company 1 and the Transferor Company 2;
 - b) Since it is a merger of wholly owned subsidiary companies into their holding company, no shares would be issued or allotted as consideration pursuant to the merger. The proposed Scheme will not result in any dilution in shareholding of the public shareholders of the Transferee Company;
 - c) The existence of the Transferee Company will remain as before without any change either to its shareholding pattern or debt position pursuant to the Scheme;

- d) No undertaking of the Applicant Company is being parted away or being disposed off and hence provisions of Section 180 of the Companies Act, 2013 are also not applicable;
 - e) Further, the net worth of the Transferee Company is Rs. 4,386.49 crores which is highly positive. The net worth of the Transferor Company 1 and Transferor Company 2, when converted into Indian Rupees, are Rs. 502.51 crores and Rs. 634.56 crores respectively. The assets of the Transferee Company are more than sufficient to discharge its liabilities;
 - f) Pursuant to the Scheme, no liabilities are getting transferred to the Transferee Company. Further, there is no compromise or arrangement with the members or creditors of the Transferee Company. Therefore the proposed Scheme of Amalgamation is not prejudicial to the interest of the shareholders or the creditors of the Transferee Company;
6. The Counsel for the Applicant Company submits that in view of above, no reconstruction or arrangement happens with its shareholders or creditors, and thus, it does not require to hold either shareholders' meeting or creditors' meeting for approval of the proposed Scheme, in view of ratio laid down by this Tribunal in *CSA No. 243 of 2017 in the matter of Housing Development Finance Corporation Limited*. The Counsel for the Applicant submits that the facts in the present case are similar to the facts of the above case, therefore no meeting of shareholders and creditors is required to be convened. The Counsel for the Applicant further clarifies that the Applicant Company will file petition and comply with the provisions of service of notices upon all Regulatory Authorities.
7. The Applicant Company is accordingly directed to serve notices along with the documents as mentioned (a) the draft of the proposed terms of the Scheme drawn up and adopted by the Board of Directors; (b) confirmation that a copy of the draft Scheme has been filed with the Registrar; (c) a report adopted by the Directors of the Applicant Company explaining the effect of the amalgamation on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties; (d) the report of the expert with regard to valuation, if any; (e) a supplementary accounting statement, if any, if the last annual accounts of any of the merging companies relate to a financial year ending more than 6 months before the date of service of notice, upon:- (i) concerned Income Tax Authority with in whose jurisdiction the Applicant Company's assessments are made, (ii) the Securities and Exchange Board of India (iii) the Central Government through the office of Regional Director, Western region, Mumbai, (iv) Registrar of Companies (v) BSE Limited (vi) National Stock Exchange of India Limited (NSE) and (vii) the Reserve Bank of India, with a direction that they may submit their representations, if any, within a period of thirty days from the date of receipt of such

notice to the Tribunal with copy of such representations shall simultaneously be served upon the Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

8. The Applicant Company submits that the Scheme is an inbound merger in relation to the merger of the Transferor Company 1 and the Transferor Company 2 with the Transferee Company under the provisions of Sections 230 to 232 and 234 of the Companies Act, 2013. The Transferor Company 1 was incorporated on 29th day of March, 2016 under the provisions of Mauritius Companies Act, 2001. The Registered Office of the Transferor Company 1 is situated at C/o CIM Corporate Services Limited, Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius. The Transferor Company 2 was incorporated on 15th day of February, 2008 under the provisions of Mauritius Companies Act, 2001. The Registered Office of the Transferor Company 2 is situated at C/o CIM Corporate Services Limited, Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius. The Applicant Company submits that the approval of the Reserve Bank of India shall be obtained for the proposed Scheme before the final hearing of the Company Petition.
9. The Applicant Company shall file the affidavit of service in the Registry that directions contained in clause 7 have been complied with.

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kumar, Member (J)