

IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 65/2015

Reserved on 10th July, 2015
Date of pronouncement: 27th July, 2015

In the matter of

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

And

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

Scheme of Amalgamation of:

Avanti Bristlers Private Limited

Applicant/Transferor Company No. 1

Grassmore Products Private Limited

Applicant/Transferor Company No. 2

WITH

W.H. Targett India Limited

Applicant/Transferee Company

**Through Mr. Inderjeet Singh, 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 Avanti Bristlers Private Limited (hereinafter referred to as the transferor company No. 1) and Grassmore Products Private

Limited (hereinafter referred to as the transferor company No. 2) with W.H. Targett India 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 originally incorporated under the Companies Act, 1956 on 9th November, 1989 with the Registrar of Companies, Gujarat at Ahmedabad under the name and style of Targett Bristlers Private Limited. The company changed its name to Avanti Bristlers Private Limited and obtained the fresh certificate of incorporation on 21st April, 2005. Thereafter, the company shifted its registered office from the State of Gujarat to Delhi and obtained a certificate in this regard from the Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 4th May, 2007.

4. The transferor company no. 2 was originally incorporated under the Companies Act, 1956 on 2nd March, 1984 with the Registrar of Companies, West Bengal under the name and style of Grassmore Tea Limited. The company changed its name to Grassmore Products Limited and obtained the fresh certificate of incorporation on 3rd June, 1988. The company again changed its name to Grassmore Products Private Limited

and obtained the fresh certificate of incorporation on 30th January, 1989. Thereafter, the company shifted its registered office from the State of West Bengal to Gujarat and obtained a certificate in this regard from the Registrar of Companies, Gujarat at Ahmedabad on 7th June, 1989. The company again shifted its registered office from the State of Gujarat to NCT of Delhi and obtained a certificate in this regard from the Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 22nd September, 2000.

5. The transferee company was originally incorporated under the Companies Act, 1956 on 19th November, 1981 with the Registrar of Companies, West Bengal under the name and style of Marble Trading Co. Limited. The company changed its name to W.H. Targett India Limited and obtained the fresh certificate of incorporation on 13th August, 1985. Thereafter, the company shifted its registered office from the State of West Bengal to NCT of Delhi and obtained a certificate in this regard from the Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 31st August, 1994.

6. The present authorized share capital of the transferor company no.1 is Rs.15,00,000/- divided into 15,000 equity shares of Rs.100/- each. The issued, subscribed and paid-up share capital of the company is Rs.5,01,000/- divided into 5,010 equity shares of Rs.100/- each.

7. The present authorized share capital of the transferor company no.2 is Rs.25,00,000/- divided into 25,000 equity shares of Rs.100/- each. The issued, subscribed and paid-up share capital of the company is Rs.10,00,000/- divided into 10,000 equity shares of Rs.100/- each.

8. The present authorized share capital of the transferee company is Rs.2,55,00,000/- divided into 25,50,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.2,50,52,000/- divided into 25,05,200 equity shares of Rs.10/- each.

9. Copies of 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 claimed that the proposed amalgamation will lead to pooling of expertise and financial resources and more efficient use of existing resources for the benefit of shareholders. It is further claimed that the proposed

amalgamation will lead to saving in administrative, marketing, personnel, and servicing overheads, and thereby the cost of operations would be reduced considerably and the profitability would be increased eventually which will benefit the shareholders of the applicant companies.

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:-

“12 equity shares of Rs.10/- each of transferee company, credited as fully paid up, for every 01 equity share of Rs.100/- each fully paid up held in the transferor company no. 1.”

“6.64 equity shares of Rs.10/- each of transferee company, credited as fully paid up, for every 01 equity share of Rs.100/- each fully paid up 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 27th January 2015 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 03 equity shareholders. All the equity shareholders 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 equity shareholders 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 or unsecured creditor of the transferor company no. 1, as on 25th February, 2015.

15. The transferor company no. 2 has 02 equity shareholders. Both the equity shareholders 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 equity shareholders 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 or unsecured creditor of the transferor company no. 2, as on 25th February, 2015.

16. The transferee company has 53 equity shareholders and 04 unsecured creditors. All 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 27th January, 2015.

17. The Application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

July 27, 2015