

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH AT HYDERABAD

C.A. (CAA) No.21/230/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.21/230/HDB/2017, is filed by Neuland Pharma Research Private Limited (Transferor Company No.2) 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 Transferor Company No.2 be held on Tuesday, the 30th May, 2017, at 2:30 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 2 (Two) 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 Transferor Company No.2 and to fix the terms of their appointment including remuneration.



- (d) To allow the voting by the shareholders, in person or by proxy.
- (e) To direct that the publication of notice of the meeting of the equity shareholders of the Transferor Company No.2 be carried out in Andhra Prabha (Telugu Daily) and Business Standard (English Daily) Hyderabad editions.
- (f) To direct that a meeting of the Compulsory Convertible Cumulative Preference Shareholders of the Transferor Company No.2 be held on Tuesday, the 30th May, 2017, at 3:00 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.
- (g) To fix the quorum of the aforesaid meeting as 01 (One) Preference Shareholder present either in person or through proxy.
- (h) To appoint a Chairperson and a Scrutinizer for the meeting of the Compulsory Convertible Cumulative Preference Shareholders of the Transferor Company No.2 and to fix the terms of their appointment including remuneration.
- (i) To allow the voting by the Preference Shareholders, in person or by proxy.



- (j) To direct that the publication of notice of the meeting of the Compulsory Convertible Cumulative Preference Shareholders of the Transferor Company No.2 be carried out in Andhra Prabha (Telugu Daily) and Business Standard (English Daily) Hyderabad editions.
- (k) To dispense with the requirement of holding the meeting of Unsecured/Trade Creditor of Transferor Company No.2 since post scheme, all the Creditors of the Transferor Company No.2 will become the Creditors of Neuland Laboratories Limited (Transferee Company) and the assets of Neuland Laboratories Limited (Transferee Company) will be sufficient to discharge all its liabilities.
- (l) To direct the Transferor Company No.2 to serve the notice of the meeting of the Shareholders and Compulsory Convertible Cumulative Preference Shareholder of the Transferor Company No.2 on the following authorities:
- (i) The Central Government i.e. Regional Director(SER), 3rd 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, 2nd Floor, Corporate Bhavan, Ministry of Corporate Affairs, Government of India, Bandlaguda, Nagole, Hyderabad-68.



(iii) The Official Liquidator, 1st 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 Pharma Research Private Limited was originally incorporated under the name and style "Sucheta and Saharsh Pharmaceutical Research Private Limited" on 23.03.2012 in the erstwhile State of Andhra Pradesh (now State of Telangana) under the provisions of Companies Act, 1956. Subsequently, the name of the company was changed to "Neuland Pharma Research Private Limited"

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



(b) The main objects of Transferor Company No.2 is to undertake and provide research, investigation, development, manufacturing, marketing and related services in the areas of fine chemicals, active ingredients and intermediate catering to various industries including but not limited to healthcare, pharmaceuticals, diagnostics and agriculture and healthcare etc.

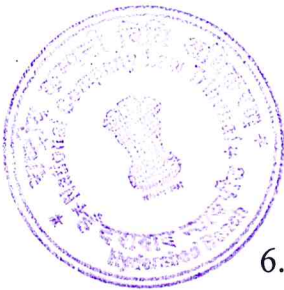
3. The authorized, issued subscribed and paid up share capital of the Transferor Company No.2 as on 31.03.2016 is Rs.9,50,00,000/- (Rupees Nine Crore and Fifty Lakh Only) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each and 45,00,000 (Forty Five Lakh) – 0.001% Compulsory Convertible Cumulative Preference Shares of Rs.10/- (Rupees Ten Only) each. The issued subscribed and paid up capital is Rs.4,99,99,650/- (Rupees Four Crore Ninety Nine Lakh Ninety Nine Thousand Six Hundred and Fifty Only) divided into 5,00,000 (Five Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each and 44,99,965 (Forty Four Lakh Ninety Nine Thousand Nine Hundred and Sixty Five) – 0.001% Compulsory Convertible Cumulative Preference Shares of Rs.10/- (Rupees Ten Only) each.
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.

5. 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.



6. We have heard Sri Y. Suryanarayana, the learned counsel for the Transferor Company No.2 and perused all the documents filed in support of the Application.

7. The Learned Counsel submits that the total shareholders/members in the Transferor Company No.2 as on 28.02.2017 are 02 (Two) and requested that necessary directions for convening the meeting of the Equity Shareholders of the Transferor Company No.2 and for appointing a

Chairperson and Scrutinizer for the meeting and fixing the terms of the appointment including remuneration.

8. The Learned Counsel submits that the Transferor Company No.2 has 01 (One) Compulsory Convertible Cumulative Preference Shareholders as on 28.02.2017 and requested that necessary directions for convening the meeting of the Equity Shareholders of the Transferor Company No.2 and for appointing a Chairperson and Scrutinizer for the meeting and fixing the terms of the appointment including remuneration.
9. The Learned Counsel submits that the Transferor Company No.2 does not have any Secured and Un-secured Creditors except outstanding in the nature of Trade Payables. The number of Trade Creditors and the total amount due to them by the Transferor Company No.2 as on 28.02.2017 is 175 (One Hundred and Seventy Five) and Rs 1,54,09,197/- (Rupees One Crore Fifty Four Lakh Nine Thousand One Hundred and Ninety Seven Only) and stated that the rights of the trade creditors will not be affected by the proposed scheme of amalgamation and arrangement, since post scheme, all the Creditors of the Transferor Company No.2 will become the Creditors of Neuland Laboratories Limited (Transferee Company) and 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 creditors of the Transferor Company No.2 and requested this Tribunal to dispense with the requirement of convening the meeting of the Unsecured/Trade Creditors of the Transferor Company No.2



10. In view of the above facts and circumstances of the cases and in the interest of justice I thought it fit to dispose of the present CA (CAA) No.21/230/HDB/2017 with the following directions:-

- (a) The meeting of the Equity Shareholders of the Transferor Company No.2 be held on Tuesday, the 30th May, 2017, at 11:30 AM 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 Compulsory Convertible Cumulative Preference Shareholders of the Transferor Company No.2 be held on Tuesday, the 30th May, 2017, at 12:00 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.
- (c) The meeting of the Unsecured Creditors i.e. Trade Creditors of the Transferor Company No.2 be held on or before 10th June, 2017, for consideration of proposed Scheme of Amalgamation and Arrangement
- (d) Appoint Mr. K. Phani Raju, practising Advocate, R/o 3-5-29/1, 1st Floor, Sai Threshold Building, Behind Geeta Lab, Ramkoti, Hyderabad-500 001, phone No. 040-24750984 and Mobile No.9849382742, as the Chairperson for conducting the meeting of equity shareholders, Compulsory Convertible Cumulative Preference Shareholders & Unsecured Creditors i.e. Trade Creditors of the Transferor Company No.2.



(e) We hereby appointed Ms. U.K. Gayathri, 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, Compulsory Convertible Cumulative Preference Shareholders & Unsecured Creditors i.e. Trade Creditors of the Transferor Company No.2.

(f) The quorum of the aforesaid meeting of equity shareholders shall be 2 (Two) members present either in person or through proxy.

(g) The quorum of the aforesaid meeting of Compulsory Convertible Cumulative Preference Shareholders shall be 1 (One) member present either in person or through proxy.

(h) The quorum of the aforesaid meeting of Unsecured Creditors i.e. Trade Creditors shall be 35 (Thirty Five) member present either in person or through proxy



(i) Notice of the meeting of the shareholder, Compulsory Convertible Cumulative Preference Shareholders & Unsecured Creditors i.e Trade Creditors of the Transferor Company No.2 shall be published in an English daily of "Business Standard" (Hyderabad Edition) and in Telugu Daily "Namasthe Telangana" (Hyderabad Edition).

(j) The Equity Shareholders, Compulsory Convertible Cumulative Preference Shareholders & Unsecured Creditors i.e Trade Creditors of the Transferor Company No.2 shall vote in the meeting either themselves or through proxies.

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

(l) The remuneration of the Scrutinizer is fixed at Rs.10,000/- (Rupees Twenty Thousand Only).

(m) Notice shall be published in the newspapers, advertisement, shall be sent to each individual member of the Company at least 21 days before the date of scheduled meeting (i.e. 30.05.2017).



11. We hereby dispense with the requirement of convening a meeting of the Unsecured Creditors (except Trade Creditors) of Transferor Company No.2 and are directed to strictly adhere to the terms and conditions of the Scheme, without any deviations.

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

13. No order as to costs.

Sd/-

RAVIKUMAR DURAISAMY
MEMBER (T)

Sd/-

RAJESWARA RAO VITTANALA
MEMBER (J)

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OF THE ORIGINAL**

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