

Date: 2<sup>nd</sup> August, 2019

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001.

**Scrip code:** 506235  
**Scrip ID:** ALEMBICLTD

Dear Sirs,

**Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Update on the Composite Scheme of Arrangement**

We would like to inform that Hon'ble National Company Law Tribunal, Ahmedabad Bench ["NCLT"] has sanctioned the Composite Scheme of Arrangement between Alembic Limited and Shreno Limited and Nirayu Private Limited and their respective shareholders ["Scheme"] pursuant to the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

A copy of the order of NCLT sanctioning the Scheme ["Order"], as uploaded on the website of NCLT, is enclosed herewith for your records.

In accordance with Clause 5.1 of the Scheme, eligible equity shareholders of Alembic Limited whose name appears in the register of members as on the Record Date, shall be issued and allotted, 1 (one) 7% Non-Convertible Cumulative Redeemable Preference Shares – I ('Preference Shares') by Shreno Limited, as consideration for transfer and vesting of Demerged Undertaking 1 to Shreno Limited, for every 1 (one) fully paid up equity share of Rs. 2/- each held by them in Alembic Limited.

The Scheme will become effective upon filing of the certified copy of Order of the NCLT, sanctioning the Scheme with the Registrar of Companies, Gujarat. The same will be intimated to the Stock Exchanges in due course.

You are requested to take the same on your record.

Thanking You,

Yours truly,

**For Alembic Limited**

  
**Drigesh Mittal**  
Company Secretary



**Encl.: As above**

**ALEMBIC LIMITED**

**NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH  
AHMEDABAD**

CP (CAA) No. 47/2019 in  
CA(CAA) No. 23 /NCLT/AHM/2019

Coram: **Hon'ble Mr. HARIHAR PRAKASH CHATURVEDI, MEMBER JUDICIAL**  
**Hon'ble Ms. MANORAMA KUMARI, MEMBER JUDICIAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH  
OF THE NATIONAL COMPANY LAW TRIBUNAL ON 26.07.2019**

Name of the Company: Alembic Ltd.  
Shreno Ltd.  
Nirayu Pvt. Ltd.

Section of the Companies Act: Section 230-232 of the Companies Act, 2013

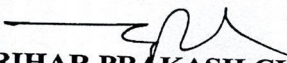
<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	SWATI SOPARKAR	ADVOCATE	PETITIONERS	Swati Soparkar
2.	Nipun Singhvi	} Advocate	objector/ shareholder	n
	Vishal J. Dave			v
	Pragati Tiwari			p

**ORDER**

The parties are represented through their respective learned counsels.

The Order is pronounced in the open court, vide separate sheet.

*Manora*  
**MANORAMA KUMARI**  
**MEMBER JUDICIAL**  
Dated this the 26th day of July, 2019

  
**HARIHAR PRAKASH CHATURVEDI**  
**MEMBER JUDICIAL**

**NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH  
AHMEDABAD**

**C.P.(CAA) No. 47 of 2019  
in  
C.A. (CAA) No. 23 OF 2019**

**In the matter of:**

Alembic Limited  
Having its registered office at  
Alembic Road,  
Vadodara-390 003  
**Gujarat**

.... Petitioner First Demerged Company

Shreno Limited  
Having its registered office at  
Alembic Road,  
Vadodara-390 003

.... Petitioner First Resulting  
Company/Transferee Company and  
Second Demerged Company

Nirayu Private Limited  
Having its registered office at  
FF-54, Avishkar Complex,  
Old Padra Road,  
Vadodara-390 015

.... Petitioner Second Resulting  
/Transferee Company

**Order delivered on 26<sup>th</sup> July, 2019**

**Coram: Hon'ble Shri Harihar Prakash Chaturvedi, Member (Judicial)  
Hon'ble Ms. Manorama Kumari, Member (Judicial)**

**Appearance:** Ms. Swati Soparkar, Advocate is present for the petitioner companies

**ORDER**

**[Per se: Ms. Manorama Kumari, Member (Judicial)]**

1. The instant joint petition is filed by the Petitioner Companies under Section 230 and 232 read with Section 66 of the Companies Act, 2013 seeking sanction of this Tribunal to a Composite Scheme of Arrangement involving (a) Demerger of the Identified Real Estate Undertaking of Alembic Limited, the Petitioner First Demerged Company, with Shreno Limited, the Petitioner First Resulting/Transferee Company and Second Demerged Company (b) Demerger of Engineering Division and Investment Division of Shreno

*Manorama*

*[Signature]*

Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company with Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company and (c) Restructuring of Share Capital of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company and Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company

2. It is submitted that all the Petitioner Companies belong to the same group of management viz. Alembic Group. The rationale and the benefits of the proposed Scheme as envisaged by the Board of Directors of the Petitioner Companies are as under:
  - i. Unlocking of value and creation of additional liquidity for the shareholders of Alembic Limited, the Petitioner First Demerged Company and Shreno Limited, the Petitioner First Resulting/Transferee Company and Second Demerged Company which is currently embedded in the value of Alembic Limited, the Petitioner First Demerged Company and Shreno Limited, the Petitioner First Resulting/Transferee Company and Second Demerged Company, respectively.
  - ii. Elimination of inter-company cross holdings.
  - iii. Improved business efficiencies with transfer of project management and consultancy business, services of which are, inter alia, being provided by Alembic Limited, the Petitioner First Demerged Company to the Petitioner First Resulting/Transferee Company and Second Demerged Company.
  - iv. Achieve cost optimization and specialization for sustained growth.
  - v. Enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial, and technical resources, personnel capabilities, skills, expertise and technologies; and
  - vi. Enhancing shareholder value by creating leaner and focused organizations.
3. It is submitted that the Petitioner Companies have submitted the report confirming the proposed Share Entitlement Ratio of Equity Shares, being just and reasonable provided by M/s. Chaturvedi & Shah,

*Chaturvedi*

*[Signature]*

Chartered Accountants and the Fairness opinion for the proposed Share Entitlement Ratio, in relation to Part II of the Scheme issued by M/s Fedex Securities Limited, the Merchant Bankers, with their Company Application. The Petitioner Companies have also submitted along with the Company Application, the certificate from their Statutory Auditors confirming the compliance of applicable Accounting Standards for the accounting treatment proposed under the Scheme.

4. It is stated that Alembic Limited, the Petitioner First Demerged Company, is a listed public limited company. Therefore, proposed Scheme was placed before the Audit Committee meeting of Alembic Limited, the Petitioner First Demerged Company on 3<sup>rd</sup> November 2018 and thereafter, on receipt of the recommendation of the Audit Committee, the same was placed before the respective Board of Directors of all the Petitioner Companies. The resolutions dated 3<sup>rd</sup> November 2018 were passed by the Board of Directors of all the Petitioner Companies. The Scheme was thereafter presented to BSE Limited and the National Stock Exchange of India Limited respectively and the observation letters dated 24<sup>th</sup> January, 2019 and 25<sup>th</sup> January 2019 respectively, received from BSE Limited and National Stock Exchange of India Limited, have been submitted by the Petitioner First Demerged Company, at the time of making, Company Application to this Tribunal.
  
5. The Petitioner Companies filed the joint application before this Tribunal being CA(CAA) No. 23 of 2019 seeking directions to convene and hold separate meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Alembic Limited, the Petitioner First Demerged Company and Shreno Limited, the Petitioner First Resulting/Transferee Company and Second Demerged Company and dispensation of meetings of the Equity Shareholders, sole Preference Shareholder and sole Unsecured Creditor of Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company. It was submitted that all the Equity Shareholders, the sole Preference Shareholder and the Sole Unsecured Creditor of Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company had submitted the consent affidavit approving the proposed Scheme. It was further submitted that there were no Secured Creditors of the Petitioner Second

*J. Anwar*

*[Signature]*

Resulting/Transferee Company. Hence, vide order dated 20th February 2019, passed in CA(CAA) No. 23 of 2019, the meetings of the Equity Shareholders, Preference Shareholder and Unsecured Creditor of Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company, were dispensed with. Whereas, directions were issued for convening and holding separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Alembic Limited, the Petitioner First Demerged Company and Shreno Limited, the Petitioner First Resulting/Transferee Company and Second Demerged Company to obtain their approval to the proposed Scheme. Further directions were also issued for the service of notice of the meetings to all the concerned Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Demerged Companies as well as publication of the notice of the meetings in English Daily 'Indian Express' Vadodara Edition and Gujarati translation thereof in Gujarati Daily 'Sandesh' Vadodara edition.

6. Pursuant to the directions of this Tribunal, notice of the meetings were sent individually to all the Equity Shareholders, Secured Creditors and Unsecured Creditors of Alembic, the Petitioner First Demerged Company as well as Shreno Limited, the Petitioner First Resulting/Transferee Company and Second Demerged Company on or before 7<sup>th</sup> March 2019, together with a copy of the Scheme of Arrangement and the Explanatory Statement as well as all other required disclosures. The notice convening the meetings were also published in Vadodara editions of English daily 'Indian Express' and Gujarati daily 'Sandesh' on 8<sup>th</sup> March 2019. The affidavit dated 20<sup>th</sup> March 2019 was filed by the Chairman of the said meetings confirming the compliance of the directions of this Tribunal contained in its order dated 20<sup>th</sup> February, 2019. The aforesaid meetings were duly convened and held at Vadodara on 9<sup>th</sup> April 2019 and the Chairman appointed for the said meetings reported the result of the said meetings to this Tribunal vide his affidavit dated 12<sup>th</sup> April 2019.
7. (i) In case of Alembic Limited, the Petitioner First Demerged Company, perusal of the Chairman's report confirms the approval of the Scheme by a majority of 88.18% in number and 99.03% in value of the Equity Shareholders, who cast their vote through postal ballot, e voting and

*Chinnai*

physical ballots at the meeting. Further, the number of votes cast by the Public Shareholders in favour (i.e. 2,06,69,713 votes) of the resolution approving the proposed Composite Scheme of Arrangement were far more than the number of votes cast against it (i.e. 18,11,932 votes) by the Public Shareholders, thereby approving the resolution as required as per SEBI Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017, by a majority of 91.94%. The Scheme was approved unanimously by the Secured Creditors as well as Unsecured Creditors of the Petitioner First Demerged Company at their respective meetings.

(ii) In case of Shreno Limited, perusal of the Chairman's report confirms the approval of the Scheme by a majority of 88.81% in number and 99.85% in value of the Equity Shareholders, who cast their vote through postal ballot, e voting and physical ballots at the meeting. The Scheme was approved unanimously by the Secured Creditors as well as Unsecured Creditors of the Petitioner First Resulting/Transferee Company and Second Demerged Company at their respective meetings.

8. Vide the aforesaid order dated 20<sup>th</sup> February 2019, the Petitioner Companies were also directed to serve Notice of the Scheme upon the statutory authorities viz. (i) Central Govt. through the Regional Director, North-Western Region, (ii) Registrar of Companies, Gujarat, (iii) concerned Income Tax Authorities, (iv) The Reserve Bank of India for the two Petitioner Demerged Companies, and (v) BSE Limited, (vi) National Stock Exchange Limited and (vii) Securities and Exchange Board of India only in case of Alembic Limited, the Petitioner First Demerged Company, along with Notice, Explanatory Statement and required disclosures. The notices were duly served upon all the aforesaid statutory authorities on or before 8<sup>th</sup> March 2019. The affidavit dated 20<sup>th</sup> March 2019 confirming the compliance of the said directions of this Tribunal dated 20<sup>th</sup> February, 2019 for service of notice upon all the aforesaid statutory authorities along with the acknowledgments was filed before this Tribunal. In response to the said notice, the Regional Director filed an affidavit with this Tribunal dated 25<sup>th</sup> April 2019. No Representations were received from the Income Tax authorities or any other statutory authority for any of the Petitioner Companies.

*Chaturvedi*

*[Signature]*

9. The joint petition was filed on 18<sup>th</sup> April 2019 before this Tribunal for sanction of the Composite Scheme of Arrangement involving (a) Demerger of the Identified Real Estate Undertaking of Alembic Limited, the Petitioner First Demerged Company, with Shreno Limited, the Petitioner First Resulting/Transferee Company and Second Demerged Company (b) Demerger of Engineering Division and Investment Division of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company with Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company and (c) Restructuring of Share Capital of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company and Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company and was admitted on 30<sup>th</sup> April 2019. The date of hearing was fixed as 20<sup>th</sup> June 2019. This Tribunal issued directions to the Petitioner Companies to publish notice of hearing of the petition in English daily, 'Indian Express' and Gujarati daily, 'Sandesh' Vadodara editions for all the Petitioner Companies, at least 10 days before the date of hearing of the petition. Further directions were also issued to serve notice of hearing of the petition upon the statutory authorities viz. (i) Central Govt. through Regional Director-North Western Region, (ii) Registrar of Companies, and (iii) Income Tax authorities, at least 10 days before the date of hearing of the petition.
10. Pursuant to the directions of this Tribunal dated 30<sup>th</sup> April, 2019, notices were duly served by the Petitioner Companies on the statutory authorities viz. (i) Central Govt. through Regional Director- North Western Region, (ii) Registrar of Companies, and (iii) Income Tax authorities on or before 6<sup>th</sup> May 2019 and publication of notice of hearing of the petition was made in the Vadodara editions of English daily 'Indian Express' and Gujarati daily, 'Sandesh' on 5<sup>th</sup> June 2019. The affidavit of publication of notice and service of notice of hearing of the petition upon the aforesaid statutory authorities dated 5<sup>th</sup> June 2019 was filed by the Petitioner Companies before this Tribunal and the same is placed on record. Since the proposed Scheme involves only De-merger, no notice was required to be served upon the Official Liquidator.

*Alman*

*[Signature]*



11. It is submitted that common representation in the form of an affidavit dated 25<sup>th</sup> April 2019 containing observations of the Regional Director for the Petitioner Companies, was received. The Petitioner Companies filed a common response to the observation made by the Regional Director, in the aforesaid representation in the form of an affidavit dated 2<sup>nd</sup> May 2019.
- (i) It is stated that Para 2 (a), (b) and (e) of the representation of the Regional Director, confirm the nature of proposal, consideration as confirmed by the Chartered Accountant as well as rationale of the proposed arrangement and description of factual aspects, therefore, do not require any explanation.
- (ii) Para 2(c), of the representation of the Regional Director, refers to the proposed transfer of part of the Authorised Share Capital, existing in the form of unissued Preference Share Capital of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company to Nirayu Private Limited, the Petitioner Second Resulting Company, as envisaged under Clause 26 and 27 of the proposed Scheme and the consequent amendment in the Capital Clause of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company to Nirayu Private Limited, the Petitioner Second Resulting Company. It is observed by the Regional Director that such transfer and consolidation of the Authorised Capital is permissible under the provisions of law only for the proposed Scheme of Amalgamation and Mergers and not for the Scheme of Arrangement involving De-merger. In this regard, it is submitted by the Petitioner Companies that there is no specific provision of law prohibiting such transfer and consolidation of capital in case of De-merger. Reliance is placed on the Judgment of Hon'ble Gujarat High Court in the matter of Elitecore Technologies Private Limited, Company Petition No. 56 and 57 of 2012 in Company Applications No.131 and 132 of 2012.
- (iii) Vide Para 2 (d) of the affidavit, it is observed by the Regional Director that the Authorised Share Capital of Nirayu, the Petitioner Second Resulting/Transferee Company is insufficient to issue the shares to the shareholders of Shreno Limited, the Petitioner First Resulting Company/Transferee Company, as per the Share Entitlement ratio

*Shreno*

envisaged in the Scheme. In this regard, it is submitted by the Petitioner Companies that Clause 16.10 of the Scheme provides for the increase in the Authorized Capital of Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company to the extent required after giving effect to above referred clauses 26 and 27 of the Scheme. It is further clarified that Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company shall comply with the applicable provisions of the Companies Act, for such increase including the payment of applicable stamp duty and registration fees etc.

- (iv) Vide para 2 (f) of the representation of the Regional Director, it is observed by the Regional Director that Alembic Limited, the Petitioner First Demerged Company, being a listed company shall be required to comply with SEBI circular No, CFD/DIL/3/CIR/2017/21 dated 10<sup>th</sup> March 2017. It is submitted by the Petitioner Companies that Alembic Limited, the Petitioner First Demerged Company has complied with the applicable provisions of the said circular. Alembic Limited, the Petitioner First Demerged Company has already obtained prior approval from the concerned stock exchanges in the form of Observations Letters and has further complied with the directions contained in such observation letters dated 24<sup>th</sup> January, 2019 and 25<sup>th</sup> January 2019 received from BSE Limited and the National Stock Exchange of India Limited respectively. It is further undertaken by Alembic Limited, the Petitioner First Demerged Company, to make required compliances upon Scheme being effective.
- (v) Vide para 2 (g) of the representation of the Regional Director, it is observed and confirmed by the Regional Director that the Object Clause of Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company shall be amended, as envisaged under Clause 27.3 of the Scheme, under the principle of Single Window Clearance. In view of the same, no further procedural compliance under Section 13 is required.
- (vi) Vide para 2 (h) of the representation of the Regional Director, it is desired by the Regional Director that directions be issued for compliance of Section 2 (19AA) of the Income Tax Act, since the Scheme involves De-merger. In this regard, it is submitted by the

*U. Kumar*

*[Signature]*

Petitioner Companies that clause (C) of the Preamble of the Scheme clearly provides for the same.

(vii) Vide para 2 (i) of the representation of the Regional Director, it is observed by the Regional Director that part of the share capital is held by the Non Resident Indians/Foreign Nationals/ Foreign Body Corporate in case of Alembic Limited, the Petitioner First Demerged Company as well as Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company. The Regional Director has sought confirmation about the compliance of provisions of FEMA and RBI guidelines. In this regard, it is confirmed by the Petitioner Companies that that the Alembic Limited, the Petitioner First Demerged Company as well as Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company have so far made the compliance of all the applicable provisions of FEMA and RBI guidelines. Both the Petitioner Companies have further filed a joint application dated 18<sup>th</sup> April 2019 with RBI seeking their approval as mentioned in Clause 5.2 to 5.4 and 16.2 to 16.4 of the Scheme. A copy of the said application is filed as Annexure - A with the said Additional Affidavit. It is also submitted by the Petitioner Companies that notice under Section 230 (5) of the Companies Act, 2013 has been served upon RBI and RBI has not made any representation so far.

(viii) Vide para 2 (j) of the representation of the Regional Director, it is observed by the Regional Director that Clauses 5.2 to 5.4 and 16.2 to 16.4 of the Scheme provide for the appointment of a Category -1, Merchant Banker to act on behalf of and as an agent and trustee of the members who are resident outside India. It is clarified by the Petitioner Companies that the said proposal is provided solely to deal with a contingent situation, in case the requisite approval is not granted by the applicable statutory authority for issue of the Redeemable Preference Shares to such Non Resident Shareholders of Alembic Limited, the Petitioner First Demerged Company as well as Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company. The statements indicating such shareholding by NRIs and/or foreign nationals, in terms of value of

*Harman*

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such shareholding and %age of the total shareholding, in case of both Alembic Limited, the Petitioner First Demerged Company as well as Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company respectively are filed as Annexure-B-1 and B-2 with the said Additional Affidavit.

(ix) Vide para 2 (k) of the representation of the Regional Director, it is observed by the Regional Director that Clause 27.2 of the Scheme which deals with the conversion of Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company from a private limited company to a public limited company is an indirect conversion without compliance of due procedure. In this regard, it is submitted by the Petitioner Companies that the said conversion is consequential to the Scheme and is proposed as an integral part of the Scheme. On issuance of shares of Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company to the shareholders of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company as envisaged under Clause 16 of the Scheme, as a consideration for the Demerged Undertaking, shall automatically increase the number of shareholders and the said Transferee Company shall have more number of shareholders than that permissible to a private limited company. It is already clarified under Clause 27.2.1 of the Scheme that it shall be deemed that the members of Nirayu Private Limited, the Petitioner Second Resulting/Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Act or any other provisions of the Act and there will be no requirement to pass a separate resolution as required under Section 13, 14, 18 and other applicable provisions of the Act. It is further submitted that the principle of Single Window Clearance is applicable to the said proposal of conversion also as the said conversion is the integral part of the Scheme and no separate procedure is required to be followed for the same.

12. No representation has been received from the Income Tax Authorities. However, the Petitioner Companies submit that on the basis of the records of the Petitioner Companies as on 31<sup>st</sup> March 2019, statement giving the details of the disputed and undisputed income tax demands against all the Petitioner Companies as well as the details of the

*[Handwritten signature]*

pending appellate proceedings is annexed to the said Additional Affidavit as Annexure C. It is confirmed by the Petitioner Companies that the undisputed demands shall be paid in due course. It is further confirmed that for the disputed tax demands, as and when the said demands are crystalized, the respective Petitioner Companies will be liable for making payments for the same. The Petitioner Companies undertake to abide by all the applicable provisions of the Income Tax Act.

13. In compliance with the proviso to sub-section (7) of Section 230, the petitioner companies have placed on record the certificates of Chartered Accountant dated 3<sup>rd</sup> November 2018, confirming that the accounting treatment envisaged under the said Scheme of Arrangement in the books of the respective Demerged Companies and the Resulting Companies is in compliance with the applicable Accounting Standards notified by Central Govt. in section 133 of the Companies Act, 2013.
  
14. On receipt of notice, one of the shareholders/interveners appeared before this Tribunal on 30.04.2019 objecting the Scheme. Since he has not filed his written formal objections, he was allowed to file his written submissions within two weeks. However, he failed to file his formal objections within the stipulated period, however, on the date of hearing i.e. 20.06.2019 an affidavit was submitted on behalf of one shareholder viz. Mr. Mahesh Chandak by way of objections to the said Scheme. Mr. Nipun Singhvi appeared for the said shareholder. The objections mainly related to the swap ratio proposed in the Scheme of merger of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company, being unfair to the shareholders and against the interests of minority shareholders of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company and the valuation report does not disclose the mandatory requirements as per the valuation standards with the only object to enable the promoters to take control of the new company without compensating the shareholders of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company and the documents relied by the Chartered Accountant not made available to the objectors.

*Alkumar*

15. It is stated by the Petitioner Companies that Objector Shareholder did not file any objections to the proposed Scheme before the date of hearing of the petition i.e. 20<sup>th</sup> June 2019. However, some letters from the said shareholder and two other shareholders were sent vide e mails to Mr. Devang Nanavati, who had acted as the Chairman of the meetings, pursuant to the directions issued by this Tribunal vide order dated 20<sup>th</sup> February 2019. At the time of hearing of the petition, an Additional affidavit dated 19<sup>th</sup> June 2019 was submitted by the Petitioner Companies in response to such communications, dealing with the issues raised by these shareholders.
- 15.1 Ld. Sr. Counsel Mr. Saurabh Soparkar, with Ld. Counsel Mrs. Swati Soparkar, appeared for the Petitioner Companies. The preliminary objection was raised on behalf of the Petitioner Companies with regard to locus standi of the said shareholder and his eligibility to object to the Scheme as he does not hold the requisite number of shares, as envisaged under the statute. Extensive arguments were made by both the sides. Besides, the Petitioner Companies submitted that shareholding of the Objector/Shareholder is miniscule and is less than even 0.01% of the total share capital of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company.
16. Considering the submissions of both the sides, this Tribunal observes that the Objector Shareholder of Shreno Limited, the Petitioner First Resulting Company/Transferee Company and Second Demerged Company has no locus standi and is not eligible to object to the Scheme as he holds less than 10 per cent of the shareholding. Here it is pertinent to mention that proviso to Section 234(4) of the Companies Act, 2019 which states ***“Provided that any objection to the compromise or arrangement shall be made only by persons holding not less than ten per cent of the shareholding or having outstanding debt amounting to not less than five per cent of the total outstanding debt as per the latest audited financial statement”***. Reliance is placed on the judgment of this Bench in the matter of **Neptue Overseas Limited versus National Multi-Commodity Exchange of India Limited** and the judgment of the

*Saurabh Soparkar*


Mumbai Bench of NCLT in the matter of **Aay Kay Global Ltd versus Mahindra Two Wheelers Ltd** and in the case of **Mukesh Mohan Chandiramani versus Tata Teleservices (Maharashtra) Limited.**

17. Considering the entire facts and circumstances of the case and on perusal of the Scheme and the documents placed on record, it appears that all the requirements of section 230 and 232 of the Companies Act, 2013 are satisfied and the objection so made by the objector holding 0.01% is not maintainable.
18. As a result, the petition being CP(CAA) No. 47 of 2019 is hereby allowed. The Scheme which is at Annexure- 'G' to the petition is hereby sanctioned and it is declared that the same shall be binding on the Petitioner Companies, their shareholders, secured creditors and unsecured creditors and all concerned under the scheme.
19. The amount to be paid to the Office of the Regional Director towards legal costs and expenses is quantified at Rs. 37,500/-. The said fees to the Regional Director shall be paid by Alembic Limited, the Petitioner First Demerged Company.
20. Filing and issuance of drawn up order is hereby dispensed with. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with Scheme immediately.
21. The Petitioner Companies are further directed to lodge a copy of this order, the schedule of immovable assets of the respective Demerged Undertakings of two Demerged Companies as on the date of this order and the Scheme duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order.
22. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies,



electronically, along with INC-28 in addition to physical copy as per provisions of the Act.

23. CP (CAA) No. 47 of 2019 is disposed off accordingly.

  
**Ms. Manorama Kumari**  
**Member (Judicial)**

  
**Harihar Prakash Chaturvedi**  
**Member (Judicial)**

LCT