

HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY
COMPANY PETITION No.85 of 2015

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Date:07.7.2015

Between:

M/s Site Exporters Private Limited,
Guntur, repled by its Managing
Director-Madala Rajendra Prasad

.....Petitioner/
Transferor Company

Counsel for the petitioner: Smt Vanga Anita

The Court made the following:

HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY
COMPANY PETITION No.85 of 2015

ORDER:

This Company Petition is filed by M/s Site Exporters Private Limited (transferor Company) for sanction of the proposed scheme of amalgamation, under Sections 391 and 394 of the Companies Act, 1956 (for short 'the Act'), with M/s Babu Tobacco Private Limited (transferee Company).

The petitioner averred that it was incorporated under the Companies Act, 1956 on 01.6.1992 with its registered office at Guntur, Andhra Pradesh; that its authorized share capital is Rs.1.5 crores divided into 1,50,000 equity shares of Rs.100/- each; that its issued, subscribed and paid up capital is Rs.90 lakhs divided into 90,000 fully paid up equity shares of Rs.100/- each; that its main objects, as set out in the

Memorandum of Association, include carrying on the business of tobacco growing, curing, grading, stripping, redrying, packing, ware-housing, selling, buying, bartering, importing and exporting and in varieties of tobacco whether manufactured or not and at all places within and outside India, etc; that by resolution, dated 02.3.2015, its Board of Directors has approved the proposed scheme of amalgamation (filed as Annexure-F1); and that the appointed date is 01.4.2014.

The petitioner further averred that the objects/benefits of the proposed scheme of amalgamation are to have better administrative and managerial control for the management, as the merger of the transferor and transferee companies would ensure synergy in administration and management, etc.

The petitioner further averred that it is a 100% subsidiary of the transferee company i.e., the transferee is holding 89,993 equity shares on its own and 7 equity shares are held through its nominee- Rajendra Prasad Madala; that both the transferee company and its nominee have given their consent to the scheme of amalgamation (filed as Annexure-G1 and G2); that it has no secured creditors; and that as on 31.12.2014, it had a lone unsecured creditor for Rs.1,10,000/- and subsequently, full payment was made to him through vouchers (filed as Annexure-H).

The petitioner has filed Company Application No.404 of 2015 for dispensing with the holding of meeting of its shareholders for considering the proposed scheme of amalgamation. This Court by order, dated 17.03.2015, has allowed the said Company Application.

On 15.04.2015, this Court ordered notices to the Regional Director, South Eastern Region, Ministry of

Corporate Affairs, Hyderabad and the Official Liquidator attached to this Court. Advertisement was also ordered to be published in two newspapers, viz., 'Business Standard' (English daily) and 'Andhra Bhoomi' (Telugu daily) having circulation in the State of Andhra Pradesh.

The petitioner has filed proof of publication through memo, dated 23.06.2015, vide USR.No.2622 of 2015 and no objections are stated to have been received.

In his report, dated 25.6.2015, the Official Liquidator has stated that basing on the information furnished by the petitioner, he is of the opinion that the affairs of the transferor and transferee companies involved in the proposed scheme of amalgamation are not conducted in a manner prejudicial to the interests of its members or to the public interest.

In response to the notice, the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad has filed his report, dated 29.06.2015, wherein it is *inter alia* stated that in pursuance of General Circular No.1 of 2014, dated 15.01.2014, issued by the Ministry of Corporate Affairs, New Delhi, comments from the Income Tax Department were invited by him, vide letter, dated 25.05.2015, and that no comments/objections from the Income Tax Department have been received in response to the said notice; and that the transferor and transferee companies are regular in filing the statutory returns and that no inspection or investigation is pending against both the companies.

Having regard to the 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 advertisement published in the newspapers for approving the proposed scheme of amalgamation, this Court is of the opinion that the proposed scheme of amalgamation is in conformity with the provisions of the Act and the same does not in any manner affect the interests of any of the stake holders including the public.

Therefore, the proposed scheme of amalgamation is sanctioned with effect from the Appointed date i.e., 01.04.2014. 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 for the State of Telangana and State of Andhra Pradesh, Hyderabad and take all other consequential actions in pursuance of the approval of the scheme of amalgamation.

The Company Petition is, accordingly, allowed.

*JUSTICE C.V.NAGARJUNA
REDDY*

*07th July, 2015
DR*