IN THE HIGH COURT OF DELHI

COMPANY APPLICATION (MAIN) NO. 56/2015

Reserved on 16th April, 2015
Date of pronouncement: 14th May, 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 & 9 of the Companies (Court) Rules, 1959

Scheme of Amalgamation of:

Signatureglobal Resources Private Limited
Applicant/Transferor Company
WITH

Signatureglobal (India) Private Limited
Non-Applicant/Transferee Company

Through Mr. Rishi Sood, Advocate for the applicant

SUDERSHAN KUMAR MISRA, J.

1. This application has been filed under Sections 391 to 394 of the Companies Act, 1956 read with Rules 6 and 9 of the Companies (Court) Rules, 1959 by the applicant/transferor company seeking directions of this court to dispense with the requirement of convening the meetings of its equity shareholders, secured and unsecured creditors to consider and approve, with or without modification, the proposed Scheme of Amalgamation of Signatureglobal Resources Private Limited (hereinafter referred to as the applicant/transferor company) with Signatureglobal

(India) Private Limited (hereinafter referred to as the transferee company).

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

3. The applicant/transferor company was originally incorporated under the Companies Act, 1956 on 15th February, 1995 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi under the name and style of Zee Dataline Private Limited. The company changed its name to Signatureglobal Resources Private Limited and obtained the fresh certificate of incorporation on 11th September, 2014.

4. The present authorized share capital of the applicant/transferor company is Rs.3,70,00,000/- divided into 37,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.3,68,50,000/- divided into 36,85,000 equity shares of Rs.10/- each.

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

applicant/transferor company and the transferee company, along with the report of the auditors, have also been filed.

6. 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 applicant that the transferor company is a wholly owned subsidiary of the transferee company. It is claimed that the proposed amalgamation will result in establishment of a larger company with larger resources, a larger capital base and a greater capacity to raise funds for expansion, modernization and development of the businesses of the companies concerned. It is further claimed that the Scheme will result in economies of scale, reduction in overheads and other expenses, reduction in administrative and procedure work, and better and more productive utilization of various resources.

7. So far as the share exchange ratio is concerned, the Scheme provides that the transferor company is a wholly owned subsidiary of the transferee company, and the entire equity share capital of the transferor company is held by the transferee company. Therefore, the transferee company shall not be required to issue any shares to the shareholders of the transferor company and the shares so held by the transferee company shall stand cancelled.

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

9. The Board of Directors of the transferor and transferee companies in their separate meetings held on 2nd January, 2015 and 14th January, 2015 respectively 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.

10. The applicant/transferor company has 04 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 applicant/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 applicant/transferor company, as on 28th February, 2015.

11. Learned counsel for the applicant has submitted that since the transferor company is a wholly owned subsidiary company of the transferee company, consequently, it may be directed that there is no requirement for the transferee company to separately apply and seek sanction of the Scheme of Amalgamation. This issue has been considered by this Court in many cases, such as ***Auto Tools India Pvt. Ltd.*** [CA(M) 41/2010]; and ***Sharat Hardware Industries Pvt. Ltd.*** (1978), 48 Com.Cas 23 (Delhi) as well as by Bombay High Court in ***Mahaamba Investments Ltd. V. IDI Limited*** (2001) 105 Com Cas. 16 (Bom.) and Andhra Pradesh High Court in ***Andhra Bank Housing Finance Ltd.*** (2004) 118 Com.Cas. 295 (AP), wherein it has been held that there is no requirement to file a separate or joint application on behalf of the transferee company for Sanction of Scheme of Amalgamation. Accordingly, it is directed that the transferee company need not separately apply to seek sanction of the Scheme of Amalgamation.

12. The application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

May 14, 2015