

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH AT HYDERABAD**

**C.A. (CAA) No.22/230/HDB/2017**

**Date of Order: 07.04.2017**

IN THE MATTER OF SECTIONS 230 TO 232 READ WITH  
SECTION 66 AND OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 2013

AND

**NEULAND LABORATORIES LIMITED**

**(TRANSFeree COMPANY)**

AND

**NEULAND HEALTH SCIENCES PRIVATE LIMITED**

**(TRANSFEROR COMPANY NO.1)**

AND

**NEULAND PHARMA RESEARCH PRIVATE LIMITED**

**(TRANSFEROR COMPANY NO.2)**

AND

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**



**CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL**

Counsel for the Petitioners : Mr. Y. Suryanarayana

**CORAM**

Mr. RAJESWARA RAO VITTANALA, MEMBER (JUDL)

Mr. RAVIKUMAR DURAISAMY, MEMBER (TECH)

**ORDER**

(As per Rajeswara Rao Vittanala, Member (Judl))

1. The present Company Application bearing CA(CAA) No.22/230/HDB/2017 is filed by Neuland Laboratories Limited (herein after called as Transferee Company) under section 230 to 232 r/w section 66 of the Companies Act, 2013, by inter alia seeking the following reliefs from this Tribunal:

(a) To direct that a meeting of the Equity Shareholders of the Transferee Company be held on Tuesday, the 30<sup>th</sup> May, 2017, at 3:30 PM at Hotel Taj Krishna, situated at Road No.1, Manda Manzil, Banjara Hills, Hyderabad-500 034, Telangana, for consideration of proposed Scheme of Amalgamation and Arrangement.

(b) To fix the quorum of the aforesaid meeting as 30 (Thirty) members present either in person or through proxy.

(c) To appoint a Chairperson and a Scrutinizer for the meeting of the equity shareholders of the Transferee Company and to fix the terms of their appointment including remuneration.



- (d) To allow the voting by the shareholders, in person or by proxy or by postal ballot or by voting through electronic means.
- (e) To direct that the publication of notice of the meeting of the equity shareholders of the Transferee Company be carried out in Andhra Prabha (Telugu Daily) and Business Standard (English Daily) Hyderabad editions.
- (f) To dispense with the requirement of holding the meeting of the Secured Creditors of the Transferee Company since all the Secured Creditors have given their consent to the Scheme of Amalgamation and Arrangement.
- (g) To dispense with the requirement of holding the meeting of the Unsecured/Trade Creditors of the Transferee Company since the Unsecured Creditors have given their consent to the Scheme of Amalgamation and Arrangement and since the rights of the Trade Creditors (Unsecured) will not be affected by the Scheme and post Scheme, the assets of the Transferee Company will be sufficient to discharge all its liabilities.
- (h) To direct the Transferee Company to serve the notice of the meeting of the Shareholders of the Transferee Company on the following authorities:
- (i) The Central Government i.e. Regional Director(SER), 3<sup>rd</sup> Floor, Corporate Bhavan, Ministry of Corporate Affairs, Government of India, Bandlaguda, Nagole, Hyderabad-68.



(ii) The Registrar of Companies, for the State of Telangana and Andhra Pradesh, 2<sup>nd</sup> Floor, Corporate Bhavan, Ministry of Corporate Affairs, Government of India, Bandlaguda, Nagole, Hyderabad-68.

(iii) The Official Liquidator, 1<sup>st</sup> Floor, Corporate Bhavan, Ministry of Corporate Affairs, Government of India, Bandlaguda, Nagole, Hyderabad-68.

(iv) The Income Tax Department, Circle 16(1), IT Towers, AC Guards, Masab Tank, Hyderabad-500 004.

2. Neuland Laboratories Limited was originally incorporated as a Private Limited Company under the name and style "Neuland Laboratories Private Limited on 07.01.1984 in the erstwhile State of Andhra Pradesh (now State of Telangana), under the provisions of Companies Act, 1956. Subsequently, the company converted itself into a Public Limited Company by following the due procedure as laid down under the provisions of the Companies Act, 1956 and the word "Private" was deleted from the name of the company and consequent upon conversion.



- (a) Transferee Company had made an initial Public Offer in the year 1994 and the equity shares of the Company were listed on BSE Limited and Hyderabad Stock Exchange. The equity shares of the Transferee Company were listed on the National Stock Exchange of India Limited in the year 2008.



(b) The Registered office of the Transferee Company is situated at Sanali Info Park, "A" Block, Ground Floor, 8-2-120/113, Road No.2, Banjara Hills, Hyderabad-500 034, Telangana.

(c) The main objects of Transferee Company are to manufacture, sell, buy, import, export, distribute all kinds of basic drugs and pharmaceuticals including tablets, injectables, syrups, powders, ointments, aerosols, capsules and liquids for human consumption etc.

3. The authorized, issued subscribed and paid up share capital of the Transferee Company as on 31.03.2016 is Rs.16,00,00,000/- (Rupees Sixteen Crores Only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs.10/- (Rupees Ten Only) each and 3,00,000 (Three Lakhs) – Cumulative Redeemable Preference Shares of Rs.100/- (Rupees Hundred Only) each and 3,00,000 (Three Lakhs) Cumulative or Non-Cumulative and Redeemable or otherwise preference shares of Rs.100/- each. The issued capital is Rs.9,07,77,990/- (Rupees Nine Crore Seven Lakh Seventy Seven Thousand Nine Hundred Ninety Only) divided into 90,77,799 (Ninety Lakh Seventy Seven Thousand Seven Hundred and Ninety Nine) equity shares of Rs.10/- (Rupees Ten Only) each. The Subscribed Capital of Transferee Company is Rs.8,98,75,300/- (Rupees Eight Crore Ninety Eight Lakhs Seventy Five Thousand and Three Hundred Only) and the paid up share capital is RsRs.8,95,48,890/- (Rupees Eight Crore Ninety Five Lakhs Forty Eight Thousand Eight Hundred Ninety Only) divided into 88,84,254 (Eighty Eight Lakh Eighty Four Thousand Two Hundred and Fifty Four) Equity Shares of Rs.10/-



(Rupees Ten Only) each fully paid up and 1,03,276 (One Lakh Three Thousand Two Hundred and Seventy Six) forfeited equity shares of face value of Rs.10/- (Rupees Ten Only) each, on which Rs.7,06,350/- (Rupees Seven Lakh Six Thousand Three Hundred and Fifty Only) is paid up.

4. The Scheme of Amalgamation and Arrangement under section 230 to 232 read with section 66 of the Companies Act, 2013 between Neuland Laboratories Limited (Transferee Company) and Neuland Health Sciences Private Limited (First Transferor Company) and Neuland Pharma Research Private Limited (Second Transferor Company) and their respective shareholders and creditors, was approved by the Board of Directors of the Transferee Company, First Transferor Company and the Second Transferor Company at their respective meetings held on 04.11.2016 with the following objectives:



- (a) The Transferee Company is a manufacturer of active pharmaceutical ingredients and advanced intermediates and is a solution provider for the pharmaceutical industry for chemistry related services.
- (b) The First Transferor Company is in the business of conducting research and development on synthesis of Peptides and Peptide building blocks and marketing of Peptides. The Transferee Company is the exclusive peptide manufacturer for the First Transferor Company.
- (c) The Second Transferor Company is a contract research and marketing services company providing Custom Manufacturing Solutions to its

customers with a focus on regulated markets. The Research and Development facility of the Second Transferor Company has been successfully inspected and classified acceptable by the USFDA in February 2016.

- (d) The businesses being carried on by all these three companies are synergistic and are complementary to each other. The combined entry with its strong financials, will have greater access to sources of funds, a better credit rating, improved cash flows, increased net worth, thereby expected to strengthen the value of all the stakeholders of the companies involved.

5. We have heard Sri Y. Suryanarayana, the learned counsel for the Transferee Company and perused all the documents filed in support of the Application.



6. The Learned Counsel submits that the total shareholders/members in the Transferee Company as on 28.02.2017 are 7962 (Seven Thousand Nine Hundred and Sixty Two) and requested that necessary directions for convening the meeting of the Equity Shareholders of the Transferee Company and for appointing a Chairperson and Scrutinizer for the meeting and fixing the terms of the appointment including remuneration.
7. The Learned Counsel submits that the Transferee Company have 9 (Nine) Secured Creditors as on 28.02.2017 and all the nine Secured Creditors have given their consent to the Scheme and requested to



dispense with the requirement of convening the meeting of Secured Creditors.

8. The Learned Counsel submits that the Transferee Company have 2 (Two) Unsecured Creditors as on 28.02.2017 and both the Un Secured Creditors have given their consent to the Scheme and requested to dispense with the requirement of convening the meeting of Un Secured Creditors.
9. The Learned Counsel submits that the Transferee Company does not have any other Unsecured Creditors except outstanding in the nature of Trade Payables. The number of Trade Creditors and the total amount due to them by the Applicant Company as on 28.02.2017 is 660 (Six Hundred and Sixty) and Rs.93,28,83,129/- (Rupees Ninety Three Crore Twenty Eight Lakh Eighty Three Thousand One Hundred and Twenty Nine Only) and stated that the rights of the Trade Creditors of the Transferee Company will not be affected by the proposed scheme of amalgamation and arrangement since post scheme, the assets of the Transferee Company will be sufficient to discharge all its liabilities and further, the scheme does not involve any compromise or arrangement with any of its creditors and requested the Tribunal to dispense with the requirement of convening the meeting of the Unsecured Creditor/Trade Creditor of the Transferee Company.





10. The Learned Counsel submits that being a listed company the Transferee Company has furnished the copy of the observation letters issued by BSE Limited and National Stock Exchange of India Limited.

11. In view of the above facts and circumstances of the cases and in the interest of justice we thought it fit to dispose of the present CA (CAA) No.22/230/HDB/2017 with the following directions:-

(a) The meeting of the Equity Shareholders of the Transferee Company be held on Tuesday, the 30<sup>th</sup> May, 2017, at 3:30 PM at Hotel Taj Krishna, situated at Road No.1, Manda Manzil, Banjara Hills, Hyderabad-500 034, Telangana, for consideration of proposed Scheme of Amalgamation and Arrangement.

(b) The meeting of the Unsecured Creditors i.e. Trade Creditors of the Transferee Company be held on or before 10<sup>th</sup> June, 2017, for consideration of proposed Scheme of Amalgamation and Arrangement.

(c) Fix the quorum of the meeting of the Equity Shareholders as minimum 100 (One Hundred) members (as agreed by the Counsel for Applicant Company) be present either in person or through proxy (total number of shareholders/members as stated by the Transferee Company are 7962). In addition, e-voting/postal ballot facility should also be provided to equity shareholders.

(d) Fix the quorum of the meeting of the Unsecured Creditors i.e. Trade Creditors as minimum of 50 (Fifty) creditors be present in person or through proxy (total no. of trade creditors as stated by Transferee Company are 660)



(e) Notice of the meeting of the shareholder & Unsecured Creditors (i.e. Trade Creditors) of the Transferee Company shall be published in an English daily of "Business Standard" (Hyderabad Edition) and in Telugu Daily "Namasthe Telangana" (Hyderabad Edition).

(f) Appoint Mr. V. Govindarajulu, Advocate, R/o 11-4-322/20/28, Srinivasa Nagar, Secunderabad, Phone No. 040-27506814 and Mobile Nos.9949952681 as the Chairperson for conducting the meeting of shareholders and Unsecured Creditors (i.e. Trade Creditors) of the Transferee Company.

(g) We hereby appoint Ms. U.K. Gayathri, Practicing Company Secretary H.No:12-2-129, Thyagaraya Nagar, GSI, Bandlaguda Post, Nagole, Hyderabad-500 068. Ph: 9490374199 as scrutinizer for the meeting of the equity shareholders and Unsecured Creditors (i.e. Trade Creditors) of the Transferee Company.



(h) The remuneration of the Chairperson is fixed at Rs.75,000/- (Rupees Seventy Five Thousand Only).

(i) The remuneration of the Scrutinizer is fixed at Rs.20,000/- (Rupees Twenty Thousand Only).

(j) Notice shall be published in the newspapers and shall also be sent to each individual member & Unsecured Creditors (Trade Creditors) of the Transferee Company at least 21 days before the date of scheduled meeting (i.e. 30.05.2017).

12. We hereby dispense with the requirement of convening a meeting of the Secured Creditors of Transferee Company and the Transferee Company is directed to strictly adhere to the terms and conditions of the Scheme, without any deviations.

13. The Chairperson is directed to submit his report along with Scrutinizer's report within a week to this Tribunal from the respective meetings held.

14. No order as to costs.



Sd/-  
RAVIKUMAR DURAISAMY  
MEMBER (T)

Sd/-  
RAJESWARA RAO VITTANALA  
MEMBER (J)

*V. Anna Poorna*  
V. ANNA POORNA  
Asst. DIRECTOR  
NCLT, HYDERABAD - 68

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