

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

Company Petition No.28 of 2015

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Dated 15.04.2015

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Between:

M/s.People Combine Educational Initiatives Ltd.,

Visakhapatnam, rep. by its Director,

Shri D.V.Rama Krishna Prasad

...Petitioner/Transferee 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 Educational Initiatives Limited- Transferee Company under Sections 391 and 394 of the Companies Act, 1956, for

sanction of the proposed scheme of amalgamation of M/s.People Combine Nagpur Ventures Private Limited-Transferor Company with it.

The Petitioner pleaded that it was originally incorporated as a Private Limited Company on 10-10-2009 and subsequently, converted into a Public Limited Company and a fresh certificate of incorporation was obtained on 01-10-2010; 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 play schools, tuition centre, offer consultancy to schools/colleges for start up, Broad Banding, Diversification, Co-engineering, render professional development services to Educational Institutions in India/abroad 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 compulsory convertible Preference Shares of Rs.100/- each and 23,99,000 0.0001% series B compulsorily convertible preference shares of Rs.100/- each; that its entire share capital has been issued, subscribed and fully paid-up; and that it has fourteen shareholders, four secured creditors and eight unsecured creditors.

The petitioner further pleaded that as itself and the Transferor Company are engaged in the similar nature of business 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 amalgamation.

It is averred that, having regard to the benefits expected out of the proposed scheme of amalgamation, the Board of Directors of the petitioner, *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 Transferor Company has also approved the proposed scheme of amalgamation; and that by Order, dated 28-01-2015, in Company Application No.40 of 2014, this Court has dispensed with the requirement of holding of the meeting of its shareholders.

Further, it is pleaded that in pursuance of this Court's order, dated 18-02-2015, 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 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 notice, the Regional Director has filed a common report, , dated 19-03-2015, in this Company Petition and Company Petition No.27 of 2015 filed by the Transferor Company.

In his report, 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 Transferor Company and the petitioner-Transferee Company involved in the scheme of amalgamation are regular in filing returns and that no inspections and no investigations are pending. It is further stated that the Registrar of Companies, Hyderabad, has reported that the Transferee Company has both secured and unsecured creditors and that their consent needs to be furnished.

In response to the Regional Director's objection relating to the consents of its secured and unsecured creditors, the petitioner has filed the same *vide* Memo, dated 01-04-2015.

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.*, 01.04.2014. 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, 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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