IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 31/2015

Reserved on 9th March, 2015
Date of pronouncement: 16th April, 2015

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

And

Application under Sections 391 to 394 of the Companies Act, 1956 read with Rules 6 and 9 of the Companies (Court) Rules, 1959

Scheme of Amalgamation of:

Narmada Asbestos Pipes Private Limited
Applicant/Transferor Company

WITH

Carnation Developers Private Limited
Applicant/Transferee Company

Through Mr. Sumit Roy and Mr. Vishal Dutt, Advocates for the applicants

SUDERSHAN KUMAR MISRA, J.

1. This joint application has been filed under Sections 391 and 394 of the Companies Act, 1956 read with Rules 6 & 9 of the Companies (Court) Rules, 1959 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 Narmada Asbestos Pipes Private Limited (hereinafter referred to as the transferor company) with Carnation Developers 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 originally incorporated under the Companies Act, 1956 on 27th March, 2006 with the Registrar of Companies, Rajasthan at Jaipur. Learned counsel for the applicants submitted that the transferor company shifted its registered office from the State of Rajasthan to Delhi on 7th September, 2013 pursuant to orders passed by the Regional Director (NWR).

4. The transferee company was originally incorporated under the Companies Act, 1956 on 2nd August, 2010 with the Registrar of Companies, Rajasthan at Jaipur. Thereafter, the company shifted its registered office from the State of Rajasthan to Delhi and obtained a certificate in this regard from the Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 12th June, 2013.

5. The present authorized share capital of the transferor company is Rs.36,00,000/- divided into 3,60,000 equity shares of Rs.10/- each. The present issued, subscribed and paid-up share capital of the company is Rs.35,72,670/- divided into 3,57,267 equity shares of Rs.10/- each.

6. The present authorized share capital of the transferee company is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.3,03,030/- divided into 30,303 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 submitted by the applicants that the transferor company is a subsidiary of the transferee company and is jointly developing a residential group housing project on the consolidated Project Land with the transferee company. It is claimed that the amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, organizational efficiency and optimal utilization of various resources. IT is further claimed that amalgamation will lead to the benefits of economies of scale, besides other synergetic advantages.

9. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, no shares of the transferee company shall be allotted in lieu or exchange of its holding in the transferor company and the share capital including the authorized share capital, and issued, subscribed and paid-up share capital of the transferor company shall stand cancelled.

10. It has been submitted by the applicants that no proceedings under Sections 235 to 251 of the Companies Act, 1956 and/or under Sections 206 to 229 of the Companies Act, 2013 are pending against the applicant companies.

11. The Board of Directors of the transferor and transferee companies in their separate meetings held on 22nd December, 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 03 equity shareholders and 01 unsecured creditor. All 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 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 22nd January, 2015.

13. The transferee company has 13 equity shareholders and 03 secured creditors. All the equity shareholders, in their extra-ordinary general meeting held on 21st January, 2015, and all the secured 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 secured 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 unsecured creditor of the transferee company, as on 22nd January, 2015.

14. The application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

April 16, 2015