

**Godrej Industries Limited**  
**Regd. Office:** Godrej One,  
Pirojshanagar,  
Eastern Express Highway,  
Vikhroli (E), Mumbai 400079. India.  
Tel.: 91-22-2518 8010/8020/8030  
Fax: 91-22-2518 8068/8063/8074  
Website: www.godrejindustries.com

CIN: L24241MH1988PLC097781

Date: April 23, 2020

To,

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex,  
Bandra (East) Mumbai – 400051

**BSE Scrip Code: 500164**

**NSE Scrip Code: GODREJIND**

**Sub: Approval of the National Company Law Tribunal, Mumbai Bench to the Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited and Godrej Industries Limited and their respective Shareholders pursuant to Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013**

Dear Sir/Madam,

This is with reference to our letter dated February 13, 2019, informing you about the decision of the Board of Directors of Godrej Industries Limited approving the Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited ('EHFL' or 'the Demerged Company') and Godrej Industries Limited ('GIL' or 'the Resulting Company') and their respective Shareholders pursuant to Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ('Scheme'), subject to receipt of applicable regulatory and other approvals.

In this regard, we are pleased to inform you that the final hearing for the Scheme was conducted by the Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble NCLT') via videoconferencing on April 22, 2020 and an Order was passed approving the Scheme. An uncertified copy of the said Order is made available on April 23, 2020 on the website of the Hon'ble NCLT. Order of the Hon'ble NCLT as uploaded on their website is attached herewith for your record.



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A certified copy of the Order is awaited. The Scheme will become effective once the Order of the Hon'ble NCLT is filed by EHFL and GIL with the Registrar of Companies, Mumbai.

We request you to take the above on your record.

Thanking you,

Yours faithfully,

**For Godrej Industries Limited**

**Tejal Jariwala**  
**Company Secretary & Compliance Officer**  
**(FCS 9817)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH  
(Special Bench)**

**CP (CAA) No.4517/MB/C-IV/2019**

*Connected with*

**CA (CAA) No.3214/MB/C-IV/2019**

*In the matter of*

The Companies Act, 2013

And

*In the matter of*

Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

And

*In the matter of*

Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited ('EHFL' or 'the Demerged Company') and Godrej Industries Limited ('GIL' or 'the Resulting Company') and their respective Shareholders ('the Scheme' or 'this Scheme')

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**Ensemble Holdings and Finance  
Limited,**

**[CIN: U67120MH1992PLC065457]**, a  
company incorporated under the  
Companies Act, 1956 and having its  
Registered Office at Pirojshanagar,  
Eastern Express Highway, Vikhroli  
(East), Mumbai – 400 079, Maharashtra

... Demerged Company/  
First Petitioner Company

AND

**Godrej Industries Limited**

**[CIN: L24241MH1988PLC097781]**

a Company incorporated under the  
Companies Act, 1956 and having its  
Registered Office at Godrej One,  
Pirojshanagar, Eastern Express  
Highway, Vikhroli (East), Mumbai –  
400 079, Maharashtra

.. Resulting Company/  
Second Petitioner Company

Order pronounced on April 22, 2020

***Coram:***

Hon'ble Member (Judicial)	:	Shri Rajasekhar V.K.
Hon'ble Member (Technical)	:	Shri V Nallasenapathy

***Appearances:***

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MUMBAI BENCH (Special Bench)**

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Connected with CA (CAA) No.3214/MB/C-IV/2019

For the Petitioner(s) : Mr. Hemant Sethi i/b  
Hemant Sethi & Co.,  
Advocates

For the Regional Director : Ms. Rupa Sutar, Deputy  
Director

**ORDER**

*Per: Rajasekhar VK, Member (Judicial)*

1. The Bench is convened by videoconference today (22.04.2020).
2. Heard the Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Company Petition.
3. The sanction of the Tribunal is sought under sections 230 to 232 of the Companies Act, 2013 to Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited ('EHFL' or 'the Demerged Company') and Godrej Industries Limited ('GIL' or 'the Resulting Company') and their respective Shareholders ('the Scheme' or 'this Scheme'). This Scheme involves demerger of the Investment Business of the First Petitioner Company into the Second Petitioner Company.

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4. The Learned Counsel for the Petitioner Companies further submits the Introduction and Rationale for the Scheme (Demerger) to be as follows: -

(a) EHFL is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India. EHFL is engaged primarily in two business activities, *i.e.*, Investment Business and other NBFC business activities. GIL amongst its various business segments has a business segment of Investment and Finance. GIL holds strategic stake in various Godrej Group companies and also has a treasury function of investments and finance. EHFL is a wholly owned subsidiary of GIL. Its Investment Business activities includes dealing in listed and unlisted securities and holding 0.60% of Godrej Properties Limited ('GPL') which is a strategic promoter holding from GIL's standpoint as GPL is a subsidiary of GIL.

(b) GIL is looking at discontinuing the NBFC activities undertaken through EHFL. However, it is desired that promoter group of GIL owns EHFL along with its NBFC license for undertaking NBFC activities in future. Hence EHFL along with NBFC Licence needs to be transferred to an entity within the Promoter Group of GIL. Before the proposed transfer of shares of EHFL to an entity of the Promoter Group, it is considered prudent to consolidate the

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Investment Business (including the strategic stake in group company) of EHFL with the Investment Business of GIL.

- (c) The demerger of the Investment Business of EHFL, inter-alia will result in the following benefits:
- (1) Consolidation of Investments Business of EHFL in GIL;  
and
  - (2) Flexibility to GIL to exit from the NBFC activities of EHFL and to transfer shares of EHFL having NBFC License to another promoter group entity at fair value
5. Each of the Petitioner Companies have approved the said Scheme of Arrangement by passing the board resolutions at their respective meetings held on February 13, 2019 which are annexed to the Company Petition.
6. The Learned Counsel for the Petitioner Companies submits that this Company Petition is filed in consonance with sections 230 to 232 of the Companies Act, 2013 along with the Order passed in the connected CA (CAA) No.3214/2019 by this Tribunal.
7. The Learned Counsel for the Petitioner Companies submits that in pursuance of an Order dated December 04, 2019 passed by this Tribunal in CA (CAA) No.3214/2019, Meeting of the Equity Shareholders of the First Petitioner Company was

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dispensed with in view of the affidavits of consent obtained from all the Equity shareholders of the First Petitioner Company.

8. The Learned Counsel for Petitioner Companies further submits that in view of the fact that the First Petitioner Company is wholly owned subsidiary of the Second Petitioner Company, the Meetings of the shareholders and creditors of the Second Petitioner Company were dispensed with in view of the ratio laid down by this Tribunal in CA (CAA) No.2253/2019 in the matter of Scheme of Arrangement between Valuable Digital Screens Private Limited and UFO Moviez India Limited and CA (CAA) No.243/2017 in the matter of Housing Development Finance Corporation Limited.
9. The Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have filed necessary affidavits of compliance in this regard. Moreover, each of the Petitioner Companies undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made thereunder. The said undertaking is accepted.
10. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed his report dated February 03, 2020 *inter alia* stating therein that save and except as stated in



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paragraph IV of the said report, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said report, the Regional Director has stated that:-

*IV. The observations of the Regional Director on the proposed Scheme to be considered by the Hon'ble NCLT are as under:*

*a. In compliance of AS-14(IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.*

*b. As per Part-A Definitions Clause 1(1.2 & 1.6) of the Scheme.*

*"Appointed Date" means opening of business hours of 1<sup>st</sup> October, 2019.*

*"Effective Date" means, for the purpose of this Scheme, the date on which all the conditions specified in Clause 15 are complied with and the Scheme shall become effective. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.*

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*In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.*

*Further, the petitioners may be asked to comply with the requirements and clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.*

- c. Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy/ any change/any changes are made, for changes if any, liberty be given to Central Government to file further report if any required;*
  
- d. The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).*

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*e. In view of the observation raised by the ROC Mumbai, mentioned at para 17 above Hon'ble NCLT may pass appropriate orders/ orders as deem fit.*

*f. Godrej Industries Limited (GIL" the Resulting Company or the Transferee Company") is a listed Company, in view of the provisions of section 230(5) of the Companies Act, 2013 r/w rule 8 of the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016, Hon'ble NCLT may kindly issue notice to other sectoral regulators or authorities (The Securities and Exchange Board of India, Bombay Stock Exchange Limited and National Stock Exchange of India) and pass appropriate orders/ orders as deem fit.*

11. Further, the observations of RoC, Maharashtra, Mumbai stated in Paragraph 17 of the ROC Report forming part of the Report of the Regional Director are reproduced as under:

*“There is one complaint vide SRN 100034988. The complainant has asked to know whether the company can buy back its shares and the said complaint was taken up with Company. The Company has replied to the complainant and also to this office. The said complaint shall not have bearing upon the present scheme of amalgamation.*

*May be decided on its merits.”*

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12. In response to the observations made by the Regional Director, the Petitioner Companies have filed an affidavit dated February 07, 2020 clarifying and undertaking as follows:

*a) As far as the observation of the Regional Director, as stated in paragraph IV (a) of the report and reproduced hereinabove is concerned, the Petitioner Companies undertake that in addition to compliance of AS-14 (IND AS-103), they shall pass such accounting entries as may be necessary in connection with the Scheme to comply with all other applicable Accounting Standards such as AS-5(IND AS-8), etc.*

*b) As far as the observation of the Regional Director, as stated in paragraph IV(b) of the report and reproduced hereinabove is concerned, the Petitioner Companies submit that:*

*(i) the Appointed Date means opening of business hours of 1st October, 2019 as mentioned in Clause 1.2 of the Scheme, which is in compliance with Section 232(6) of the Companies Act, 2013.*

*(ii) The Scheme shall take effect on the date on which certified copy of the Order of the Hon'ble NCLT is filed by the Petitioner Companies with the Jurisdictional Registrar of Companies and shall be deemed to be effective from the Appointed Date i.e. 1st October, 2019.*

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(iii) *The aforesaid Appointed Date complies with the requirements and clarification provided in circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.*

c) *As far as observation of the Regional Director, as stated in paragraph IV (c) of the report and reproduced hereinabove is concerned, the Petitioner Companies submit that the Scheme enclosed to the Company Application No. 3214 OF 2019 and Company Petition No. 4517 of 2019 are one and the same and there is no discrepancy or change made.*

d) *As far as observation of the Regional Director, as stated in paragraph IV (d) of the report and reproduced hereinabove is concerned, the Petitioner Companies submit that:*

(i) *They have complied with the provisions of section 230(5) of the Companies Act, 2013. Pursuant to an Order made in the above matter by this Tribunal on 4th December, 2019, the First Petitioner Company was directed to serve notices along with a copy of the Scheme upon (i) Unsecured Creditors (ii) concerned Income Tax Authority with in whose jurisdiction the Petitioner Company's assessments are made, (iii) the Central Government through the office of Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, (iv) Registrar of Companies,*

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*Maharashtra, Mumbai and (v) the Reserve Bank of India. Further, by the aforesaid Order dated 4th December, 2019, the Second Petitioner Company was directed to serve notices along with a copy of the Scheme upon (i) concerned Income Tax Authority with in whose jurisdiction the Petitioner Company's assessments are made, (ii) the Central Government through the office of Regional Director, (Western Region), Ministry of Corporate Affairs, Mumbai, (iii) Registrar of Companies, Maharashtra, Mumbai, (iv) Securities and Exchange Board of India (SEBI), Mumbai, (v) BSE Limited and (vi) National Stock Exchange of India Limited. Further, by the aforesaid Order dated 4th December, 2019, the Petitioner Companies were directed to file an Affidavit to this Tribunal stating that the direction regarding issuance of Notices to the relevant authorities have been duly complied with. A copy of the Affidavit proving service of Notice along with the Scheme filed with the Hon'ble Tribunal on 12th December, 2019 is annexed hereto and marked as **Annexure 'B'**.*

*(ii) Further, pursuant to an Order made in the above matter by the Mumbai bench of Hon'ble Tribunal on 20<sup>th</sup> December, 2019, the First Petitioner Company was directed to serve notices upon (i) concerned Income Tax Authority with in whose jurisdiction the Petitioner Company's assessments are made, (ii) the Central Government through the office of Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, (iii) Registrar*

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*of Companies, Maharashtra, Mumbai and (iv) the Reserve Bank of India. Further, by the aforesaid Order dated 20<sup>th</sup> December, 2019, the Second Petitioner Company was directed to serve notices upon (i) concerned Income Tax Authority with in whose jurisdiction the Petitioner Company's assessments are made, (ii) the Central Government through the office of Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, (iii) Registrar of Companies, Maharashtra, Mumbai, (iv) Securities and Exchange Board of India (SEBI), Mumbai, (v) BSE Limited and (vi) National Stock Exchange of India Limited. Further, by the aforesaid Order dated 20<sup>th</sup> December, 2019, the Petitioner Companies were directed to file an Affidavit to this Tribunal stating that the direction regarding issuance of Notices to the relevant authorities have been duly complied with. A copy of the Affidavit proving service of Notice filed with the Hon'ble Tribunal on 17<sup>th</sup> January, 2020 is annexed hereto and marked as **Annexure 'C'**.*

*Further, Petitioner Companies undertake that any issues raised by any concerned authorities arising out of the Scheme will be met and answered in accordance with the provisions of law and that the decision of such authorities shall be binding on the Petitioner Companies.*

- e) As far as observation of the Regional Director, as stated in paragraph IV (e) of the report and reproduced hereinabove is concerned, the*

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*Petitioner Companies submit that the complaint against the Resulting Company relates to a matter unconnected with the Scheme. Appropriate reply filed by the Resulting Company is attached herewith as **Annexure 'D'**. Further, the complaint neither refers to the present Scheme nor refers to any adverse impact that the Scheme would have on the complainant. Further, the Scheme does not envisage any compromise with the public shareholders of the Resulting Company and hence the interest of the shareholders would not be adversely affected pursuant to the Scheme. The complainant cannot resort to the present forum to get his grievances settled and has no locus standi in the present Scheme. Further, the Petitioner Companies respectfully submit that the Resulting Company shall continue to remain in existence post the approval of the Scheme and the complainant shall continue to have his rights of redressal and claims, if any, against the Resulting Company in the appropriate forum.*

- f) *As far as observation of the Regional Director, as stated in paragraph IV (f) of the report and reproduced hereinabove is concerned, the Petitioner Companies state that the Resulting Company has complied with the provisions of Section 230(5) of the Companies Act, 2013 by serving notices to the Securities and Exchange Board of India, Bombay Stock Exchange Limited and National Stock Exchange of India. A copy of the Affidavit proving service of Notice filed with the Hon'ble Tribunal on 12<sup>th</sup> December, 2019 and 17<sup>th</sup> January, 2020*



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*are annexed hereto and marked as **Annexure 'B'** and **Annexure 'C'**  
respectively.*

13. The Regional Director has filed his supplementary report dated February 12, 2020 and has stated that the reply filed by the Petitioner Companies is satisfactory.
14. The observations made by the Regional Director have been explained in Para 10 above. The observation of the RoC is given in Para 11 above. The clarifications and undertakings given by the Petitioner Companies have been explained in Para 12 above. The affidavit filed by the Petitioner Companies and the supplementary report filed by the Regional Director in response to the said affidavit, are accepted by this Tribunal.
15. From the material on record, the Scheme appears to be fair, reasonable and is not violative to any provisions of law nor is contrary to public interest.
16. Since all the requisite statutory compliances have been fulfilled, the Company Petition in CP (CAA) No. 4517/2019 is made absolute in terms of prayer clause 32 of the Company Petition.
17. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically, in e-Form INC-28, in addition to physical copy, within 30 days from the

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date of receipt of the Order duly certified by the Deputy /Assistant Registrar of this Tribunal.

18. The Petitioner Companies to lodge a copy of this Order duly certified by the Deputy/Assistant Registrar of this Tribunal, along with the Scheme, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, within a period of 60 days from the date of receipt of the Order.
19. All concerned regulatory authorities shall act on a copy of this order duly certified by the Deputy / Assistant Registrar, of this Tribunal along with the Scheme.
20. The Scheme of Arrangement is sanctioned hereby, and the Appointed Date of the Scheme is opening of business hours of 1<sup>st</sup> October, 2019.
21. Ordered accordingly. Pronounced in open court today.

Sd/-

**V. Nallasenapathy**  
**Member (Technical)**

22.04.2020

Sd/-

**Rajasekhar V.K.**  
**Member (Judicial)**