IN THE HIGH COURT OF DELHI
COMPANY PETITION NO. 658/2014

Reserved on 25th 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

Petition under Section 391(2) & 394 of the Companies Act, 1956

Scheme of Amalgamation of:

Rajgharana Projects Private Limited
Petitioner/Transferor Company

WITH

Umra Securities Limited
Petitioner/Transferee Company

Through Mr. Amit Goel, Advocate for the petitioners
Mr. D. P. Ojha, Official Liquidator
Ms. Aparna Mudiam, Assistant Registrar of Companies for the Regional Director

SUDERSHAN KUMAR MISRA, J.

1. This joint petition has been filed under Sections 391(2) & 394 of the Companies Act, 1956 by the petitioner companies seeking sanction of the Scheme of Amalgamation of Rajgharana Projects Private Limited (hereinafter referred to as the transferor company) with Umra Securities 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 23rd August, 2007 with the Registrar of Companies, West Bengal. The company shifted its registered office from State of West Bengal to NCT of Delhi and obtained a certificate in this regard from Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 10th September, 2013.

4. The transferee company was originally incorporated under the Companies Act, 1956 on 9th February, 1995 with the Registrar of Companies, West Bengal. The company shifted its registered office from State of West Bengal to NCT of Delhi and obtained a certificate in this regard from Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 3rd March, 2011.

5. The present authorized share capital of the transferor company is Rs.2,72,90,000/- divided into 27,29,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.2,72,84,850/- divided into 27,28,485 equity shares of Rs.10/- each.

6. The present authorized share capital of the transferee company is Rs.7,00,00,000/- divided into 70,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.6,34,37,000/- divided into 63,43,700 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 with the joint application, being CA(M) 140/2014, earlier filed by the petitioners. The audited balance sheets, as on 31st March, 2014, of the transferor and transferee companies, along with the report of the auditors, had 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 petition and the accompanying affidavits. It is claimed that the proposed amalgamation would result in business synergy, pooling of resources and consolidation of these companies. 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.

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 equity shares to the shareholders of the transferor company in the following ratio:

> "249 equity shares of Rs.10/- each of the transferee company, credited as fully paid up, for every 100 equity shares of Rs.10/- each held by the shareholders in the transferor company".

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

11. The Board of Directors of the transferor and transferee companies in their separate meetings held on 29th 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 had been placed on record.

12. The petitioner companies had earlier filed CA (M) No. 140/2014 seeking directions of this court to dispense with the requirement of convening the meetings of their shareholders, secured and unsecured creditors, which are statutorily required for sanction of the Scheme of Amalgamation. Vide order dated 14th October, 2014, this court allowed the application and dispensed with the requirement of convening and holding the meetings of the equity shareholders, secured and unsecured creditors of the transferor and transferee companies to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation. The Court, however, directed the petitioner to issue

specific notice to Housing Development Finance Corporation Limited, Munirka, New Delhi, secured creditor of the transferee company at the time of moving second motion petition calling for their objection, if any, to the Scheme.

13. The petitioner companies have thereafter filed the present petition seeking sanction of the Scheme of Amalgamation. Vide order dated 27th October, 2014, notice in the petition was directed to be issued to the Regional Director, Northern Region, the Official Liquidator and Housing Development Finance Corporation Limited, Munirka, New Delhi. Citations were also directed to be published in 'Business Standard' (English) and 'Business Standard' (Hindi) editions. Affidavit of service has been filed by the petitioners showing compliance regarding service on Housing Development Finance Corporation Limited, Munirka, New Delhi, and also regarding publication of citations in the aforesaid newspapers on 15th December, 2014. Copies of the newspaper clippings containing the publications have been filed along with the affidavit of service.

14. Pursuant to the notices issued, the Official Liquidator sought information from the petitioner companies. Based on the information received, the Official Liquidator has filed a report dated 7th January, 2015 wherein he has stated that he has not received any complaint against the proposed Scheme of Amalgamation from any person/party interested in the Scheme in any manner and that the affairs of the transferor company

do not appear to have been conducted in a manner prejudicial to the interest of its members, creditors or public interest, as per second proviso of Section 394(1) of the Companies Act, 1956.

15. In response to the notices issued in the petition, Mr. A. K. Chaturvedi, Regional Director, Northern Region, Ministry of Corporate Affairs has filed his report dated 20th January, 2015. Relying on Clause 4.2.1 of the Scheme, he has stated that, upon sanction of the Scheme of Amalgamation, all the employees of the transferor company shall become the employees of the transferee company without any break or interruption in their services. He has further submitted that in Clause 3.1.1 of the Scheme, it has been stated that amalgamation shall be an 'amalgamation in the nature of merger' as defined in Accounting Standard-14 as prescribed under Companies (Accounting Standard) Rules, 2006. He further submitted that in Clause 2.2 of the Scheme, it has been stated that upon this scheme becoming effective, the transferor company shall stand dissolved without the process of winding up.

16. No objection has been received to the Scheme of Amalgamation from any other party. The petitioner companies, in the affidavit dated 16th January, 2015 of Sh. Rajesh Agarwal, Director of the transferee company, have submitted that neither the petitioner companies nor their counsel have received any objection pursuant to the citations published in the newspapers on 15th December, 2014.

17. Considering the approval accorded by the equity shareholders, secured and unsecured creditors of the petitioner companies to the proposed Scheme of Amalgamation and the affidavits filed by the Regional Director, Northern Region, and the Official Liquidator not raising any objection to the proposed Scheme of Amalgamation, there appears to be no impediment to the grant of sanction to the Scheme of Amalgamation. Consequently, sanction is hereby granted to the Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956. The petitioner company will comply with the statutory requirements in accordance with law. Certified copy of this order be filed with the Registrar of Companies within 30 days. It is also clarified that this order will not be construed as an order granting exemption from payment of stamp duty as payable in accordance with law. Upon the sanction becoming effective from the appointed date of Amalgamation, i.e. 1st April, 2014, the transferor company shall stand dissolved without undergoing the process of winding up.

18. The petition is allowed in the above terms.

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SUDERSHAN KUMAR MISRA, J.

April 16, 2015