

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

Company Petition No.27 of 2015

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Dated 15.04.2015

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Between:

M/s.People Combine Nagpur Ventures Pvt. Ltd.,

Visakhapatnam, rep. by its Director,

Shri Prasannanjaneyulu Mandava

...Petitioner/Transferor Company

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Counsel for the Petitioner: Mr.VS.Raju

The Court made the following:

Order:

This Company Petition is filed by M/s.People Combine Nagpur Ventures Private Limited- Transferor Company under Sections 391 and 394 of the Companies Act, 1956, for

sanction of the proposed scheme of its amalgamation with M/s.People Combine Educational Initiatives Limited-Tranferee Company.

The Petitioner pleaded that it was incorporated on 12-01-2011; that its registered office is situated at D.No.8-1-97/1/8, Level 4, Block- B, Ninitas High's, Pedawaltair, Visakhapatnam; that its main objects are to operate/conduct play schools, Kindergarten to 12th standard schools, to carry out consultancy services for schools and other learning institutions *etc.*; that its authorized share capital as on 31st March, 2014 is Rs.25 Crores divided into 10,000 equity shares of Rs.10/- each, One lakh 0.001% series A compulsorily convertible preference shares of Rs.100/- each and 23,99,000 series B 0.0001% compulsorily convertible preference shares of Rs.100/- each; that it has two shareholders; and that its entire share capital has been issued, subscribed and fully paid-up.

The petitioner further pleaded that as itself and the Transferee Company are engaged in the similar nature of businesses and the management is common, they intend to consolidate both of their businesses to take advantage of the operating efficiencies; that the proposed amalgamation would possibly result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalisation, efficiency and optimum utilization of various resources; and that the interests of any shareholder or creditor of either of the Companies will not be prejudiced as a result of sanction of the proposed scheme of amalgamataion.

The petitioner averred that, having regard to the benefits of the proposed scheme of amalgamation, its Board of Directors *vide* resolution, dated 04-09-2014, approved the proposed scheme of amalgamation and fixed the appointed date as 01-04-2014; that by similar resolution dated, 04-09-2014, the

Board of Directors of the Transferee Company has also approved the proposed scheme of amalgamation; and that by Order, dated 28-01-2015, in Company Application No.39 of 2014, this Court has dispensed with the requirement of holding of the meeting of its shareholders.

Further, it is stated that in pursuance of this Court's order, dated 18-02-2015, the petitioner has caused notices on the Regional Director, Ministry of Corporate Affairs, South Eastern Region, Hyderabad, as well as the Official Liquidator attached to this Court and has also carried out advertisement in two daily newspapers *viz.*, the Business Standard (English) and Andhra Bhoomi (Telugu) of Visakhapatnam editions having circulation in the State of Andhra Pradesh.

Learned Counsel for the petitioner has stated that he has not received any claims or objections in response to the paper publications issued regarding the approval of the proposed scheme of amalgamation.

In response to the notices, the Regional Director and the Official Liquidator have filed their respective reports.

In his report, dated 19-03-2015, the Regional Director has stated that in pursuance of Joint 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 03-03-2015, addressed to the Chief Commissioner of Income Tax, Aayakar Bhawan, Daba Gardens, Visakhapatnam, and that no comments/objections were received from the Income Tax Department. It is further stated that the Registrar of Companies, Hyderabad, has reported that both the petitioner- Transferor Company and the Transferee Company involved in the scheme of amalgamation are regular in filing returns and that no inspections or investigations are pending against them.

As regards certain objections raised by the Official Liquidator in his report, dated 16-03-2015, one of the Directors of the petitioner has filed affidavit, dated 01-04-2015, wherein he has clarified the same. Thereafter, the Official Liquidator has submitted further report, dated 08-04-2015, wherein he has stated that he is satisfied with the clarification offered by the petitioner on perusal of Certificate, dated 23-03-2015, produced by it, issued by M/s.KJD Srinivas and Co., Chartered Accountants, to the effect that the petitioner does not have any secured or unsecured creditors.

At the hearing, learned Counsel for the Official Liquidator stated that the Official Liquidator has no objection for sanction of the proposed scheme of amalgamation as the affairs of the petitioner- Transferor Company are not conducted in a manner prejudicial to the interests of its members or to the public interest.

Having regard to the respective reports of the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad and the Official Liquidator and as no objections/claims have been received in pursuance of the paper publications, this Court is of the opinion that the proposed scheme of amalgamation is in conformity with the provisions of the Act; and that the same does not in any manner affect the interests of any of the stake holders including the public.

Hence, the proposed scheme of amalgamation is sanctioned with effect from the appointed date *i.e.*, 01.04.2014. The petitioner- Transferor Company is ordered to be dissolved without going through the process of winding up. The petitioner shall, within 30 days from the date 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 amalgamation.

The Company Petition is, accordingly, allowed.

(C.V.Nagarjuna Reddy, J)

Dt: 15th April, 2015

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