

IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 11/2015

Reserved on 9th February, 2015
Date of pronouncement: 17th March, 2015

In the matter of

The Companies Act, 1956 & the Companies Act, 2013 (to the extent applicable):

And

**Application under Sections 391 & 394 of the
Companies Act, 1956**

Scheme of Amalgamation of:

M/s. VRJ Traders Private Limited

Applicant/Transferor Company

WITH

M/s. SSA Traders Private Limited

Applicant/Transferee Company

**Through Mr. C.S. Yadav, Advocate for
the applicants**

SUDERSHAN KUMAR MISRA, J.

1. This joint application has been filed under Sections 391 & 394 of the Companies Act, 1956 by the applicant companies seeking directions of this court to dispense with the requirement of convening the meetings of their equity shareholders, secured and unsecured creditors to consider and approve, with or without modification, the proposed Scheme of Amalgamation of M/s. VRJ Traders Private Limited (hereinafter referred to as the transferor company) with M/s. SSA Traders Private Limited (hereinafter referred to as the transferee company).

2. The registered offices of the transferor and transferee companies are situated at New Delhi, within the jurisdiction of this Court.

3. The transferor company was incorporated under the Companies Act, 1956 on 29th October, 2001 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The transferee company was incorporated under the Companies Act, 1956 on 29th October, 2001 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

5. The present authorized share capital of the transferor company is Rs.2,25,000/- divided into 22,500 equity shares of Rs.10/- each. The issued, subscribed and paid up capital of the company is Rs.2,24,000/- divided into 22,400 equity shares of Rs.10/- each.

6. The present authorized share capital of the transferee company is Rs.10,01,00,000/- divided into 1,00,10,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital of the company is Rs.5,32,000/- divided into 53,200 equity shares of Rs.10/- each.

7. Copies of the Memorandum and Articles of Association of the transferor and transferee companies have been filed on record. The audited balance sheets, as on 31st March, 2014, of the transferor and

transferee companies, along with the report of the auditors, have also been filed.

8. A copy of the Scheme of Amalgamation has been placed on record and the salient features of the Scheme have been incorporated and detailed in the application and the accompanying affidavit. It is claimed that the Scheme is likely to create synergies by consolidating ownership and will result in achieving a simple and transparent ownership structure. It will also eliminate areas of potential conflict of interest and ease considerably related party transactions. It is also claimed that the proposed merger will lead to reduction of administrative cost and overhead expenses which would further lead to greater and effective executive control, synergy of operations, optimum utilization of available resources and economies of scale.

9. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, the transferee company shall issue and allot shares to the shareholders of the transferor company in the following ratio:

“159 equity shares of Rs.10/- each fully paid up of the transferee company for every 01 equity share of the transferor company.”

10. It has been submitted by the applicants that no proceedings under Sections 235 to 251 of the Companies Act, 1956 are pending against the applicant companies.

11. The Board of Directors of the transferor and transferee companies in their separate meetings held on 19th August, 2014 have unanimously approved the proposed Scheme of Amalgamation. Copies of the Resolutions passed at the meetings of the Board of Directors of the transferor and transferee companies have been placed on record.

12. The transferor company has 02 equity shareholders and 03 unsecured creditors. Both the equity shareholders and all the unsecured creditors have given their consents/no objections in writing to the proposed Scheme of Amalgamation. Their consents/no objections have been placed on record. They have been examined and found in order. In view thereof, the requirement of convening the meetings of the equity shareholders and unsecured creditors of the transferor company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured creditor of the transferor company, as on 19th August, 2014.

13. The transferee company has 02 equity shareholders and 04 unsecured creditors. Both the equity shareholders and all the unsecured creditors have given their consents/no objections in writing to the

proposed Scheme of Amalgamation. Their consents/no objections have been placed on record. They have been examined and found in order. In view thereof, the requirement of convening the meetings of the equity shareholders and unsecured creditors of the transferee company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured creditor of the transferee company, as on 19th August, 2014.

14. The application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

March 17, 2015