The Hon'ble Sri Justice C.V.Nagarjuna Reddy

Company Petition Nos.213 and 214 of 2015

Dt: 16.09.2015

C.P.No.213/15:

Between:

M/s.Green Secure Energy Private Limited
Hyderabad.

…Petitioner /Demerged Company

C.P.No.214/15:

Between:

M/s.Green Secure Power Systems Private Limited
Hyderabad, rep. by its authorized signatory
Sri A.Venkat Varun Reddy

…Petitioner /Resulting Company

Counsel for the petitioners: Mr.JN.Bhushan

The Court made the following:

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Common Order:

Company Petition No.213 of 2015 is filed by M/s.Green Secure Energy Private Limited (hereinafter referred as 'the Demerged Company') under Sections 391 and 394 of the Companies Act, 1956 (for short 'the Act') seeking approval of the proposed Scheme of its Arrangement with M/s.Green Secure Power Systems Private Limited (hereinafter referred as ‘the Resulting Company’).

Company Petition No.214 of 2015 is filed by the Resulting Company for the same relief.

The Demerged Company pleaded that it was originally incorporated under the provisions of the Companies Act, 1956 (for short ‘the Act’) on 12.01.2011; that its Corporate Identity Number is U31506TG2011PTC072205; that its registered office is situated at H.No.8-2-418, 1st Floor, Meenakshi House, Road No.7, Banjara Hills, Hyderabad; that its authorized share capital, as on 30.06.2014, is Rs.10 lakhs divided into 1 lakh equity shares of Rs.10/- each; and that its issued, subscribed and paid-up share capital is Rs.2 lakhs divided into 20,000 equity shares of Rs.10/- each.

The Resulting Company pleaded that it was incorporated under the provisions of the Act on 26.05.2014; that its Corporate Identity Number is U31908TG2014PTC094175; that its registered office is situated at H.No.8-2-418, 1st Floor, Meenakshi House, Road No.7, Banjara Hills, Hyderabad; that its authorized share capital is Rs.1 lakh divided into 10,000 equity shares of Rs.10/- each; and that its issued, subscribed and paid-up share capital is Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each.

Both the Companies pleaded that their main objects are to carry on, in India and elsewhere, the business of manufacturers, producers, assemblers, dealers, importers, exporters, stockists, distributors, agents or otherwise deal in storage of batteries used in Industries, Railways, Posts and Telegraphs, Navigation, Ships, Army Tanks, Mining, Power Plants, Automobiles and for any other Industrial, Commercial or Domestic purposes.

Both the Companies filed copies of the proposed Scheme of Arrangement and pleaded that the Demerged Company has two divisions *viz*., (a) Hyderabad & Chennai Division and
b) Bangalore Division, which are engaged in the business of storage of batteries and their components; that the proposed Scheme of Arrangement involves transfer by way of demerger of the Bangalore Division of the Demerged Company to the Resulting Company and consequently, the scheme proposes issue of equity shares of the Resulting Company to the shareholders of the Demerged Company; that both the Companies are in similar line of business; that the proposed Scheme of Arrangement would enable the Companies to have a more efficient use of existing resources, operation on a broader scale, increasing efficiency in business operations, potential for further growth in the current scenario and would provide a specialized regional advantage to the Resulting Company, which, in turn, would be able to chalk out the growth plan, thereby, increase the profitability of the Division and allow the Demerged Company to concentrate on its core business of manufacture of various kinds of batteries and components.

Both the Companies pleaded that anticipating the above benefits, their Board of Directors, in their respective meetings held on 10-09-2014, resolved to approve the proposed Scheme of Arrangement (Annexure-P1) and fixed the appointed date as 01.07.2014.

The Demerged Company pleaded that it has two shareholders, who have given their consent affidavits; that as on 30-06-2014, it had two secured creditors, who had been repaid; that it has 21 unsecured creditors for a sum of Rs.76,48,747/-; and that this Court by Order, dated 24-02-2015, in Company Application No.125 of 2015, dispensed with the requirement of convening the meetings of its shareholders and secured creditors and appointed a Chairperson for convening the meeting of its unsecured creditors.

The Chairperson has, accordingly, filed his report stating that pursuant to this Court's Order, he has caused individual notices on the unsecured creditors of the Demerged Company and has also carried out publication in two daily newspapers *viz*., Business Standard (English) and Andhra Bhoomi (Telugu) of Hyderabad Editions on 13-03-2015, notifying the date of meeting and accordingly, convened the meeting on 07-04-2015 at 11.00 a.m.

The Chairperson further reported that the meeting of the unsecured creditors, held on the aforesaid date at 11.00 a.m., was attended by 8 unsecured creditors through proxy; that the proposed Scheme of Arrangement was read out and explained to them; that all of them have voted in favour of the proposed Scheme of Arrangement; and that, accordingly, all of them have unanimously passed the resolution to approve the proposed Scheme of Arrangement.

The Resulting Company pleaded that it has no secured or unsecured creditors; that it has four shareholders; and that the requirement of convening their meeting for consideration of the proposed Scheme of Arrangement has been dispensed with by this Court by Order, dated 24-02-2015, in Company Application No.126 of 2015.

In both the Company Petitions, this Court ordered notice to the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad, besides ordering publication of advertisement in two daily newspapers each. In compliance with the said order, dated 28-07-2015, both the Companies have caused notices on the Regional Director, Government of India, Ministry of Corporate Affairs, South Eastern Region, Hyderabad; and that each of the two Companies have carried out publication of notices in two daily newspapers *viz*., the

Business Standard (English) and Andhra Bhoomi (Telugu) of Hyderabad editions. Accordingly, the proof of publication was carried through separate memos.

In response to the notices, the Regional Director has filed his Common report, dated 11-09-2015, wherein it is *inter alia* stated that in pursuance of General Circular No.1/2014, dated 15-01-2014, issued by the Ministry of Corporate Affairs, New Delhi, the opinion of the Income Tax Department was sought *vide* letter, dated 20-08-2015, and that no comments/objections were received by him from the Income Tax Department. It is further stated that the Registrar of Companies, Hyderabad, has reported that both the Demerged Company and the Resulting Company are regular in filing returns and that no inspections and investigations are pending against them.

Having regard to the report of the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad and as no claims or objections have been received in pursuance of publication of notice in the newspapers, this Court is satisfied that the proposed Scheme of Arrangement is in conformity with the provisions of the Act and that the same is not being opposed by any stakeholders or general public.

Therefore, the proposed Scheme of Arrangement is sanctioned with effect from the appointed date *i.e.,* 01.07.2014. Both the Demerged and the Resulting Companies shall, within 30 days of receipt of a copy of this order, cause a certified copy of the same to be delivered to the Registrar of Companies, Hyderabad, and take all other consequential actions in pursuance of the approval of the proposed Scheme of Arrangement.

Both the Company Petitions are, accordingly, allowed.

(C.V.Nagarjuna Reddy, J)

Dt: 16th September, 2015
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