

**In the National Company Law Tribunal
Single Bench, Chennai**

CP/52/CAA/2017

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In the matter of Scheme of Amalgamation of

Amrutanjan Pharmaessence Private Limited

(Transferor Company)

With

Amrutanjan Health Care Limited

(Transferee Company)

Order delivered on: 13.07.2017

For the Petitioner Company: Mr. P. Sriram, PCS

Per: K. ANANTHA PADMANABHA SWAMY, MEMBER (J)

ORDER

1. Under consideration are two Company Petitions filed under section 230 of the Companies Act, 2013 r/w the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016 seeking sanction to the Scheme of Amalgamation (hereinafter referred to as ‘**Scheme**’) by virtue of which Amrutanjan Pharmaessence Private Limited (hereinafter referred as ‘**Transferor Company**’) is proposed to be amalgamated and merged **with** its Holding Company, Amrutanjan Health Care Limited (hereinafter referred as ‘**Transferee Company**’) as a going concern.

2. The Share Capitals of the Companies as on 31st March, 2016 are as under:

Particulars	Authorized Capital	Issue, Subscribed & paid-up Capital
Transferor Company	Rs. 10,00,000	Rs. 5,00,000
Transferee Company	Rs. 5,00,00,000	Rs. 2,92,30,630

3. Before I proceed with this matter, it would be appropriate to place the background details in brief. The Transferor Company is a Private Limited Company and also wholly-owned subsidiary of the Transferee Company whereas the Transferee Company is an listed Public Company having its registered office at New No. 103, Old No. 42-45, Luz Church road, Mylapore, Chennai- 600004 and the Board of Directors of the Transferor Company and Transferee Company vide their resolutions dated 11th August, 2016 and 9th February, 2017 respectively approved the said scheme of Amalgamation. The Transferor Company is, inter-alia, into Research & development and provides support to the pharmaceutical and biotechnology industries in the form of process research analytical method development whereas the Transferee Company is engaged in the business of manufacturers, importers, exporters, refiners and merchants of patent or secret medicines or remedies.
4. In relation to the Transferor Company, there are 3 equity shareholders, 1 Secured Creditor and 1 Unsecured Creditor and the company has furnished a certificate from the chartered accountants individually to this effect. Whereas there are 18493 equity shareholders, 2 Secured Creditors and 52 Unsecured Creditors of the Transferee Company and the company has furnished a certificate from the chartered accountants individually to this effect. This Bench vide its order dated 06.04.2017 in CA/14/CAA/2017 and CA/15/CAA/2017 dispensed with the convening and holding of the meeting of the equity shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company and the Transferee Company respectively.
5. The learned PCS appearing for the Companies submitted that the rational of the scheme is that the Holding Company would be benefited from the said scheme of

Amalgamation by integration of operations, simplification of the group structure, elimination of multiple entities within the group and optimal utilization of resources and better administration and cost reduction. Further, the resources of both companies would enhance its capability to expand and improve its efficiency of operations. He further submits that no investigation proceedings are pending against the Companies under section 235 to 251 or any other provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.

6. The learned PCS further submitted that the equity shares of the transferor company is not listed with any stock exchange, thus the Transferor Company does not require compliance with the requirements of the Listing Agreement or any SEBI Rules/regulations. However, the Transferee Company is a Listed Company and the stock exchange has given NOC as well as in-principle approval.
7. To dispose of this petition as per the provisions of the Companies Act, 2013, the notices were issued to the statutory authorities as per the procedure prescribed. However, there were no objection to the scheme under reference.
8. The Regional Director, Southern Region (In short, '**RD**') in its Report Affidavit (for brevity, '**Report**') dated 06.06.2017 submitted that as per records of ROC, Chennai, the Transferor Company is regular in filing its statutory returns and no investigation is pending against the company, therefore, RD decided not to make any objection to the Scheme and submitted that the petition may be disposed of on merits.
9. The Official Liquidator (In short, '**OL**') in its report dated 9th June, 2017 submitted that M/s. Khicha & Prabu Kesavan, Chartered Accountants appointed on the order of this Tribunal, have scrutinized the books and accounts of the Transferor Company. The Auditor observed that the Transferor Company has maintained and

written up all the statutory books in accordance with normally accepted accounting principle and policies in accordance with the requirements of the Companies Act, 2013 and also the affairs of the company have not been conducted in a manner prejudicial to the interest of its members, creditors or to public interest.

10. The OL further submits that under Clause 12 of Part- B of the proposed scheme, the interest of all the permanent employees in the service of the Transferor Company is safeguarded. As per Clause 5 of Part- B of the said scheme, the entire issued, subscribed and paid up equity share capital of the Transferor Company is held by the Transferee Company. Therefore, upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu of its holding in the Transferor Company and the entire share capital of the Transferor Company shall stand cancelled. The OL also submitted that the Transferor Company should pay Rs. 30,000/- as remuneration to M/s. Khicha & Prabu Kesavan, Chartered Accountants, the Auditor who investigated into affairs of the Transferor Company.
11. Further perusal of the scheme shows that the accounting treatment is in conformity with the established accounting standards. In short, there is no apprehension that any of the creditors would lose or be prejudiced if the proposed scheme is sanctioned. The said Scheme of Amalgamation will not cost any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditors in any manner. The Appointed date of the Scheme is 01.07.2016.
12. There does not require any modification and the said Scheme of Amalgamation appears to be fair and reasonable, not contrary to public policy and also not violative of any provisions of law. All the statutory compliances have been made under the Companies Act, 2013. Taking into consideration all the above, the Company

Petition is allowed and the Scheme of Amalgamation annexed with the petition is hereby sanctioned which shall be binding on all the members, creditors and shareholders.

13. While approving the scheme as above, we further clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.
14. The Transferor Company is also directed to pay Rs. 30,000/- to M/s. Khicha & Prabu Kesavan, Chartered Accountants, the Auditor who investigated into the affairs of the Transferor Company within 15 days of passing of this order.
15. The Company to the said Scheme or other person interested, shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme. The Petitioner Company do file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order.
16. The Order of sanction to this Scheme shall be prepared by the Registry as per the format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 as has been notified on 14th December, 2016.
17. The Company Petition stands disposed of in above terms and conditions.



K. ANANTHA PADMANABHA SWAMY, MEMBER (J)