

**THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT-1**

C.A. (CAA) NO. 236 OF 2023

*In the matter of
The Companies Act, 2013
Section 232 r/w Section 230 of
The Companies Act, 2013 and other
applicable provisions of the Companies
Act, 2013 read with the Companies
(Compromises, Arrangements and
Amalgamations) Rules, 2016;
In the matter of
Scheme of Arrangement of*

Sanofi India Limited

CIN: L24239MH1956PLC009794 ...Applicant Company 1
/Demerged Company

**Sanofi Consumer Healthcare India
Limited**

CIN: U21002MH2023PLC402652 ...Applicant Company 2
/Resulting Company

(“Collectively referred as Applicant Companies”)

Order delivered on 09.11.2023

Coram:

Shri Prabhat Kumar

Hon’ble Member (Technical)

Justice V.G. Bisht (Retd.)

Hon’ble Member (Judicial)

Appearances (through)

For the Applicant(s) : : Mr. Gaurav Joshi, Senior Counsel,
a/w Mr. Anirudh Das, Mr. Ameya
Gokhale, Ms. Kriti Kalyani, Mr.
Siddhant Marathe i/b Shardul
Amarchand Mangaldas & Co.

ORDER

Per :- V.G. Bisht, Member (Judicial)

1. The present Scheme is of Arrangement amongst **Sanofi India Limited** (“Applicant Company 1/ Demerged Company”) and **Sanofi Consumer Healthcare India Limited** (“Applicant/ Resulting Company”) and their respective shareholders and creditors (“**Scheme**”). It is submitted that the Scheme provides for the transfer and vesting of the Demerged Undertaking of the Applicant/Demerged Company, being the Consumer Healthcare Business Undertaking of the Applicant/Demerged Company and its vesting in the Applicant/Resulting Company.
2. The Applicant Company No.1/ Demerged Company is *inter alia* engaged in the business of manufacturing, producing, processing, marketing, formulating, buying, trading, storing, packing, selling, distributing, importing, exporting, producing, consultancy and otherwise dealing in all variety of pharmaceuticals including drugs, chemicals, medical products and anti-biotics products.

3. The Applicant Company No.2/ Resulting Company has been incorporated to *inter-alia* carry on the business of manufacturing, producing, processing, marketing, formulating, buying, trading, storing, packing, selling, distributing, importing, exporting, providing consultancy and otherwise dealing in all kinds of varieties of pharmaceuticals, especially consumer healthcare products including drugs, chemicals, medicinal products and antibiotic products.
4. The Board of Directors of the Applicant/ Demerged Company and Applicant/ Resulting Company, in their respective Board Meetings conducted on 10th May, 2023 and 24th May, 2023 have approved the Scheme. The Appointed Date fixed under the Scheme is any such date as may be determined by this Tribunal.
5. It is stated that the proposed demerger would be in the best interest of each of the Applicant Companies and their respective shareholders and creditors as the proposed demerger will yield advantages of increased business synergies and unlocking of shareholders value in the manner set out below :
 - i. Separation of the pharmaceutical and consumer healthcare businesses of the Applicant Companies will allow the Applicant/Demerged Company and the Applicant/Resulting Company to have independent and focused management as well as independently pursue different opportunities and strategies for the growth of each respective businesses aligned to specific market dynamics.

- ii. The proposed demerger will enable a different operating model for the consumer healthcare business under the Applicant/ Resulting Company specific and fit for purpose for a fast-moving consumer healthcare company, which would lead to a greater ability to operate independently and positively shape the consumer healthcare environment; the requirements of the businesses of the Applicant / Demerging Company and the Resulting Company, including in terms of operations, nature of risks, competitive advantages, strategies and regulatory compliances are different and the demerger will allow for enhancement of the business models of both the Applicant/Demerging Company and the Applicant/Resulting Company.
- iii. The Shareholder, investor, analyst community and other stakeholders will have greater understanding and visibility of both the pharmaceutical and consumer healthcare businesses;
- iv. The proposed demerger will not only facilitate pursuit of scale and independent growth plans but also more focused management and stronger leverage of specific global resources within the group and flexibility in terms of providing liquidity for shareholders (following the listing of the equity shares of the Applicant/ Resulting Company);
- v. The proposed demerger will de-risk both the businesses from each other and allow potential investors and other stakeholders the option of investing in both businesses; and

- vi. The Proposed demerger will unlock value for the shareholders of the Applicant/ Demerged Company.
6. As on 22nd September, 2023, the Applicant/ Demerged Company has 68,735 (Sixty Eight Thousand Seven Hundred Thirty Five) Equity Shareholders. The Counsel for the Applicant Companies submits that directions may be passed by this Tribunal for convening of the meeting of Equity Shareholders of the Applicant/ Demerged Company, through Video-Conference. Accordingly, it is directed that the meeting of the Equity Shareholders of the Applicant/ Demerged Company be convened and held through VC on 18th December, 2023 at 11.00 AM, for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement amongst Applicant/ Demerged Company and Applicant/ Resulting Company. The quorum for the aforesaid meeting shall be as prescribed under Section 103 of the Companies Act 2013, present either in person or by authorised representative. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.
- 6.1. At least 30 clear days before the said meeting of the Equity Shareholders of Applicant Company No.1/ Demerged Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time aforesaid, together with a copy of the Scheme and the Explanatory Statement as required to be sent under Section 230 of the Companies Act, 2013, shall be sent by Registered Post/Speed Post, Hand

Delivery and Email to each of the respective Equity Shareholders of the Applicant No.1 Company/ Demerged Company (as on 22nd September, 2023) at their respective registered or last known addresses or e-mail as per the records of the Applicant/ Demerged Company.

- 6.2 At least 30 clear days before the meeting of the Equity Shareholders of Applicant No.1/ Demerged Company, to be held as aforesaid, a notice convening the said meeting shall be published once each in *Business Standard (English Daily)* and *Navshakti (Marathi Daily)*, both widely circulated at Mumbai, notifying the place, date and time of the meeting and stating that copies of the Scheme of Arrangement and the statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 can be obtained free of charge at the Registered Office of the Applicant No.1/ Demerged Company as aforesaid.
- 6.3 The Applicant/ Demerged Company has further undertaken to:
- i. Issue Notice convening meeting to their respective equity shareholders as per Section 230(3) of the Companies Act, 2013 and Form No. CAA.2; ;
 - ii. issue Statement containing all the particulars as per Section 230 of the Companies Act, 2013 [(Rule 6) of the Companies (Compromises, Arrangements an Amalgamations) Rules, 2016]; and
 - iii. advertise the Notice convening meeting of their equity shareholders as per Form No. CAA.2 [(Rule 7) the

Companies (Compromises, Arrangements and Amalgamations) Rules, 2016].

- 6.4 **Ms. Saseekala Nair**, IRS (Retd.), Mob-9920016900, Email nairsasikala@hotmail.com, failing whom Mr. Rodolfo Hrosz, Managing Director of the Applicant/ Demerged Company, failing whom Mr. Vaibhav Karandikar, Whole-time Director and Chief Financial Officer of the Applicant/Demerged Company is appointed as the Chairperson for the meeting of the Equity Shareholders. The Scrutinizer for the said Meeting shall be Mr. S.N. Viswanathan (ACS : 61955; COP No. : 24335) failing whom Mr. Malati Kumar (ACS : 15508; COP No.: 10980) of M/s SN. Ananthasubramanian & Co., Company Secretaries, who shall be paid an all inclusive amount of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand only) plus taxes for the services in respect of the entire Scheme.
- 6.5 The Chairperson appointed for the meeting of the Equity Shareholders of the Applicant/ Demerged Company is to issue the advertisement and send out the notices of the meeting referred to above. The said Chairperson shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
- 6.6 The Chairperson for the meeting is to file an affidavit, not less than 7 (seven) days before the date fixed for the holding

of the meeting and to report to this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

6.7 The Chairperson for the meeting is to report to this Tribunal, the result of the aforesaid meeting within 7 (seven) working days of the conclusion of the meeting, and the said report shall be verified by his/ her Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

7. The Counsel for the Applicant Companies submits that as on 17th August, 2023, the Applicant/ Demerged Company has no Secured Creditors.

8. The Counsel for the Applicant Companies submits that as on 17th August, 2023, the Applicant No.1/ Demerged Company has 25 (twenty-five) Unsecured Creditors to the tune of Rs. 212,10,73,614 (Rupees Two Hundred Twelve Crore Seventy Ten Lakhs Seventy Three Thousand Five Six Hundred Fourteen). The Counsel for the Applicant Companies submits that directions may be passed by this Tribunal for convening of the meeting of Unsecured Creditors of the Applicant/ Demerged Company through VC. Accordingly, it is directed that the meeting of the Unsecured Creditors of the Applicant/ Demerged Company be convened and held through VC on 18th December, 2023 at 3.00 PM, for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement

amongst Applicant/ Demerged Company and Applicant/ Resulting Company. The quorum for the aforesaid meeting shall be as prescribed under Section 103 of the Companies Act 2013, present either in person or by authorised representative. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.

9. At least 30 clear days before the said meeting of the Unsecured Creditors of Applicant/ Demerged Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time aforesaid, together with a copy of the Scheme and the Explanatory Statement as required to be sent under Section 230 of the Companies Act, 2013, shall be sent by Registered Post/Speed Post, Hand Delivery and Email to each of the respective Unsecured Creditors of the Applicant/ Demerged Company (as on 17th August, 2023) at their respective registered or last known addresses or e-mail as per the records of the Applicant/ Demerged Company.

10. At least 30 clear days before the meeting of the Unsecured Creditors of Applicant No.1 Company/ Demerged Company, to be held as aforesaid, a notice convening the said meeting shall be published once each in Business Standard (English Daily) and Navshakti (Marathi Daily), both widely circulated at Mumbai, notifying the place, date and time of the meeting and stating that copies of the Scheme of Arrangement and the statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 (which can be obtained free of charge at the Registered Office of the Applicant/ Demerged

Company as aforesaid).

11. The Applicant No.1 Company/ Demerged Company has further undertaken to:
- i. Issue Notice convening meeting of their respective Unsecured Creditors as per Section 230(3) of the Companies Act, 2013 and Form No. CAA.2; ;
 - ii. issue Statement containing all the particulars as per Section 230 of the Companies Act, 2013 [(Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]; and
 - iii. advertise the Notice convening meeting of their Unsecured Creditors as per Form No. CAA.2 [(Rule 7) the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016].

The undertaking is accepted.

12. Mr. Virender Singh, IRS (Retd.), Mob-9102333444, email virendra30@hotmail.com failing whom Mr. Rodolfo Hrosz, Managing Director of the Applicant/ Demerged Company, failing whom Mr. Vaibhav Karandikar, Whole-time Director and Chief Financial Officer of the Applicant/Demerged Company is appointed
- 13.d as the Chairperson for the meeting of the Unsecured Creditors. The Scrutinizer for the said Meeting shall be Mr. S.N. Viswanathan (ACS : 61955; COP No. : 24335) failing whom Mr. Malati Kumar (ACS : 15508; COP No.: 10980) of M/s SN. Ananthasubramanian & Co., Company Secretaries, who shall be paid an all inclusive amount of Rs. 1,50,000/- (Rupees 1,50,000/- only) plus taxes for the services in respect of the entire Scheme.

14. The Chairperson appointed for the meeting of the unsecured creditors of the Applicant/ Demerged Company is to issue the advertisement and send out the notices of the meeting referred to above. The said Chairperson shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
15. The Chairperson for the meeting is to file an affidavit, not less than 7 (seven) days before the date fixed for the holding of the meeting and to report to this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
16. The Chairperson for the meeting is to report to this Tribunal, the result of the aforesaid meeting within 7 (seven) working days of the conclusion of the meeting, and the said report shall be verified by his/ her Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
17. The Counsel for the Applicant Companies submits that for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement amongst Applicant/ Demerged Company and

Applicant/ Resulting Company, the Meeting of Equity Shareholders of the Applicant/ Resulting Company be dispensed with in view of the written consents given by all 7 (seven) Equity Shareholders of the Applicant/ Resulting Company. Accordingly, the necessity and convening of Meeting of Equity Shareholders of the Applicant/ Resulting Company is dispensed with.

18. The Counsel for the Applicant Companies submits that as on 17th August, 2023, the Applicant Company No.2/ Resulting Company has no Secured Creditors as well as unsecured creditors.

19. The Applicant Companies shall serve the Notice in terms of Section 230 (5) of the Companies Act, 2013, upon -

- a. The Central Government, through Regional Director, Everest, 5th Floor, 100 Marine Drive, Mumbai-400002;
- b. The Registrar of Companies, Mumbai;
- c. GST Department
- d. Securities and Exchange Board of India (“SEBI”) (for the Applicant/ Demerged Company);
- e. Jurisdictional Income Tax Authorities; within whose jurisdiction; the Applicant Company’s assessment are made; and the Nodal Authority in the Income Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai, Address:- 3rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020, Phone No. 022-22017654 [E-mail: Mumbai.pccit@incometax.gov.in];
- f. National Stock Exchange of India Limited and BSE Limited (for the Applicant/ Demerged Company); and

- g. Any other sectoral regulator as may be directed by this Hon'ble Tribunal.

20. The Notice shall be served through by Registered Post-AD, Speed Post and email along with copy of Scheme and state that *“If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities has no objection to the proposed Scheme”*. It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the noticee.

21. The Applicant Companies will submit –

- i. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any.
- ii. List of pending IBC cases, if any, along with all other litigation;
- iii. pending against the Applicant Companies having material impact on the proposed Scheme.
- iv. The Applicant Companies shall submit details of all Letters of Credit sanctioned and utilized as well as Margin Money details; if any.

22. Counsel for the Applicant Companies submits that the statutory auditor of the Applicant/Demerged Company and the Applicant/Resulting Company have issued certificates stating that the accounting treatment in the Scheme as regards the Applicant/Demerged Company and the Applicant/Resulting Company respectively, is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

23. The Counsel for the Applicant Companies submits that the

Scheme is exempted under Item 8 of Schedule I of the Competition Commission (Procedure in regard to the transaction of business relating to combination) Regulations, 2011 as more particularly stated at paragraph 37 of the Company Scheme Application. Further, BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) have issued letters dated 22nd September, 2023, granting no objection to the filing of the Scheme with this Tribunal.

24. The Applicant Companies to file an affidavit of service within 10 working days after serving to notice to all the regulatory authorities as stated above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.
25. The Scheme stipulate that the Appointed Date fixed under the Scheme shall be such date as may be determined by this Tribunal. Accordingly, this Tribunal appoints 1st April, 2023 as the Appointed Date.

Sd/-

Prabhat Kumar
Member (Technical)

Sd/-

Justice V.G. Bisht
Member (Judicial)