

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**DIVISION BENCH**  
**COURT - 1**

ITEM No.305  
C.A.(CAA)/57(AHM)2023

**Proceedings under Section 230-232**

**IN THE MATTER OF:**

Lyka Exports Limited  
Lyka Labs Limited

.....Applicant

**Order delivered on: 24/11/2023**

**Coram:**

Mr. Shammi Khan, Hon'ble Member(J)  
Mr. Sameer Kakar, Hon'ble Member(T)

**PRESENT:**

For the Applicant :  
For the Respondent :

**ORDER**

The case is fixed for pronouncement of order. The order is pronounced in the open Court, vide separate sheet.

-Sd-

**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**

-Sd-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH - I, AHMEDABAD**

**CA(CAA)/57(AHM)2023**

[Application under Sections 230-232 and read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016].

**Scheme of Amalgamation**

**of**

**Lkya Exports Limited**

(Applicant Company No.1/ Transferor Company)

**with**

**Lyka Labs Limited**

(Applicant Company No.2/Transferee Company)

**and**

**Their Respective Shareholders and Creditors**

**Memo of Parties**

**Lyka Exports Limited**

(CIN: U51100GJ1992PTC023975)

Registered address at;

Plot No. C/4/10/B/2<sup>nd</sup> Floor,

Adarsh Industrial Complex

Opp. S B I Ankleshwar,

Bharuch-393002, Gujarat

..... Applicant Transferor Company

**Lyka Labs Limited**

(CIN: L24230GJ1976PLC008738)

Registered address at;

4801/B & 4802/A,

G.I.D.C. Industrial Estate,

Ankleshwar-393002, Gujarat

..... Applicant Transferee Company

**Order Pronounced on 24.11.2023**

**CORAM:**

**SHAMMI KHAN, MEMBER (JUDICIAL)**

**SAMEER KAKAR, MEMBER (TECHNICAL)**

**Appearance:**

For the Applicant :Mr. Ravi Pahwa, Ld. Adv.

**ORDER**

1. This is a joint Company Application Viz., CA(CAA)/57(AHM)/2023 filed by the Applicant Companies, namely Lyka Exports Limited (Applicant Transferor Company) and Lyka Labs Limited (Applicant Transferee Company) under Sections 230-232 read with Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 (hereinafter referred to as "**Companies (CAA) Rules, 2016**"). The proposed Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed by the Applicant Companies. The said Scheme is also appended as "**Annexure – F**" to the CA(CAA)/57(AHM)2023.

2. It is represented that the registered offices of all the Applicant Companies are situated within the territorial jurisdiction of Registrar of Companies, Ahmedabad, Gujarat, which is falling under the jurisdiction of this Tribunal.
3. Applicant Companies are empowered by their respective Memorandum of Association and Articles of Association to enter into a Scheme of Amalgamation. Copies of Memorandum and Articles of Association of both the Applicant Companies are placed on record. The audited financial statements as on 31.03.2023 of both the Applicant Companies and provisional financial statements as on 30.06.2023 of both the Applicant Companies are placed on record.
4. The Applicant Companies in this Company Application has sought for the following reliefs;

|                           | <b>EQUITY SHAREHOLDERS MEETING</b> | <b>PREFERENCE SHAREHOLDER MEETING</b> | <b>SECURED CREDITORS MEETING</b> | <b>UNSECURED CREDITORS MEETING</b> |
|---------------------------|------------------------------------|---------------------------------------|----------------------------------|------------------------------------|
| <b>Transferor company</b> | To Convene with                    | N.A.                                  | To Convene with                  | To Convene with                    |
| <b>Transferee Company</b> | To Convene with                    | N.A.                                  | To Convene with                  | To Convene with                    |

5. From the certificate of incorporation filed, it is evident that the Transferor Company is a Private Limited

Company having its CIN: U51100GJ1992PTC023975 and its registered address at Plot No. C/4/10/B/2nd Floor, Adarsh Industrial Complex Opp: SBI Ankleshwar, Bharuch-393002. The Transferor Company was incorporated under the provisions of Companies Act, 1956 on 04.12.1992 with the Registrar of Companies, Ahmedabad, Gujarat.

The details of the share capital are as under:

| <b><u>Authorised Share Capital</u></b>                     | <b><u>Amount In Rs.</u></b> |
|------------------------------------------------------------|-----------------------------|
| 90,00,000 Equity Shares of Rs.10/- each                    | 9,00,00,000/-               |
| <b>TOTAL</b>                                               | <b>9,00,00,000/-</b>        |
| <b><u>Issued, Subscribed and Paid-up Share Capital</u></b> | <b><u>Amount In Rs.</u></b> |
| 73,95,424 Equity Shares of Rs.10/- each                    | 7,39,54,240                 |
| <b>TOTAL</b>                                               | <b>7,39,54,240</b>          |

6. From the certificate of incorporation filed, it is evident that the Transferee Company was incorporated as Public Limited Company under Companies Act, 1956 on 29.12.1976, with Registrar of Companies, Ahmedabad, Gujarat. The registered address of the Transferee Company is situated at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002. The Transferee Company's equity shares are listed on the BSE Limited and the National Stock Exchange Limited (the 'NSE').

The details of the share capital are as under:

| <b><u>Authorised Share Capital</u></b>                     | <b><u>Amount In Rs.</u></b> |
|------------------------------------------------------------|-----------------------------|
| 4,80,00,000 Equity Shares of Rs. 10/- each                 | 48,00,00,000 /-             |
| 2,00,000 Redeemable Preference Shares of INR 100/- each    | 2,00,00,000/-               |
| <b>TOTAL</b>                                               | <b>50,00,00,000/-</b>       |
| <b><u>Issued, Subscribed and paid-up Share Capital</u></b> | <b><u>Amount In Rs.</u></b> |
| 3,30,90,000 Equity Shares of Rs. 10/- each                 | 33,09,00,000/-              |
| <b>TOTAL</b>                                               | <b>33,09,00,000/-</b>       |

7. Affidavit in support of the above application sworn by Mr. Deepak Prakash Rane being the authorized signatory on behalf of the Transferor Company and Mr. Kishore Prafullchandra Shah being the Company Secretary and Compliance Officer on behalf of the Transferee Company duly authorized vide Board resolutions dated 03.10.2023 for the respective Applicant Companies, which is placed on record.

8. **LYKA EXPORTS LIMITED**

**(APPLICANT TRANSFEROR COMPANY)**

- (i) There are **3005 (Three Thousand and five)** Equity Shareholders having value of debt of Rs.7,39,54,240/- as on 30.06.2023. M/s. D. Kothary & Co., Chartered Accountants have issued Certificate certifying the number and value of Equity Shareholders of the Transferor Company. The same is produced at Annexure-H to the application. The Transferor Company seeks directions to hold and convene the meeting of Equity Shareholders.
- (ii) There are **1 (One)** Secured Creditor having value of debt of Rs.59,64,577/- as on 30.06.2023. M/s. D. Kothary & Co., Chartered Accountants have issued Certificate certifying the number and value of debt of Secured Creditors of the Transferor Company. The same is produced at Annexure-I to the application. The Transferor Company seeks directions to hold and convene the meeting of Secured Creditors.
- (iii) There are **8 (Eight)** Unsecured Creditors having value of debt of Rs.4,87,459/- as on 30.06.2023. M/s. D. Kothary & Co., Chartered Accountants have issued Certificate certifying the number and value of debt of Unsecured Creditors of the Transferor Company. The same is produced at Annexure-J to the application. The Transferor Company seeks

directions to hold and convene the meeting of Unsecured Creditors.

9. **LYKA LABS LIMITED**  
**(APPLICANT TRANSFEREE COMPANY)**

- (i) There are **27,202 (Twenty Seven Thousand Two Hundred and Two)** Equity Shareholders having value of debt of Rs. 33,09,00,000/- as on 30.06.2023. M/s. D. Kothary & Co., Chartered Accountants have issued Certificate certifying the number and value of Equity Shareholders of Transferee Company. The same is produced at Annexure-K to the application. The Transferee Company seeks directions to hold and convene the meeting of Equity Shareholders.
- (ii) There are **1 (One)** Secured Creditor having value of debt of Rs.1,64,21,604/- as on 30.06.2023. M/s. D. Kothary & Co., Chartered Accountants have issued Certificate certifying the number and value of debt of Secured Creditors of the Transferee Company. The same is produced at Annexure-L to the application. The Transferee Company seeks directions to hold and convene the meeting of Secured Creditors.
- (iii) There are **154 (One Hundred and Fifty Four)** Unsecured Creditors having value of debt of



Rs.53,70,10,243/- as on 30.06.2023. M/s. D. Kothary & Co., Chartered Accountants have issued Certificate certifying the number and value of debt of Unsecured Creditors of the Transferee Company. The same is produced at Annexure-M to the application. The Transferee Company seeks directions to hold and convene the meeting of Unsecured Creditors.

10. **Rationale:**

- (i) The Transferee Company is holding stake directly in the Transferor Company and as the Transferor Company and Transferee Company's business activities are similar and complement each other, and to achieve inter-alia economies of scale and efficiency, the amalgamation of the Transferor Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter-alia have the following benefits:

- a) *Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.*
- b) *Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business*

*which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholders value.*

- c) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.*
- d) Greater access by the amalgamated company to different market segments in the conduct of its business.*
- e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.*
- f) Achieving economies of scale.*

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the Companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer

and vesting of the entire undertaking and business of the Transferor company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

11. The Board of Directors of both the Applicant Companies have approved the Scheme of Amalgamation at their respective Board Meetings held on 03.10.2023. Copies of respective Board Resolutions passed on 03.10.2023 of both the Applicant Companies are placed on record.
12. The Appointed date as specified in the Scheme is **01.04.2022**. This application is filed on **12.10.2023**.
13. The Applicant Companies have annexed accounting treatment specified in the Scheme of Amalgamation which are in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and certificates issued by the statutory auditors of the respective Applicant Companies are placed on record.
14. No investigation or proceedings under the Companies Act, 1956 / Companies Act, 2013 have been instituted or are pending in relation to the Applicant Companies.

15. The consideration pursuant to the Scheme determined on the basis of the valuation report dated 06.08.2022 obtained from Chartered Accountants Registered Valuer i.e. Bhavesh M Rathod, Registered Valuer - Securities or Financial Assets (Registration No.: IBBI/RV/06/2019/10708) which is as under:

*“1 (One) equity share of the Transferee Company of the face value of INR 10 (Rupees Ten Only) each fully paid up, shall be issued and allotted for every 1 equity share of the Transferor Company of the face value of INR 10/- (Rupees Ten Only) each fully paid”*

16. The Transferee Company Equity Shares are listed on stock exchanges and the observation letter of BSE and NSE are annexed with the application.
17. Further, considering the nature and business and also considering the shareholding pattern of the applicant companies, approval of the Reserve Bank of India, the Competition Commission of India, and Securities and Exchange Board of India will not be a necessary authority for the purpose of the present scheme.
18. Taking into consideration the application filed by the Applicant Companies and the documents filed therewith

as well as the position of law, this Tribunal proposes to issue the following directions: -

**A. In relation to the Transferor Company:**

**(i) With respect to Equity shareholders:**

The meeting of Equity Shareholders of the Transferor Company shall be convened on 10<sup>th</sup> January, 2024 at 10:00 am.

**(ii) With respect to Secured Creditors:**

The meeting of Secured Creditors of the Transferor Company shall be convened on 10<sup>th</sup> January, 2024 at 12:00 noon.

**(iii) With respect to Unsecured Creditors:**

The meeting of Unsecured Creditors of the Transferor Company shall be convened on 10<sup>th</sup> January, 2024 at 2:00 pm.

**B. In relation to the Transferee Company:**

**(i) With respect to Equity shareholders:**

The meeting of Equity Shareholders of the Transferee Company shall be convened on 10<sup>th</sup> January, 2024 at 11:00 am.

**(ii) With respect to Secured Creditors:**

The meeting of Secured Creditors of the Transferee Company shall be convened on 10<sup>th</sup> January, 2024 at 3:00 pm.

(iii) **With respect to Unsecured Creditors:**

The meeting of Unsecured Creditors of the Transferee Company shall be convened on 10<sup>th</sup> January, 2024 at 4:00 pm.

19. The respective meetings of Applicant Companies shall be convened on 10<sup>th</sup> January, 2024 at 4801/B & 4802/A, GIDC Industrial Estate, Ankleshwar, Gujarat – 393002, for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Amalgamation.
20. The quorum for the meeting of the Transferor Company and Transferee Company shall be as per section 103 of the Companies Act, 2013 as follows;

**For the Transferor Company:**

| <b>S.No</b> | <b>CLASS</b>        | <b>QUORUM</b> |
|-------------|---------------------|---------------|
| 1           | EQUITY SHAREHOLDERS | 250           |
| 2           | SECURED CREDITORS   | 1             |
| 3           | UNSECURED CREDITORS | 3             |

**For the Transferee Company:**

| <b>S.No</b> | <b>CLASS</b> | <b>QUORUM</b> |
|-------------|--------------|---------------|
|-------------|--------------|---------------|

|   |                     |     |
|---|---------------------|-----|
| 1 | EQUITY SHAREHOLDERS | 300 |
| 2 | SECURED CREDITORS   | 1   |
| 3 | UNSECURED CREDITORS | 15  |

21. Dr. Deepti Mukesh shall be the Chairperson of the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Companies, as referred hereinabove, to be held on 10<sup>th</sup> January, 2024 and in any adjourned meeting(s).
22. Ms. Hirva Dave, Advocate shall be appointed as Scrutinizer for the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of both the Applicant Companies.
23. In case the quorum as noted above, for the above meeting of the Applicant Companies, is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson appointed herein along with the Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavour should

be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.

24. The meetings shall be conducted as per the applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5<sup>th</sup> May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II);
25. That individual notices of the above said meetings shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
26. That the Applicant Company shall publish advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the



English Daily “**Financial Express**” (**Gujarat Edition**), and “**Janadesh**” (**Gujarat Edition**) in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the respective Applicant Companies.

27. The Chairperson shall as afore stated be responsible for reporting the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme.
28. In compliance of sub-section (5) of Section 230 of the Act and Rule 8 of the Companies (CAA) Rules, 2016, the Applicant companies shall individually send notice to the concerned **(i) Regional Director, MCA (ii) Registrar of Companies Ahmedabad, (iii) Official Liquidator, and (iv) the Income Tax Authorities (v) BSE and NSE** as well as **other Sectoral regulators** who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.

29. The applicant companies shall further furnish a copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.
30. The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.
31. All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.
32. The Applications stand **allowed** on the aforesaid terms.

-Sd-

**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**

-Sd-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

Swetambary