

**BEFORE THE ADJUDICATING AUTHORITY
IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD
COURT-1**

C.A.(CAA)/79(AHM)2021

[A Company Application filed under Section 230-232 of the
Companies Act, 2013]

In the matter of:

Sava Medica Limited

Office at:
Shed No.508, GIDC 2
Wadhwan City, Surendranagar
Gujarat 363035

**Applicant Transferor
Company**

Sava Healthcare Limited

Office at:
Shed No.508, GIDC 2
Wadhwan City, Gujarat 363035

**Applicant Transferee
Company**

**Order reserved on 03.01.2022
Order pronounced on 11.01.2022**

**Coram: M.B. Gosavi, Member (J)
Ajai Das Mehrotra, Member (T)**

Appearance:

Ld. PCS Mr.Hitesh Buch appeared for the Applicant.

ORDER

[Per: Bench]

1. The instant application is filed jointly by two Applicant Companies, namely Sava Medica Limited (Applicant-Transferor Company) and Sava Healthcare Limited



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(Applicant-Transferee Company) under Sections 230-232 and other relevant provisions of the Companies Act, 2013 (hereinafter referred to as '**the Act**') read with Rule 3 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016 (hereinafter referred to as '**the Rules**'), seeking directions to convene, hold and conduct separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors, in respect of Scheme of arrangement in the nature of Merger of the applicant companies, on the agreed terms and conditions as set-out in the Scheme, in accordance with Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act as well as Rules made thereunder.

2. The applicant transferor company (CIN:U74999GJ2010PLC118600) was incorporated on 10.02.2010 under the relevant provisions of the Companies Act, 1956. The authorized share capital of the applicant transferor company as on 31st March, 2020, was Rs.10,00,00,000/- divided into 10,00,000 equity shares of Rs.100/- each and issued, subscribed and paid-up share



capital was Rs.9,91,00,000/- divided into 9,91,000 equity shares of Rs. 100/- each fully paid up.

3. The applicant transferor company is engaged in manufacturing, buying, selling, importing, exporting, processing, packaging, re-packaging, labelling and trading in allopathic, ayurvedic and homeopathic medicines, medical and pharmaceutical products. The transferor company has annexed Memorandum and Articles of Association inter alia delineating their object clauses, along with the audited financial statements for the year ended 31.03.2020 and 31.03.2021.

4. The applicant transferee company (CIN:U51397GJ2004PLC074963) was incorporated on 25.10.2004 under the relevant provisions of the Companies Act, 2013. The authorized share capital of the applicant transferee company as on 31st March, 2020, was Rs.16,40,00,000/- divided into 11,40,000 equity shares of Rs. 100/- each and 50,00,000 preference shares of Rs.10/- each. The issued, subscribed and paid-up share capital was Rs.39,14,100/- divided into 39,141 equity shares of Rs. 100/- each fully paid up.



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5. The transferee company is engaged in the business activities of buying, selling, importing, exporting, research & development, manufacturing of pharmaceutical products. It is having international presence through a well-established infrastructure, manufacturing unit, sufficient working capital and resources covering the entire value-chain in pharmaceuticals. The transferee company has annexed Memorandum and Articles of Association inter alia delineating their object clauses, along with the audited financial statements for the year ended 31.03.2020 and 31.03.2021.

6. It is stated that both the Applicant Companies are empowered by their respective Memorandum of Association to enter into Scheme of Arrangement. The registered offices of both the applicant companies are situated in the State of Gujarat. Hence this bench has jurisdiction to entertain the instant application.

7. It is stated that the proposed merger will provide greater financial strength to the businesses of the amalgamated company, standardization and simplification of business processes, elimination of duplication and rationalization of



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administrative expenses of the amalgamated company. It is further stated that the amalgamated company will have the benefit of the combined resources of the applicant companies and would also gain the commercial rights in the nature of right to use the brand and reputation, right to use its experience and understanding of the business and a right to use the assets including intangible asset of the applicant transferor company for the purpose of its business.

~~8. It is further submitted by the applicants that the applicant~~
transferor company has certain products registered in various countries having worth Rs.19.31/- crores based on 'Relief from Royalty Method' and that upon the proposed merger coming into effect, the amalgamated company will be able to increase its growth in export market and establish its presence in the domestic market and make appropriate use of licenses, approvals etc of the applicant transferor company.

9. It is further submitted that the Valuation Report of the applicant companies obtained from IBBI Registered Valuer Mr.Amod Vaze is annexed with the application. The



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Applicant Companies have also annexed certificate issued by the statutory auditor certifying compliance of Section 133 of the Companies Act, 2013.

10. It is submitted that the proposed Scheme of Arrangement and Amalgamation was approved by the Board of Directors of both the Applicant Companies by separate Board Resolutions dated 5th August, 2021. Copies of the Board Resolutions of both the Applicant Companies are annexed with the application.

11. Learned Counsel for the Applicant Companies appeared and submitted that following are the details of the shareholders and creditors of the Applicant Companies on the basis of the certificate issued by the Chartered Accountant(s) of the respective companies:

i. With respect to the applicant transferor company:

a. It is stated that there are 36 (thirty-six) Equity Shareholders in the company and the list of shareholders as certified by the Chartered Accountant is produced with the application.

b. It is further stated that there are 4 (four) Unsecured Creditors in the Company having value of Rs.



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31,06,93,931/-. A certificate of Chartered Accountant to that effect is annexed along with the application. It is further stated that there are no Secured Creditors in the Applicant Transferor Company.

ii. With respect to the applicant transferee company:

a. It is stated by the applicant that there are 9 (nine) Equity Shareholders in the company and the list of shareholders as certified by the Chartered Accountant is annexed with the application.

b. It is further stated that there are 4 (four) Secured Creditors and 109 (one hundred and nine) Unsecured Creditors in the Company having value of Rs.23,25,26,283/- and Rs. 22,94,47,776/- respectively. A certificate of Chartered Accountant to that effect is annexed along with the application.

12. It is submitted that none of the Applicant Companies are listed companies. Therefore, no notice is required to be issued to any Stock Exchange or Securities and Exchange Board of India. It is further submitted that none of the companies involved in the scheme of arrangement in the nature of amalgamation are NBFC or Banking Company.



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Therefore, no notice is required to be issued to Reserve Bank of India. It is further submitted that there will be no implications adversely affecting the Competition in the industry as the same is falling within the stipulated exemptions notified by the Competition Commission of India and hence the Company need not comply with any of the provisions of the Competition Act, 2002.

13. It is stated in the application that there are no proceedings/investigation pending against the Applicant Companies under the Companies Act, 2013 and other relevant provisions of the Companies Act, 1956. It is also stated in the application that there is no winding up petition pending against the Applicant Companies in any Court or Tribunal in India.

14. Having considered the submissions made by the Learned Counsel for the Applicant Companies and material on record, we pass the following order:

- I.** To convene, hold and conduct the meetings of the shareholders, secured creditors and unsecured creditors of the applicant companies in the following manner:



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- a. The meeting of the shareholders of applicant transferor company shall be convened on 15.02.2022 at 11:00 am. Quorum of the meeting shall be 5 for the applicant company.
- b. The meeting of unsecured creditors of the applicant transferor company shall be convened on 15.02.2022 at 11:30 am. Quorum of the meeting shall be 2 for applicant transferor company.
- c. The meeting of the shareholders of applicant transferee company shall be convened on 15.02.2022 at 12:00 pm. Quorum of the meeting shall be 5 for the applicant company.
- d. The meeting of the secured creditors of the applicant transferee company shall be convened on 15.02.2022 at 12:30 pm. Quorum of the meeting shall be 2 for applicant transferee company.
- e. The meeting of unsecured creditors of the applicant transferee company shall be convened on 15.02.2022 at 01:00 pm. Quorum of the meeting shall be 5 for applicant transferee company.



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II. All the meetings shall be held at Sava House, Off New Airport Road, Viman Nagar, Pune-411014 or through video conferencing for the purpose of considering and if thought fit, approving with or without modifications the proposed Scheme, by physical or virtual mode.

III. Notice to convene the said meetings, indicating the day, date, place and time, as aforesaid, shall be published in English daily, "**Business Standard**", Ahmedabad Edition and Gujarati daily, "**Sandesh**", local Edition, 30 days prior to the date of meetings. The publication shall indicate the time within which copies of the scheme shall be made available to the concerned persons free of charge from the respective registered office of the applicant companies. The publication shall also indicate that the statement required to be furnished according to the section 102 of the Act read with Section 230 to 232 of the Act and the prescribed form of proxy can be obtained free of charge at the respective registered office of the applicant companies in accordance with the second proviso to sub-section 3 of Section 230 and rule 7 of the Companies (CAA) Rules, 2016.



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- IV.** In addition, at least one month before the date of the meetings to be held as aforesaid, a notice convening the said meetings, indicating the day, date, place and time, as aforesaid, together with a copy of the scheme, a copy of the statement 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, shall be sent to all of the shareholders, secured and unsecured creditors of the applicant companies at their respective registered or last known addresses either by registered post or speed post, e-mail by courier or by hand delivery.
- V.** Mr. Vishal R Jadhav, director of the applicant companies, is appointed as the chairperson of the meetings, failing which Mrs. Renu Prashant Anjanikar, director of the company, shall act as the Chairperson of the above meetings. Further, Ms. Rucha Kale Practicing Company Secretary is appointed as scrutinizer for the meetings.
- VI.** The Chairperson to file an affidavit in not less than 7 (seven) days before the date fixed for the holding of the meetings with respect of compliances to be made as required under law.



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VII. The chairperson shall also file report of the meeting in Form No. CAA.4, verified by his affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 in Form No. CAA.4 within seven days from the date of the meeting.

VIII. In compliance with Section 230(5) of the Act and Rule 8 of the CAA Rules, each of the Applicant(s) shall serve the notice of the joint application on the following Authorities namely, (i) to the Central Government through the Regional Director, North Western Region; (ii) to the Registrar of Companies, Gujarat, (iii) to the Income Tax Department along with full details of assessing officer and PAN numbers of all the applicant companies with the copy also to the Chief Commissioner of Income Tax Office, (iv) to the Official Liquidator attached to High Court, Gujarat, to such other Sectoral Regulatory Authorities who may govern the working of the respective companies involved in the Scheme, so that reply may be filed timely.



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15. The Application C.A.(CAA)/79(AHM)2021 is allowed and disposed of in terms of the above directions.



AJAI DAS MEHROTRA
MEMBER (TECHNICAL)



MADAN B. GOSAVI
MEMBER (JUDICIAL)

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Prepared by VIMSL
Signature [Signature]
Date 18-1-22

Certified to be True Copy of the Original
[Signature] 18-1-22
Deputy Registrar
NCLT, Ahmedabad Bench
Ahmedabad