HONOURABLE SRI JUSTICE VILAS V. AFZULPURKAR

COMPANY APPLICATION No.1179 OF 2013

ORDER:

This application is filed under Sections 391 to 394 of the Companies Act, 1956 (for brevity, "the Act"), by the applicant company seeking dispensing with the meeting of the shareholders of the applicant company, which is referred to as the resulting company, for consideration of scheme of arrangement.

SHARE CAPITAL	RUPEES
Authorised Share Capital	
10,000,000 Equity Shares of Rs. 10 each	100,000,000
40,000,000 Preference Shares of Rs. 10 each	400,000,000
TOTAL	**500,000,000**
Issued, subscribed and paid-up Share Capital	
240,000 Eqauity shares of Rs.10 each, fully paid up	2,400,000
1,800,000-7% Non-cumulative Non-covertible redeemable Preference Shares of Rs.10 each, fully paid up	18,000,000
TOTAL	**20,400,000**

2. The applicant company was incorporated under certificate of incorporation, dated 11.01.2008, granted by the Registrar of Companies, Andhra Pradesh. The share capital of the resulting company as at 31st March, 2013 is as under:-

The main objects of the applicant company *inter lia* is as follows:

0BJECTS OF THE COMPANY:

1. To carry on the business of an Investment Company and to acquire by purchase or otherwise shares, stocks, debentures, debenture-stock, bonds, obligations or securities of any Company or corporation and to deal in the same as brokers, sub-brokers or underwriters or sub-underwriters.
2. To engage in, commerce and/or carry out and/or undertake financial researches, analysis and appraisal of Shares and Securities including money market survey and to provide the results of such research to any person or persons for commercial consideration through any suitable media and particularly by publishing brochures or pamphlets on such research and market survey treating as part of service to clients or persons having dealings with the Company in terms of dissemination of information that may be considered likely to assist the business of the Company.
3. To engage in the business of management of securities, shares and such other instruments of individual, corporate entities or any other entities.

3. The scheme of arrangement, Annexure-A, proposes arrangement between the demerged company and the resulting company. Board of applicant company approved the scheme under resolution dated 19.11.2013 filed at page 332. The appointed date is 01.04.2013. It is stated that there are seven equity shareholders as stated in paragraph 10(a) of the affidavit filed in support of this application, out of which the major shareholder is the Edelweiss Financial Services Limited and the rest of the shareholders are nominees of the Edelweiss Financial Services Limited. The applicant company is wholly owned subsidiary of Edelweiss Financial Services Limited. The consent affidavits of the aforesaid shareholders according their consent to the scheme is filed as Annexure-G along with this application but the supporting resolution was not filed. Similarly,

ECL Finance Limited, holding all the preference shares, has also accorded its consent for the scheme vide its consent filed at page 347 -348. Hence, this application was adjourned to enable the learned counsel for the applicant to file necessary board resolution, which has since been filed along with a memo under U.S.R.No.3927, dated 02.12.2013, enclosing therewith certified copy of the resolution of the Board of Directors of the Edelweiss Financial Services Limited in the meeting held on 19.11.2013.

4. It is also stated that there are no secured creditors, but there are only six unsecured creditors, which are group companies. The list of unsecured creditors is given in Annexure-I and the letters of each unsecured creditor, approving the scheme of arrangement and endorsing no objection thereto, are filed at Page Nos.350 to 355 of this application. The unaudited balance sheet as on 31.10.2013 is filed as Annexure-J. It is, therefore, evident that equity and preference shareholders as well as unsecured creditors have no objection for the scheme of arrangement and hence, it would not be necessary to hold a meeting of the shareholders as well as unsecured creditors to consider the said scheme.

In the circumstances, therefore, this company application is allowed and the meeting of shareholders and unsecured creditors of the applicant/resulting company is dispensed with. Consequently, it is not necessary to publish any notice regarding the said meeting.

There shall be no order as to costs.

VILAS V. AFZULPURKAR, J

December 3, 2013.
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HONOURABLE SRI JUSTICE VILAS V. AFZULPURKAR

COMPANY APPLICATION No.1179 OF 2013

Dt: 03.12.2013

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