

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

Company Petition No.106 of 2015

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Dated 20.07.2015

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Between:

TMEIC Industrial Systems India Private Limited
Hyderabad, rep. by its Associated General Manager
Finance Ravi Kumar Vasa

**... Petitioner/
Transferee Company**

Counsel for the petitioner: Mr.V.S.Raju

The Court made the following:

Order:

This Company Petition is filed by M/s.TMEIC Industrial Systems India Private Limited- Transferee Company under Sections 391 and 394 of the Companies Act, 1956, for sanction of the proposed scheme of amalgamation of M/s.TMEIC Power Electronics Systems India Private Limited- Transferor Company with it.

The Petitioner pleaded that it was originally incorporated on 30-07-2010 *vide* Corporate Identity

Number U74120AP2010PTC069753; that its registered office is situated at Unit No.#03-04, Level-3, Third Floor, Block 2, Cyber Pearl, Hitech City, Madhapur, Hyderabad, Telangana; that its main objects are to carry on business of manufacturing, subcontracting, supplying, trading, importing, exporting, assembling and erecting of electrical and industrial equipments and software catering to various industrial requirements and to carry on business of erection, procurement and commissioning of industrial projects, developing industrial processes so as to offer integrated services covering all aspects from engineering upto erection and maintenance of electrical, industrial equipment and software; that its authorized share capital as on 31st March, 2014, is 42 Crores divided into 4.20 Crore equity shares of Rs.10/- each; that its issued, subscribed and paid up share capital is Rs.41,32,80,530/- divided into 4,13,28,053 equity shares of Rs.10/- each; that it has three shareholders, one secured creditor and two unsecured creditors.

The petitioner further pleaded that as itself and the Transferor Company are engaged in the

business of electrical and industrial equipments, they intend to consolidate both of their businesses; that the proposed amalgamation would possibly result in greater integration, greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity and the organizational capability and leadership, arising from the pooling of resources to compete successfully in an increasingly competitive industry; and that the interests of any shareholders or creditors of either of the Companies will not be prejudiced as a result of sanction of the proposed scheme of amalgamation.

The petitioner averred that, anticipating the above benefits, its Board of Directors, *vide* resolution, dated 05.02.2015, approved the proposed scheme of amalgamation and fixed the appointed date as 01-04-2015; that this Court, by Order, dated 30-03-2015, in Company Application No.500 of 2015, dispensed with the requirement of holding the meetings of its equity shareholders, secured creditor and unsecured creditors for

considering the proposed scheme of amalgamation.

Further, it is averred that in pursuance of this Court's order, dated 27-04-2015, the petitioner has caused notice on the Regional Director, Ministry of Corporate Affairs, South Eastern Region, Hyderabad, and has also carried out advertisement in two daily newspapers viz., the Business Standards (English) and Andhra Bhoomi (Telugu) of Hyderabad editions having circulation in the State of Telangana.

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 notice, the Regional Director has filed his report, dated 08-07-2015.

In his report, the Regional Director has 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 25-05-2015, addressed to the Income Tax

Officer, Circle 2(2), Ayakar Bhavan, Hyderabad, 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 the Transferee Company is regular in filing returns and that no inspections and no investigations are pending. The only observation made by the Regional Director is that the sanction of the scheme of amalgamation may be made subject to the result of the Company Petition filed by the Transferor Company in the Karnataka High Court.

In response to the Regional Director's observation regarding the Company Petition filed by the Transferor Company before the Karnataka High Court, Mr.V.S.Raju, learned Counsel for the petitioner submitted that the Karnataka High Court has approved the proposed scheme of amalgamation *vide* its Order, dated 17-07-2015, in C.P.No.63 of 2015, filed by the Transferor Company._

Having regard to the report of the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad, 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.

Accordingly, the proposed scheme of amalgamation is sanctioned with effect from the appointed date *i.e.*, 01.04.2015. 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: 20th July, 2015
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