

MEGHMANI ORGANICS LIMITED



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605 E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



27/02/2019

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) <u>Mumbai 400 051</u>	BSE Limited Floor- 25, P J Tower, Dalal Street, <u>Mumbai 400 001</u>
SYMBOL:- MEGH	Scrip Code 532865

Dear Sir

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 in connection with Scheme of Amalgamation amongst Subsidiaries of Meghmani Organics Limited

This is to inform that National Company Law Tribunal ('NCLT'), Ahmedabad Bench has approved the Scheme of Arrangement between Meghmani Agrochemicals Private Limited ('Transferor Company'), Wholly Owned Subsidiary of Meghmani Organics Limited ('MOL') with Meghmani Finechem Limited ('Transferee Company'), subsidiary of MOL. The Certified copy of NCLT Order is enclosed for information.

The Transferor Company and Transferee Company have filed Form INC 28 with the Registrar of Companies on **27th February 2019.**

Kindly take the same on record.

Thanking you,

Yours faithfully.

For **Meghmani Organics Limited**


Kamlesh Mehta
(Company Secretary)



Encl:- Certified copy of NCLT Order

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**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

**CP(CAA) 2/2019 in
CA(CAA) No. 99/NCLT/AHM/2018**

**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 11.02.2019**

Name of the Company: Meghmani Agrochemicals Pvt. Ltd.
Meghmani Finechem Ltd.

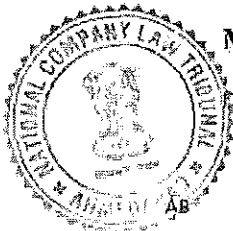
Section of the Companies Act: Section 230-232 of the Companies Act, 2013

<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	MONAAL J. DAVAWALA for SWATI SOPARKAR	Adv.	Petitioner	<u>Monaal</u>
2.				

ORDER

The petitioner is represented through their respective learned counsel.

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



Manorama Kumari
**MANORAMA KUMARI
MEMBER JUDICIAL**

Dated this the 11th day of February, 2019.

Harihar Prakash Chaturvedi
**HARIHAR PRAKASH CHATURVEDI
MEMBER JUDICIAL**

Certified to be True Copy of the Original

[Signature]
**Deputy Registrar
NCLT, Ahmedabad Bench
Ahmedabad**



**BEFORE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

CP(CAA) No.2/230-232/NCLT/AHM/2019 in
CA(CAA) No.99/230-232/NCLT/AHM/2018

In the matter of:

**Meghmani Agrochemicals Private
Limited**

(CIN: U24299GJ2017PTC098804)

A company incorporated under the
Companies Act, 2013 and having its
registered office at Meghmani House,
B/h. Safal Profitaire, Corporate Road,
Prahlad Nagar, Ahmedabad-380 015,
in the State of Gujarat.

.... Petitioner
Transferor Company

And

Meghmani Finechem Limited

(CIN: U24100GJ2007PLC051717)

A company incorporated under the
Companies Act, 1956 and having its
registered office at CH-1, CH-2, GIDC
Industrial Estate, Dahej, Tal:
Bharuch, Gujarat-392 130, in the
State of Gujarat.

..... Petitioner Transferee
Company

Order delivered on 11th February, 2019.

Coram: Hon'ble Mr. Harihar Prakash Chaturvedi, Member (J)

And

Hon'ble Ms. Manorama Kumari, Member (J)

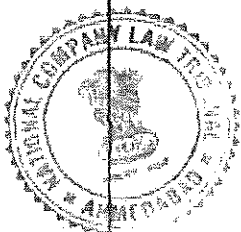
Appearance:

Ms. Swati Soparkar, Ld. Advocate for the Applicant Companies

ORDER

[Per: Hon'ble Mr. Harihar Prakash Chaturvedi, Member (J)]

1. This is an order for the joint petition filed by two companies
under Sections 230 and 232 read with Section 66 of the



Attorney

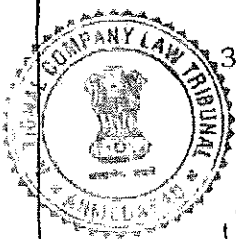


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Companies Act, 2013 seeking sanction of this Tribunal to a Scheme of Arrangement in the nature of amalgamation of Meghmani Agrochemicals Private Limited with Meghmani Finechem Limited and Restructure of share capital of Meghmani Finechem Limited.

2. The present joint petition gives details of the commercial activities of both the companies as well as the rationale for the proposed Scheme of Arrangement. It is submitted that both companies belong to the same group of management and the petitioner Transferor Company, viz., **Meghmani Agrochemicals Private Limited** holds nearly **45.63%** of the equity share capital of the petitioner Transferee Company viz. **Meghmani Finechem Limited**. Both companies are engaged in the manufacturing and marketing of chemical products. It is further submitted that the present scheme of amalgamation is proposed in order to consolidate the business activities and achieve the benefits like- Optimum utilisation of various resources; Strengthening of financial position with wider capital base of the merged entity; Achieve administrative and operational convenience; Concentrated management focus; and Reduction in multiplicity of legal and regulatory compliances.



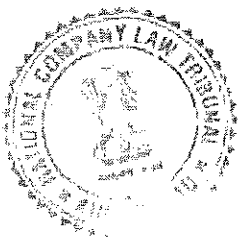
3. It is submitted that the above stated petitioner companies *earlier* had filed the proceedings before this Tribunal in form of joint

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application being CA (CAA) No. 99 of 2018, whereby an order dated 24th October 2018, passed by this Tribunal, meetings of the Equity Shareholders of both the companies, sole Unsecured Creditor of the Petitioner Transferor Company and sole Secured Creditor of the Petitioner Transferee Company were dispensed with. There being no Secured Creditor of the petitioner Transferor Company, no meeting was necessary. A meeting of Unsecured Creditors of MFL, the Petitioner Transferee Company was directed to be convened for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement. Directions were issued for the service of notice as well as publication of the notice in the newspapers. The Petitioner Transferee Company complied with the said directions.

4. Pursuant to the directions of the Hon'ble Tribunal, notices of the meeting were sent individually to the concerned Unsecured Creditors of the Transferee Company on or before 3rd November 2018; together with a copy of the Scheme of Arrangement and the Explanatory Statement as well as all other required disclosures. The notice convening the meeting were also advertised in Ahmedabad edition of English daily 'Indian Express' and Vadodara edition of Gujarati daily 'Sandesh' on 6th November 2018. The affidavit dated 14th November 2018 was filed by the Chairman of the said

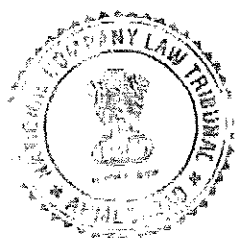


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meeting confirming the compliance of the directions. The aforesaid meeting was duly convened and held on 11th December 2018 and the Chairman appointed for the said meeting reported the result of the said meeting to this Tribunal vide affidavit dated 13th December 2018. Perusal of the same confirms the unanimous approval of the proposed Scheme by all the concerned unsecured creditors of the Petitioner Transferee Company.

5. Vide the aforesaid order dated 24th October 2018, the petitioner companies were also directed to serve Notice of the Scheme to the Regulatory Authorities-viz. (i) the Central Government through the Regional Director, North Western Region, (ii) the Registrar of Companies, Gujarat (iii) the Income Tax Authorities for both the companies and (iv) the Office of the Official Liquidator in case of Petitioner Transferor Company. The notices were duly served on all the authorities alongwith Notice, Explanatory Statement and other requisite documents and disclosures by 6th November 2018. The affidavit dated 19th November 2018 confirming the compliance of the said directions for service of Notice on all the above Regulatory Authorities alongwith the acknowledgments for the same was filed with this Tribunal. In response to the said notice, the representation dated 6th December 2018 from the Regional Director, Western Region and dated 14th December 2018 from the Official Liquidator



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for the Transferor Company were received. No other representation was received from any other regulatory authority. Additional affidavit dated 22nd January 2019 has been filed by the petitioners in response to the said representations.

6. The present petition was filed on 20th December 2018 and the same was admitted on 8th January 2019. The date of hearing was fixed as 4th February 2019. Directions were issued to publish Notice of Hearing of Petition in the newspapers viz. English daily, Indian Express and Gujarati daily, Sandesh at least before 10 days of the date of hearing of the petition. Further directions were also issued to serve notice of hearing of the petition to the statutory authorities viz. (i) Central Govt. through Regional Director- North Western Region, (ii) Registrar of Companies, (iii) respective Income Tax Authorities and (iv) Official Liquidator for the Transferor Company, at least before 10 days of the date of hearing of the petition.

7. Pursuant to the said directions, notices were duly served by the petitioner companies on the statutory authorities on 16th January 2019 and publications were duly made in the newspapers on 17th January 2019. An affidavit of service and publication dated 22nd January 2019 confirming the same has been placed on record.

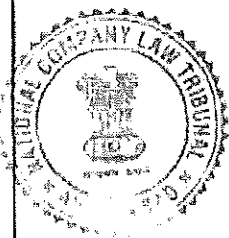


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8. We have heard Mrs. Swati Soparkar, learned advocate appearing for the petitioner companies. The submissions vide the Additional Affidavit dated 22nd January 2019 in response to the representations of regulatory authorities are as follows:

- (i) It has been submitted on behalf of the petitioner companies that Para 2 (a), (b) and (c) of the representation of the Regional Director deals with the factual aspects viz. Service of Notice for the proposed Scheme, nature of the proposed Scheme, the proposed Exchange Ratio as recommended by independent Chartered Accountants and Rationale for the Scheme and no response is necessary to these aspects.
- (ii) Para 2(d) of representation refers to the proposed amendments in the Memorandum of Association of the Petitioner Transferee Company for Capital Clause and Objects Clause including proposed consolidation of the Authorised Share Capital of the Transferor Company with that of the Transferee Company as envisaged under clause 17 of the Scheme. It is observed by the Regional Director that under Section 232 (3) (i) of the Companies Act, 2013, the Transferee Company shall get the set off only for the amount of fees paid by the Transferor Company. In view of the same, the



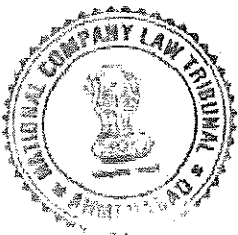
Attn: Mr. Swati Soparkar



Transferee Company will be required to pay the difference of amount of fees payable on the enhanced Authorised Capital as on date and the actual amount of fees paid by the Transferor Company at the relevant point of time. In this regard, it has been submitted that the Transferee Company hereby undertakes to pay such difference, if any applicable, for the amount of fees payable as on date on the proposed enhancement of Authorised Capital of Rs.45,00,00,000/-.

- (iii) Para 2 (e) of the representation refers to clause 12 of the Scheme which deals with the issue of new shares to be issued by the Transferee Company to the shareholders of the Transferor Company as the consideration for the proposed amalgamation and absence of provision for the fractional entitlements. It has been pointed out by the petitioners that the Petitioner Transferor Company viz. Meghmani Agrochemicals Private Limited is wholly owned subsidiary of Meghmani Organics Limited and all the new shares to be issued by the Transferee Company shall be allotted to that corporate shareholder only. In the facts and circumstances, it is not necessary to provide for any fractional entitlements.

- (iv) Vide Para 2 (f) of the said affidavit, the Regional Director has pointed out that the consolidated Authorised Capital of the Petitioner Transferee Company shall not



Admission



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be sufficient for the proposed issue of new shares by the Transferee Company as envisaged vide clause 12 of the scheme and it will be necessary for the Transferee Company to increase its Authorised Capital by following the requisite procedure. In this regard, the **petitioner Transferee Company has undertaken to increase its Authorised Capital to the required extent and by following the requisite procedure envisaged under the Companies Act, 2013** and has further agreed to pay the requisite fees and duties for the same.

- (v) It is further pointed out that Registrar of Companies has confirmed that there are no complaints against any of the petitioner companies. The Regional Director has further confirmed that he has no other observation/submission and that the proposed Scheme of Arrangement is not prejudicial to the interest of shareholders of the Petitioner Companies and the public at large.

9. In response to the Notice of the petition served upon the Office of the Official Liquidator for the Transferor company, the Official Liquidator filed with the Hon'ble Tribunal its representation for the Transferor Company dated 14th December 2018. It has been observed that the Transferor company has conducted its business in accordance with Objects Clause and the same has not been conducted in any

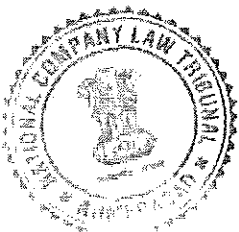


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manner prejudicial to the interest of its members or public interest, hence the petitioner transferor company may be dissolved without following the process of winding up. Further, the Official Liquidator has sought directions to be issued to the applicants to preserve the books of accounts, papers and records of the Transferor Company and not to dispose of the same without prior permission of the Central Govt. as per the provisions of Section 239 of the Companies Act, 2013. No adverse observations are made in the said report.

10. In the present matter, the Income Tax authority did not file any representation. Therefore, it is submitted by the applicants company that on the basis of the records that there are no outstanding income tax demands in case of the petitioner Transferor company. ^{the} In case of the Petitioner Transferee Company, ^{its} as per the record ~~of the company~~, there are outstanding income tax demands for the Assessment years 2010-11, 2011-12 and 2012-13. The details of the same are placed on record. It has been submitted by the petitioner Transferee Company that all these demands are disputed and the appeals filed for the same are pending before the CIT Appeals. It is confirmed that as and when the above stated demands are crystalised, the petitioner Transferee Company will be liable for making payments for the same. It has been further confirmed, that the Transferee



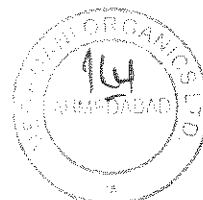
Company shall be solely liable for any demand already created or become payable due to any of the proceedings related to Income Tax department in future for outstanding demand prior to amalgamation in respect of the Transferor Company. The Transferee Company has undertaken to abide by all the applicable provisions of the Income Tax Act.

11. In compliance with the proviso to sub-section (7) of Section 230, the petitioner companies have placed on record the certificate of statutory auditors dated 13th August 2018, confirming that the accounting treatment envisaged under the said scheme of Arrangement in the books of the Transferee Company is in compliance with the applicable Accounting Standards notified by Central Govt. in section 133 of the Companies Act, 2013.

12. By considering the entire facts and circumstances of the case and on perusal of the Scheme and the documents produced on record, it appears that all the requirements of section 230 and 232 of the Companies Act, 2013 are satisfied. The observations made by the Regional Director stand satisfied by the submissions made by the petitioner companies. The proposed Scheme of Arrangement appears to be genuine and bona fide and in the interest of the shareholders and creditors as well as in the public interest and the same deserves to be sanctioned.



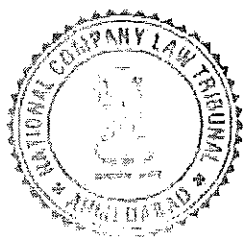
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13. As a result, the petition being CP (CAA) No. 2 of 2019 is hereby allowed. The Scheme which is as Annexure- 'E' to the petition including the consequential reduction of Equity Share Capital is hereby sanctioned and it is declared that the same shall be binding on the petitioner companies, their shareholders and all concerned under the scheme. It is further clarified that the Transferee company shall not be required to add-'and reduced' to its capital. It is also declared that the Transferor Company viz. Meghmani Agrochemicals Private Limited shall stand dissolved without winding up.

14. The cost to be paid to the Official Liquidator is quantified at Rs.10,000/- in respect of the Transferor Company only. The cost to be paid to the Regional Director is quantified at Rs.25,000/-. The said fees to the Official Liquidator and Regional Director shall be paid by the Transferee Company.

15. 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 alongwith Scheme immediately.



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16. The petitioner companies are further directed to lodge a copy of this order, the schedule of immovable assets of the Transferor company 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.
17. The Petitioner companies are directed to file a copy of this order alongwith a copy of the scheme with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per relevant provisions of the Act.
18. CP (CAA) No.2 of 2019 in CA (CAA) No.99 of 2018 is disposed of accordingly.


Manorama Kumari
Member (Judicial)


Harihar Prakash Chaturvedi
Member (Judicial)

SR

Date of pronouncement of Order: 11-2-19
Date on which application for Certified Copy was made: 19-2-19
Date on which Certified Copy was ready: 20-2-19
Date on which Certified Copy delivered: 25-2-19

