

IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 10/2015

Reserved on 15th January, 2015
Date of pronouncement: 28th January, 2015

In the matter of

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

And

Application under Section 391(1) of the Companies Act, 1956

Scheme of Amalgamation of:

M/s. Inter Alliance Consultants Private Limited
Applicant/Transferor Company No. 1

M/s. Raffle Fabrics Private Limited
Applicant/Transferor Company No. 2

WITH

M/s. J.A. Textiles Private Limited
Applicant/Transferee Company

Through Mr. Mukesh Sukhija,
Advocate for the applicants

SUDERSHAN KUMAR MISRA, J.

1. This joint application has been filed under Section 391(1) 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. Inter Alliance Consultants Private Limited (hereinafter referred to as the transferor company no. 1) and M/s. Raffle

Fabrics Private Limited (hereinafter referred to as the transferor company no. 2) with M/s. J.A. Textiles 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 no. 1 was incorporated under the Companies Act, 1956 on 3rd December, 1999 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The transferor company no. 2 was originally incorporated under the Companies Act, 1956 on 24th October, 1994 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi under the name and style of Complete Financial Services Private Limited. The company changed its name to Raffle Fabrics Private Limited and obtained the fresh certificate of incorporation on 31st August, 2005.

5. The transferee company was incorporated under the Companies Act, 1956 on 28th March, 2003 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

6. The present authorized share capital of the transferor company no.1 is Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each. The present issued, subscribed and paid-up share capital of the company is Rs.4,90,200/- divided into 49,020 equity shares of Rs.10/- each.

7. The present authorized share capital of the transferor company no.2 is Rs.3,00,000/- divided into 30,000 equity shares of Rs.10/- each. The present issued, subscribed and paid-up share capital of the company is Rs.1,00,200/- divided into 10,020 equity shares of Rs.10/- each.

8. The present authorized share capital of the transferee company is Rs.2,75,00,000/- divided into 5,00,000 equity shares of Rs.10/- each aggregating to Rs.50,00,000/-; and 22,50,000 preference shares of Rs.10/- each aggregating to Rs.2,25,00,000/-. The present issued, subscribed and paid-up share capital of the company is Rs.29,35,620/- divided into 2,93,562 equity shares of Rs.10/-.

9. 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.

10. 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 submitted by the applicants that the transferor companies no. 1 & 2 are presently not having any business other than investment of ideal fund. It is claimed that the proposed amalgamation would result in business synergy and consolidation of these companies into one large company with a stronger asset base. It is further claimed that the proposed amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of human and other resources and enhancement of overall business efficiency. It will enable these companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth of their businesses.

11. 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 equity shares to the shareholders of the transferor companies in the following ratio:-

“3.20 equity share of Rs.10/- each of the transferee company credited as fully paid-up for every 1 (one) equity share of Rs.10/- each held in the transferor company no. 1.”

“11.50 equity share of Rs.10/- each of the transferee company credited as fully paid-up for every 1 (one) equity share of Rs.10/- each held in the transferor company no. 2.”

12. 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.

13. The Board of Directors of the transferor and transferee companies in their separate meetings held on 21st October, 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.

14. The transferor company no. 1 has 02 equity shareholders and 01 unsecured creditor. Both the equity shareholders and the only unsecured creditor 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 creditor of the transferor company no. 1 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 no. 1, as on 31st March, 2014.

15. The transferor company no. 2 has 02 equity shareholders and 01 unsecured creditor. Both the equity shareholders and the only unsecured creditor 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 creditor of the transferor company no. 2 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 no. 2, as on 31st March, 2014.

16. The transferee company has 10 equity shareholders and 01 secured creditor. All the equity shareholders and the only secured creditor 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 secured creditor of the transferee company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with.

17. The transferee company has 213 unsecured creditors, as on 31st March, 2014. Subsequently, the debts of 205 creditors have been paid off and there are only 8 unsecured creditors of the transferee company as on 6th January, 2015. A certificate to this effect by Mr. A.K. Sood, Partner, Sood Brij & Associates, Chartered Accountants, has also been placed on record. Out of the remaining 08 unsecured creditors, 07 unsecured creditors, being 87.5% in number and 99% in value, 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 meeting of the 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.

18. The application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

January 28, 2015