

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH

COMPANY SCHEME APPLICATION NO 532 (MAH) OF 2017

In the matter of the Companies Act, 2013;

AND

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

AND

In the matter of Scheme of Amalgamation of Abhilasha Tex-Chem Limited (“The Transferor Company”) with Valiant Organics Limited (“The Transferee Company”) and their respective Shareholders

Abhilasha Tex-Chem Limited, a company incorporated }

Under the provisions of Companies Act, 1956 having its }

Registered office at Plot No.M-7, Village Pamtebhi, }

Tarapur 401506; }

.....First Applicant Company

Valiant Organics Limited, a company incorporated }

Under the provisions of Companies Act, 1956 having its }

Registered office at 109, Udyog Kshetra, 1st Floor, }

Mulund Goregaon Link Road, Mulund (W), Mumbai 400080. }

.....Second Applicant Company

Mr. Hemant Sethi i/b. Hemant Sethi & Co., Advocates for the Applicant Company

**CORAM: Ina Malhotra, Member (Judicial)**

**DATED 22<sup>nd</sup> day of June, 2017**

**MINUTES OF THE ORDER**

1. The Counsel for the Applicants states that the present Scheme is an Amalgamation of Abhilasha Tex-Chem Limited (“The Transferor Company”) with Valiant Organics Limited (“The Transferee Company”) and their respective Shareholders.

2. The Counsel for the Applicants further submit that the Transferor Company is engaged in the business of Specialty chemical intermediate. The Transferee Company is engaged in the business of manufacturing and marketing of different types of chlorophenol, a chemical having applications mainly into agro-chemical industry with a single location manufacturing facility at Sarigam.
3. The rationale for the Scheme is that the Transferee Company and the Transferor Company both are engaged in the business of manufacturing, buying, selling and export of Chemicals. Thus both are engaged in the similar line of business, there will be consolidation of business and assets of the Company, synergy of operations and networks of both the Companies. This will help achieve better and more efficient utilization of available resources, benefits of internal economies, diversification and improving organizational efficiency. The Amalgamation will result in an increase in the public float of the Transferee Company, which will form part of public shareholding that will in turn increase the trading stock of the shares and positively impact the liquidity of the shares of the Transferee Company listed on SME platform of BSE Limited.
4. That the meeting of the Equity Shareholders of the First Applicant Company be convened and held at Udyog Kshetra, Ground Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080 on Wednesday, 16<sup>th</sup> August, 2017 at 10:00 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed merger embodied in the Scheme of Amalgamation of Abhilasha Tex-Chem Limited with Valiant Organics Limited and their respective Shareholders.
5. That the meeting of the Equity Shareholders of the Second Applicant Company be convened and held at Udyog Kshetra, Ground Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080 on Wednesday, 16<sup>th</sup> August, 2017 at 11:00 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed merger embodied in the Scheme of Amalgamation of Abhilasha Tex-Chem Limited with Valiant Organics Limited and their respective Shareholders.
6. The First and Second Applicant Company shall also give an option to the shareholders to vote through Postal Ballot. The Second Applicant Company, being listed Company, shall also give an option to the shareholders to vote through e-voting.

7. That at least one month before the said Meetings of the Shareholders of the First and Second Applicant Company to be held as aforesaid, a notice convening the said Meeting at the place date and time as aforesaid, together with a copy of the Scheme, a copy of 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) Rule, 2016 notified on 14<sup>th</sup> December 2016 and the prescribed Form of Proxy, shall be sent by Courier / Registered Post / Speed Post or through Email (to those shareholders whose email addresses are duly registered with the First and the Second Applicant Company for the purpose of receiving such notices by email), addressed to each of the Shareholders of the First and the Second Applicant Company, at their last known address or email addresses as per the records of the Applicant Company.
8. That at least one month before the meeting of the Shareholders of the First and Second Applicant Company to be held as aforesaid, a notice convening the said Meetings, indicating the place, date and time of meeting as aforesaid be published and stating that copies of the Scheme and the statement 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) Rule, 2016 and the Form of Proxy can be obtained free of charge at the Registered Office of the First and Second Applicant Company as aforesaid and / or at the office of its Advocates, M/s Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.
9. That the Notice of the Meetings shall be advertised in two local newspapers viz. “Free Press Journal” in English and “Navshakti” in Marathi, both circulated in Mumbai not less 30 days before the date fixed for the meeting.
10. That Mr. Nemin Mahesh Savadia, Director of the First Applicant Company, and failing him, Mr. Ketan Darshi Savla, Director of the First Applicant Company shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the First Applicant to be held at Udyog Kshetra, Ground Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080, on Wednesday, 16<sup>th</sup> August, 2017 at 10:00 A.M or any adjournment or adjournments thereof.
11. That Mr. Hemchand Lalji Gala, Director of the Second Applicant Company, and failing him, Mr. Chandrakant Vallbhaji Gogri, Director of the Second Applicant

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Company shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the Second Applicant Company to be held at Udyog Kshetra, Ground Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080 on Wednesday, 16<sup>th</sup> August, 2017 at 11:00 A.M or any adjournment or adjournments thereof.

12. That the Chairman appointed for the aforesaid Meetings to issue the advertisement and send out the notices of the Meetings referred to above. The said Chairman shall have all powers as per Articles of Association and also under the Companies Act 2013 in relation to the conduct of the meetings, including for deciding procedural questions that may arise or at any adjournment thereof or resolution, if any, proposed at the meetings by any person(s).
13. That the quorum of the aforesaid meetings of the Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.
14. That voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorization duly signed by the person entitled to attend and vote at the meetings, are filed with the First Applicant Company at its Registered Office at Plot No.M-7, Village Pamtebhi, Tarapur 401506 and Second Applicant Company at its Registered Office at 109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080, respectively, not later than 48 hours before the aforesaid meeting.
15. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books / register of the First and Second Applicant Company or depository records and where the entries in the books / register / depository records are disputed, the Chairman of the Meetings shall determine the value for the purpose of the aforesaid meetings and his decision in that behalf would be final.
16. That Mr. Sunil M. Dedhia, Practicing Company Secretary, Proprietor of Sunil M. Dedhia & Co. and failing him, Mrs. Manisha R. Wakchaure, Practicing Company Secretary is hereby appointed as Scrutinizers of the meetings of the Equity shareholders of the First Applicant Company proposed to be held on Wednesday, 16th August, 2017 at Udyog Kshetra, Ground Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080 and the Second Applicant Company proposed to be held on Wednesday, 16th August, 2017 at Udyog Kshetra, Ground Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400080, respectively and his remuneration is fixed as Rs. 20,000/- excluding taxes.



17. That the Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings and do report this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with.
18. That the Chairman of the meetings to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meetings.
19. That Counsel for the Applicant Company submits that since the Scheme is an arrangement between the Applicant Company and their respective shareholders, only a meeting of the Equity Shareholders is proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act 2013. This Bench hereby directs the Applicant Company to issue notice to all its Secured and Unsecured Creditors as required under Section 230(3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company.
20. The First and Second Applicant Company is directed to serve notices along with copy of scheme upon:- (i) concerned Income Tax Authority with in whose jurisdiction the First Applicant Company's assessments are made, (ii) the Central Government through the office of Regional Director, Western region, Mumbai, (iii) Registrar of Companies, Mumbai, 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 First and Second Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.
21. The First Applicant Company is also directed to serve notice along with copy of scheme upon Official Liquidator. M/s S.M Pradhan & Co. are appointed to assist the Official Liquidator to scrutinize books of accounts of the First Applicant Company for the last 5 years. The First Applicant Company to pay fees of Rs. 75,000/-.
22. The First and Second Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the shareholders, Creditors, publication of notices in newspapers and to the regulatory authorities as stated in clauses 19 and 20 above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-  
**Ina Malhotra, Member (Judicial)**