

Date: September 16, 2021

<p>To, The Manager, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, C – 1, Block – G, Bandra – Kurla Complex, Bandra (E), Mumbai-400 051. Scrip Code – LINCOLN</p>	<p>To, The Department of Corporate Service, BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001. Scrip Code – 531633</p>
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Dear Sir,

Sub: Amalgamation of Lincoln Parenteral Limited and Lincoln Pharmaceuticals Limited.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform that the Hon'ble National Company Law Tribunal, Ahmedabad Bench, ('NCLT') has sanctioned the scheme of Amalgamation of Lincoln Parenteral Limited ('Transferor Company') and Lincoln Pharmaceuticals Limited ('Transferee Company') and their respective shareholders and creditors vide its order dated September 14, 2021 and has been uploaded on the website of Hon'ble NCLT on September 15, 2021.

The copy of order is attached as annexure to this letter.

Appointed date of the Scheme is April 01, 2019. The Scheme will be effective upon filing of certified copy of the order of the Hon'ble NCLT with the Registrar of Companies, Gujarat.

Kindly take the same on your record.

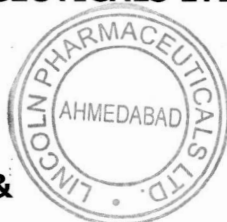
Thanking you,

Yours faithfully,

FOR LINCOLN PHARMACEUTICALS LTD

N.A. Desai

**NIREN A. DESAI
COMPANY SECRETARY &
COMPLIANCE OFFICER**



Encl: A/A

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IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD
COURT - 1

ITEM No 136
CP(CAA) 74 of 2020 in CA(CAA) 49 of 2020
Comp.Appl/20(AHM)2021

Order under Section 230-232

IN THE MATTER OF:

Lincoln Parenteral Ltd
Lincoln Pharmaceuticals Ltd

.....Applicant

Order delivered on ..14/09/2021

Coram:

Madan B. Gosavi, Hon'ble Member(J)
Virendra Kumar Gupta, Hon'ble Member(T)

PRESENTS:

For the Applicant :
For the IRP/RP :
For the Respondent :

ORDER

The matter is fixed for pronouncement of order.

The order is pronounced in open court vide separate sheet.


(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)


(MADAN B GOSAVI)
MEMBER (JUDICIAL)

**BEFORE THE NATIONAL COMPANY LAW TRIBUNE
AHMEDABAD BENCH
AHMEDABAD
Court No. 1**

IA 20 of 2021

IN

CP (CAA.) NO. 74 OF 2020

AND

CP (CAA) No. 74 of 2020

IN

CA (CAA.) NO. 49 OF 2020

(A Company petitioner under section 230-232 of the Companies Act,
2013 for the scheme of Transferor)

In the matter of;

M/s Lincoln Parenteral Limited

(CIN: U24231GJ1991PLC015674)

A Company incorporated under the
Companies Act, 1956

Having its registered office at;

Lincoln House, Behind Satyam
Complex, Scince City Road, Sola,

Ahmedabad-380060

Petitioner Transferor Company

**M/s Lincoln Pharmaceuticals
Limited**

(CIN: L24230GJ1995PLC02488)

A Company incorporated under the
Companies Act, 2013,

Having its registered office at

Lincoln House, Behind Satyam
Complex, Scince City Road, Sola,

Ahmedabad-380060

Petitioner Transferee Company

Reserved on 06.09.20221

Order delivered on 14.09.2021

**Coram: Madan Bhalchandra Gosavi (Member Judicial)
Virendra Kumar Gupta (Member Technical)**

Appearance:

Sr. Advocate Mr. Saurav Soparkar along with Mr. Amar Bhat, Mr. Kunal Vaishnav and CA Mr. Divyang Majmudar, Advocates for the Petitioner Companies

Learned Counsel Mr. Arjun Sheht appeared for the objector.

[PER BENCH]
COMMON ORDER

IA 20 OF 2021

1. This IA, i.e. IA 20 of 2021, has been filed by the Applicant Companies for Condonation of Delay in filing Chairman's Report in the exact form of CAA-4 and to take such report filed in Annexure-A, Annexure-B and Annexure-C on record.
2. The Ld. Sr. Counsel appearing on behalf of the Applicant Companies submitted that it was not the case that Chairman's Report had not been at all or filed belatedly originally. However, to avoid any technical objections and to meet the requirements of Rules, only revised report was filed wherein the conclusions have remained same.

3. The objector, who has filed Caveat in Amalgamation and Merger Application filed by the Applicant Transferor and Applicant Transferee Companies, is objecting this application. It has been contended that since there was non-compliance in filing of Chairman's Report the applications filed for approval of the proposed Scheme under Section 230-232 of the Companies Act, 2013 be dismissed. Other reasons which are taken is that the independence of the chairman is under cloud and such report is vague and inadequate.
4. On due consideration of the facts and circumstances of the case before us, we are of the view that this application deserves to be allowed.
5. Meetings have been convened as directed by this Tribunal. The report in original has been filed in time. We have also perused the revised reports. We find only some technical gaps have been filled in. Hence, delay in filing the report in exact format appears to be unintentional. Accordingly, the delay is condoned and the revised Chairman's Reports are taken on record.
6. This application is allowed and disposed of accordingly.
7. Now, we shall take up the main applications which have been filed for approval of the proposed Scheme under Section 230-232 of the Companies Act, 2013.

8. The Ld. Sr. Counsel for the Applicant Companies appeared and narrated the basic features of the proposed Scheme. Ld. Sr. Counsel submitted that it was a case of Merger of a Subsidiary Company with its Holding Company wherein Holding Company was holding 97% of shares. The Ld. Sr. Counsel further apprised that the Scheme had been approved by 98% of the shareholders as compared to minimum requirement of 75%. Ld. Sr. Counsel further contended that in this case the Transferee Company is listed in Stock Exchanges and all approvals from Stock Exchanges and SEBI had been obtained. It was further submitted that Valuation was done in accordance with accepted valuation methods as prescribed under law and a fairness report had also been obtained from Merchant Banker. In this background, the Ld. Sr. Counsel submitted that application deserves to be allowed.
9. Ld. Counsel for the Caveator / applicants, who is objecting to the approval of the Scheme, initiated his argument by stating that the purpose of the Scheme was to reduce the shareholding of the applicants in a significant manner and, therefore, the manafides of the applicant companies need to be taken into consideration. In this regard, he firstly pointed out that profits of Transferor Subsidiary Company were suppressed and in support of this

claim, the Ld. Counsel referred to the profit i.e. gross profit as well as net profit earned by the subsidiary company on the products which were supplied to the holding company and profit earned by the holding company. It was contended that there was a significant variation in profit rates of both the companies, hence, a clear case of suppression.

10. Second objection was that the objectors were not shown in the promoters category and, therefore, their rights under various provisions of Companies Act, 2013 were affected adversely. In this regard, the Ld. Counsel drew our attention on various Sections of the Companies Act, 2013.
11. Third objection was taken that with regard to reduction in their shareholding in the company so that the Scheme could be approved in spite of their objections.
12. Fourth objection was taken that there was an under valuation of the shares of the Subsidiary Company and no details as regard to valuation methodologies adopted by the valuers were provided to them. He also referred to the relevant pages of the valuation reports to make his claims.
13. Ld. Counsel, accordingly concluded his arguments by stating that the scheme need not be approved and the fact that the application under Section 241-242 had been of the Companies

Act had also been filed wherein one of the grounds which had been taken was related to act of the Oppression and Mismanagement on account of implementation of the Scheme.

14. The Ld. Sr. Counsel for the applicant companies gave a pointed reply to each of the contentions raised by the objector. Ld. Sr. Counsel firstly submitted that the valuation was done as per accepted norms and all the details were there in the valuation report itself. As regard to contentions that the objectors were not shown as promoters, it was submitted that sections referred to on behalf of the objectors were in fact regarding obligations of the promoters not their rights. It was also contended that if this plea was accepted then no amalgamation proposal can ever be approved as the promoters of the transferor company may or may not remain promoters of the Transferee Company. As regard to suppression of profit, it was contended that the products profile of the both the companies were different, hence, the same cannot be compared.

15. We have considered the submissions made by both sides and material on record. It is noted that the Scheme of Merger / Amalgamation has been approved by more than 90% of the Shareholders as against the requirement of 75%. The objectors, at the relevant time, hold one and half percent of the

shareholding of the transferor company. As per Section 230(4), the minimum requirement is 10% to object to a Scheme. Thus, on this basis alone objections need not be taken into consideration as the objectors do not meet minimum norm of shareholding to raise such objections.

16. Having stated so, even assuming for a moment that their shareholding could be 15% as claimed by them in application filed under Section 241-242 of the Companies Act, 2013, the Scheme would still get approved because even that situation the minimum requirement of 75% would stand satisfied, hence, their action appears to be a motivated one just to delay the process. We, however, make it explicitly clear that our this observation should not be considered as an expression of our view on the merits of the claims made by the objectors in their separate application filed under Section 241-242 which is being strongly opposed by the other side on the ground of limitation and on other merits also.

17. As far as valuation of shares is concerned, we have gone through the valuation report and find that such valuation is reasonable and there is no instance of undervaluation or overvaluation. It is also noted that such valuation is applicable to all the shareholders. Further, objectors would get shares of a listed

company and would have benefit of growth and better market price and easy exit opportunity. Hence, no prejudice can be said to have occurred to the objectors. As regard to suppression of profits, the Bench during the course of hearing itself confronted the issue of non-comparability of the figures relied on by the Ld.Counsel for the objectors to which Ld. Counsel was not able to give any satisfactory reply. Further, as pointed out by the Ld. Sr. Counsel for the applicants, the product profiles of both the companies are different and Transferor Company is basically carrying out manufacturing activities on behalf of the Transferee Company and Transferee Company is making finished products . Hence, in our view, this plea of the objector does not have any force. In this regard, we also hold that apples can be compared with apples only and not with oranges which is being done by the objector. As regard to the issue of non-classification of the objectors as promoters, we do not find any substance in this plea as it does not affect their any rights of whatsoever nature as being referred to their behalf. We are further of the view that such objection does not affect their rights as shareholders of the Transferor Company rather such classification makes them free from the obligations of the promoters as contained in the sections of the Companies Act, 2013 referred by the objectors. In

any case, this objection is not having any co-relation with the Scheme.

18. Thus, considering the fact of the futility of this application on the ground of lack of sufficient voting power and also having no merits in any of their pleas, we reject all the claims made by the objectors.
19. Now, we shall proceed with the examination of the Scheme and approval thereof.

CP (CAA) No. 74 of 2020 In CA (CAA) No. 49 of 2020

20. This joint petition has been filed under Sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as "**the Act**") by M/s Lincoln Parenteral Ltd. and M/s Lincoln Pharmaceuticlas @ral Ltd. with M/s Lincolon Pharmaceuticals Limited and their respective Shareholders and Creditors (hereinafter referred to as "**Scheme**"). The said scheme shall be effective from the date of appointment as set out in the scheme.
21. It is submitted by the petitioner companies that both the companies are situated in the State of Gujarat hence, this Tribunal having Jurisdiction to Adjudicate this petition.
22. The petitioner companies submitted that by the proposed Scheme, the entire business of the Transferor Company together with all its rights and obligations as per the Scheme shall

without any further act or deed be transferred to and vested in the Transferee Company by orders to be made by this Tribunal under Sections 230-232 of the Companies Act, 2013 and the rules made thereunder.

23. The Petitioner Companies submitted that the accounting treatment specified in the Scheme conforms with the accounting standards prescribed under Section 133 of the Companies Act, 2013.
24. The petitioner companies further submitted that no investigation has been instituted or is pending concerning the Petitioner Companies under Chapter XIV of the Act or under the corresponding provisions under Section 210 to 226 Companies Act, 2013 as well as Section 235 to 251 of the Companies Act, 1956. Further, no proceedings are pending under the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956 against the Petitioner Companies.
25. It is also submitted that as to the knowledge of the Petitioner Companies no winding-up proceedings have been filed or are pending against the Petitioner Companies under the Companies Act, 2013 or the corresponding provisions of the Companies Act, 1956.

26. The Petitioner Companies had filed a joint Company Application being Company Application (CAA) No. 49 of 2020 before this Tribunal, sought directions for holding and conducting the meetings of the shareholders of both the applicant companies and also sought the directions for holding and convening the meetings of the secured and unsecured creditors of the secured and unsecured creditors of the petitioner Transferor Company. The petitioner company further prayed for the dispensation of meetings of the secured and unsecured creditors of the Transferee applicant company.
27. This Tribunal allowed the Company Application vide orders dated 17.09.2020, *inter alia*, directed to hold and convening the meetings of the shareholder of both the applicant companies and also directed for holding and conducting the meetings of the secured and unsecured creditors of the applicant transferor company. The meetings of secured and unsecured creditors of the Petitioner Transferee Companies is not required as there are no secured and unsecured creditors in the applicant transferee Company . This Tribunal has further directed to the petitioner companies to serve the notice to the statutory Authorities Viz. (i) Regional Director (ii) Registrar of the Companies (iii) Income Tax Department (iv) Official Liquidator (v) NSE Limited (vi) BSE

Limited and (vii) Reserve Bank of India. It is also directed by this Tribunal to publish the notice of meeting in two newspapers "**Indian Express**" English and "**Sandesh**" Gujarati. The petitioner companies served the notice to the aforesaid statutory Authorities on 23.02.2021 and also publish the notice of meetings in two newspapers as directed by this Tribunal on 23.02.2021, the affidavit of the service as well as the publication of hearing has also been filed by the petitioner companies

28. In compliance with the order passed by this Tribunal dated 17.09.2020, a copy of the notice together with the copy of scheme and copy of the information required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 and Rule 6 of the Companies (CAA) Rules, 2016 was sent to shareholders of both the applicant companies and secured and unsecured creditors of the petitioner Transferor Company. This direction of this Tribunal has also been complied by the petitioner companies.

29. The Chairman appointed by the Tribunal has filed an Affidavit dated **11.11.2020** wherein the Chairman also submitted its report for the said meetings. On perusal of the same, the Scheme has been approved by the shareholders of both the applicant

companies and secured and unsecured creditors of the petitioner
Transferor Company present and voting at the meeting.

30. The Petitioner Companies thereafter filed the joint petition being
Company Petition (CAA.) No. 74 of 2021 before this Tribunal
seeking sanction of the Scheme. This Tribunal has admitted this
petitioner on 09.02.2021 the petition and directed to the
petitioner companies to publish the notice of hearing in English
daily "**Indian Express**", and Gujarati translation thereof in
"**Sandesh**", not less than 10 days before the date fixed for
hearing, calling for objections, if any, on or before the date of
hearing. This Tribunal also directed for issuance of notice of
hearing to (1) Regional Director, Northern Western Region, (ii)
Registrar of Companies, (iii) Official Liquidator, and the (iv)
Income Tax Department informing (v) NSE Limited (vi) BSE
Limited and (vii) Reserve Bank of India them about the date of
hearing. In compliance of the order dated 09.02.2021 passed by
this Tribunal, petitioner companies has send the notice of
hearing to the said statutory Authorities and also Publish the
notice of hearing in two newspaper as directed by this Tribunal
vide order dated 09.02.2021.

31. The regional director filed its report on 11.11.2020 for the proposed scheme wherein the RD made the following observation;

- I. As per para 2 (c) of RD report, it is observed by the RD that as per clause 10.7 of the Scheme Authorized Share Capital of the Petitioner Transferor Company aggregate amount of Rs. 12,00,00,000/- will be added in authorized share capital of the petitioner company and the consolidated authorized share capital of the petitioner Transferee Company shall be arrived to Rs. 32,00,00,000/- Hence, the RD prayed from this Tribunal to direct the petitioner Transferee Company to pay the difference of amount if any arise after additional of the sharecapital of the Transferor Company into Transferee Company.
- II. As per para 2 (g) of RD, it is observed by the RD that the date of filing is more than one year from the date of appointed. Hence, the RD prayed from this Tribunal to direct the petitioner companies to provide the proper reason for delay filing before the tribunal.
- III. As per para 2 (f) of the RD report, It is observed by the RD that there are foreign shareholders in the petitioner transferee company. The RD is not aware that whether the

provisions of FEMA and RBI guidelines has been complied or not? Hence the RD prayed from this Tribunal to direct the petitioner companies for placing the proper fact before this Tribunal on this aspect.

- IV. As per para 2 (h) of the RD report, It is observed by the RD that there is a provision that the permanent employee of the Transferor Company shall become the employee of the Transferee Company w.e.f from the appointment date. The petitioner companies have proposed to absorb all the permanent employees of the Transferor Companies. However, the scheme is silent about the employee other than the permanent employee.
32. The official Liquidator has filed its report in respect to the proposed scheme on 16.12.2020 wherein no adverse observation has been made by the OL. However, the OL prayed from this Tribunal to direct the petitioner companies to comply the applicable provisions of the Act.
33. The petitioner company filed the common affidavit in response to the observation of RD and OL and dealt the observation made by the said both the Authorities as Under;

- I. The petitioner company submitted in response to the observation of RD in respect to paragraph 2 (c), 2 (e)

2 (f) and 2 (h) that the the direction of this Tribunal shall be abide by the petitioner company.

II. In response to the observation of RD in respect to para 2 (g), the petitioner company submitted that application made to SEBi and Stock exchange and in principle approval thereof at their end have taken time from December 2019 to July 2020, during which the pendamic conditions also gripped the country. Howver, there is no question of strickly applying the circular relied upon by the Authority particularly when under there conditions the gap between the oppointment and and submission of the application was beyond the control of the petitioner companies.

34. No representation has been received from the Income Tax Department and other Authorities.

35. In light of the above, this Tribunal is of the view that the observations made by the Regional Director and Official Liquidator stand satisfied.

36. In compliance with the proviso to Clause (e) of sub-section (7) of section 230 of the Companies Act, 2013, a certificate from the Statutory Auditors of the Petitioner Companies dated 07.12.2019 confirm that the accounting treatment as proposed under the

Scheme is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013.

37. Considering the entire facts and circumstances of the case and on perusal of the Scheme and the documents produced on record, it appears that the requirements of the provisions of Sections 230 to 232 of the Companies Act, 2013 have complied. The Scheme appears to be genuine and bona fide and in the interest of the shareholders and creditors. In view of the above observations, the present application is hereby allowed with the following directions;

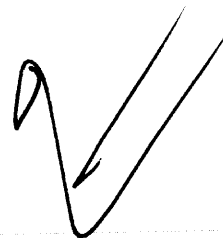
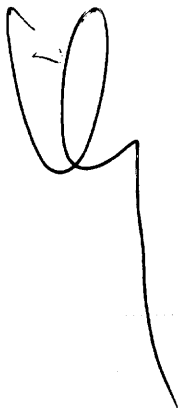
ORDER

- I. The Scheme of amalgamation, which is annexed herewith as **ANNEXURE - A**, is hereby sanctioned and it is declared that the same shall be binding on the Petitioner Companies i.e., M/s Lincoln Parenteral Ltd. and M/s Lincoln Pharmaceuticas Limited, their Equity Shareholders, Preference Shareholders, Secured Creditors and Unsecured Creditors and all concerned under the Scheme.
- II. It is declared that the Petitioner Transferor Company M/s Lincoln Parenteral Ltd. shall be dissolved without winding up.

- III.** It is directed to the petitioner Transferee Company to comply the relevant provisions of FEMA and RBI guidelines.
- IV.** It is also directed that the terms mentioned at para 8.1 of the Scheme i.e. Permanent Employee of the Transferor Company shall be read as all the Employee of the Transferor Company.
- V.** All the property annexed herewith as **Annexure-B**, rights, and powers of the Transferor Company specified in the schedule hereto and all the other property, rights, and powers of the Transferor company be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and vested in the Transferee company for all the estate and interest of the Transferor company therein but subject nevertheless to all charges now affecting the same [other than (here set out any charges which by virtue of the compromise or arrangement are to cease to have an effect)].
- VI.** All the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, and become the liabilities and duties of the Transferee Company.

- VII. All proceedings now pending by or against the Transferee Company be continued by or against the Transferee Company.
- VIII. The Transferor Company shall within thirty days of the date of the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered the Transferor Company shall be dissolved and the Registrar of Companies shall place all documents relating to the transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said all companies shall be consolidated accordingly.
- IX. It is further directed that the Petitioner Companies shall comply with Rule 17(2) of Companies (Compromise, Arrangements, and Transfers) Rules, 2016 with respect to the filing of the order, for confirmation of the Scheme in Form INC-28 with the Registrar of Companies.
- X. The legal and expenditure for the office of Regional Director is quantified to Rs. 10,000/- and for the office of Official Liquidator to Rs. 10,000/-

- XI. The aforementioned legal fees and expenses to the Regional Director and Official Liquidator shall be paid by the petitioner Transferee Company.
- XII. All concerned authorities to act on a copy of this order along with the Composite Scheme of amalgamation. The Registrar of this Tribunal shall issue an authenticated copy of this Order along with Composite Scheme of Merger and Transferor immediately.
- XIII. The Transferor Company is directed to lodge a copy of this Order and the approved Scheme attached herewith as Annexure "A," duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for adjudication of stamp duty, if any, within 60 days from the date of the Order.
- XIV. The Transferor Company is directed to file a copy of this Order along with a copy of the Scheme of Transferor duly authenticated by the Registrar of this Tribunal, with the Registrar of Companies, Ahmedabad electronically, along with Form INC-28 in addition to physical copy as per relevant provisions of the Act.





IA 20 of 2021 IN CP (CAA.) NO. 74 OF 2020 AND CP (CAA) No. 74 of
2020 IN CA (CAA.) NO. 49 OF 2020

XV. That any person interested shall be at liberty to apply to the
Tribunal in the above matter for any direction that may be
necessary.

XVI. Hence, the Company Petition is disposed of.

No order as to costs.


(Virendra Kumar Gupta)
Member (Technical)


(Madan B. Gosavi)
Member (Judicial)

RB