IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 178/2015

Reserved on 30th November, 2015
Date of pronouncement: 23rd December, 2015

In the matter of
The Companies Act, 1956 & the Companies Act, 2013 (to the extent applicable):

And

Application under Sections 391 to 394 of the Companies Act, 1956

Scheme of Arrangement between:

Legend Distilleries Private Limited
Non-Applicant/transferee Company

AND

Som Distilleries & Breweries Limited
Applicant/Transferee Company

Through Mr. Naveen Chawla, Advocate for the applicant

SUDERSHAN KUMAR MISRA, J.

1. This application has been filed under Sections 391 to 394 of the Companies Act, 1956 by the applicant/transferee company seeking directions of this court to convene the meetings of its equity shareholders, secured and unsecured creditors, to consider and approve, with or without modification, the proposed Scheme of Arrangement between Legend Distilleries Private Limited (hereinafter referred to as the transferor company) and Som Distilleries & Breweries Limited (hereinafter referred to as the applicant/transferee company).

2. The registered office of the applicant/transferee company is situated at New Delhi, within the jurisdiction of this Court. However, the registered office of the transferor company is situated at Bhopal, Madhya Pradesh, outside the jurisdiction of this Court. Learned counsel for the applicant submits that a separate petition has been filed by the transferor company in the court of competent jurisdiction for sanction of the Scheme of Arrangement, which has been allowed by the said Court.

3. The applicant/transferee company was incorporated under the Companies Act, 1956 on 26th March, 1993 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The authorized share capital of the applicant/transferee company is Rs.35,00,00,000/- divided into 3,50,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.27,52,24,000/- divided into 2,75,22,400 equity shares of Rs.10/- each.

5. A copy of the Memorandum and Articles of Association of the applicant/transferee company has been filed on record. The audited balance sheet, as on 31st March, 2014, of applicant/transferee company, along with the report of the auditors, has also been filed.

6. A copy of the Scheme of Arrangement has been placed on record and the salient features of the Scheme have been incorporated and detailed in the application and the accompanying affidavit. It is claimed by the applicants that the proposed Scheme will economize administrative costs of running two companies and will also achieve better administration, operation and management by consolidation, synchronization, synergization, and restructuring and to have optimum and efficient utilization of capital, resources, assets and facilities. It is further claimed that the proposed scheme will achieve better financial structuring of the business, securitize the debts to lenders, banks, financial institutions and stakeholders of the company.

7. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, the applicant/transferee company shall issue and allot equity shares to the shareholders of the transferor company in the following ratio:-

> "0.447790 equity shares of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held by the shareholders in the transferor company."

8. It has been submitted by the applicant that no proceedings under Sections 235 and 251 of the Companies Act, 1956 are pending against the applicant/transferee company.

9. The Board of Directors of the applicant/transferee company in their meeting held on 14th August, 2014 have unanimously approved the proposed Scheme of Arrangement. A copy of the Resolution passed at the meeting of the Board of Directors of applicant/transferee company have been placed on record.

10. The applicant/transferee company is a listed company and its shares are listed on NSE and BSE. The company has 6,566 equity shareholders and a direction is sought to convene and hold their meeting to seek their approval to the proposed Scheme of Arrangement. Considering the facts and circumstances aforesaid, the meeting of the equity shareholders of the applicant/transferee company is directed to be held on 3rd March, 2016 at 11:00 a.m. at Executive Club, Dolly Farms and Resort, 349, Village Shahoor, near Chattarpur, Post Office Fatehpur Dairy, New Delhi – 110030. Mr. Sanjay Sood, Advocate, (Mobile No. 9999644188) is appointed as the Chairperson and Ms. Khushbu Sahu, Advocate, (Mobile No. 9899699494) is appointed as the Alternate Chairperson to conduct the said meeting. The Quorum of the meeting of the equity shareholders of the applicant/transferee company shall be 200 in number and more than 25% in value of the total equity share capital.

11. The applicant/transferee company has 03 secured creditors and a direction is sought to convene and hold their meeting to seek their

approval to the proposed Scheme of Arrangement. Considering the facts and circumstances aforesaid, the meeting of the secured creditors of the applicant/transferee company is directed to be held on 3rd March, 2016 at 12:00 noon at Executive Club, Dolly Farms and Resort, 349, Village Shahoor, near Chattarpur, Post Office Fatehpur Dairy, New Delhi–110030. Mohammad Shariq, Advocate, (Mobile No. 9953915933) is appointed as the Chairperson and Mr. Piyush Sanghi, Advocate, (Mobile No. 9899699242) is appointed as the Alternate Chairperson to conduct the said meeting. The Quorum of the meeting of the secured creditors of the applicant/transferee company shall be 2 in number and more than 25% in value of the total secured debt.

12. The applicant/transferee company has 384 unsecured creditors and a direction is sought to convene and hold their meeting to seek their approval to the proposed Scheme of Arrangement. Considering the facts and circumstances aforesaid, the meeting of the unsecured creditors of the applicant/transferee company is directed to be held on 3rd March, 2016 at 01:00 p.m. at Executive Club, Dolly Farms and Resort, 349, Village Shahoor, near Chattarpur, Post Office Fatehpur Dairy, New Delhi–110030. Mr. Anish Kumar, Advocate, (Mobile No. 9818061392) is appointed as the Chairperson and Mr. Tushar Sharma, Advocate, (Mobile No. 9999414387) is appointed as the Alternate Chairperson to conduct the said meeting. The Quorum of the meeting of the unsecured creditors

of the applicant/transferee company shall be 75 in number and more than 25% in value of the total unsecured debt.

13. In case the quorum as noted above for the above meetings is not present at the meetings, then the meetings shall be adjourned by half an hour, and thereafter the persons 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 meetings is filed with the registered offices of the applicant/transferee company at least 48 hours before the meetings. The Chairpersons and Alternate Chairpersons shall ensure that the proxy registers are properly maintained.

14. The Chairpersons and Alternate Chairpersons shall ensure that notices for convening the aforesaid meetings of the equity shareholders, secured and unsecured creditors of the applicant/transferee company, along with copies of the Scheme of Arrangement and the statement under Section 393 of the Companies Act, 1956, shall be sent to the equity shareholders, secured and unsecured creditors of the applicant/transferee company by ordinary post at their registered or last known addresses at least 21 days before the date appointed for the meetings, in their presence or in the presence of their authorized

representatives. Notice of the meetings shall also be published in the Delhi editions of the newspapers “Business Standard” (English) and (Hindi) in terms of the Companies (Court) Rules, 1959 at least 21 days before the date appointed for the meetings.

15. The Chairpersons and Alternate Chairpersons will be at liberty to issue suitable directions to the management of the applicant/transferee company so that the aforesaid meetings of the equity shareholders, secured and unsecured creditors of the applicant/transferee company are conducted in a just, free and fair manner.

16. The fee of the Chairpersons and the Alternate Chairpersons for the aforesaid meetings shall be Rs.50,000/- each in addition to meeting their incidental expenses. The Chairpersons will file their reports within two weeks from the date of holding of the aforesaid meetings.

17. The application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

December 23, 2015