IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 163/2014

Reserved on 20th January, 2015
Date of pronouncement: 13th February, 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

Scheme of Amalgamation of:

M/s. Arcadia Management Services Private Limited
Applicant/Transferor Company

WITH

M/s. HRC Advisory Services Private Limited
Applicant/Transferee Company

Through Mr. Abhijeet Das, Advocate for the applicants

SUDERSHAN KUMAR MISRA, J.

1. This joint application has been filed under Sections 391 to 394 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. Arcadia Management Services Private Limited (hereinafter referred to as the transferor company) with M/s. HRC Advisory Services Private Limited (hereinafter referred to as the transferee company).

2. The matter was heard and reserved on 20th January, 2015.

3. On examination of the application, it is noticed that the share exchange ratio, mentioned in the Valuation Report dated 6th August, 2014 prepared by M/s. Ishant Agarwal & Associates, Chartered Accountants (page 151, Annexure 1F) is that the Transferee Company shall issue 01 (one) equity share of Rs.10/- each fully paid up to the equity shareholders of the Transferor Company for every 70 equity shares of Rs.10/- each held in the Transferor Company. However, in the Scheme of Amalgamation (at page 75), it is mentioned that Transferee Company shall issue 1 (one) equity share of Rs.10/- each fully paid up to the equity shareholders of the Transferor Company for every 1 (one) equity share of Rs.10/- each held in the Transferor Company. It is further mentioned in the Scheme that this share exchange ratio is as per the valuation report provided by an independent valuer, Gopal Rao & Company, Chartered Accountants.

4. It is pertinent to mention here that in the affidavits filed by the transferor and transferee companies in support of summons, there is no mention of share exchange ratio. The only reference in para 14 of the affidavit is that the transferee company shall issue and allot shares to the shareholders of the transferor company. Further, it is claimed in para 17 of the affidavit that the exchange ratio of shares of the transferor company for shares of the transferee company has been fixed on a fair and reasonable basis in terms of valuation report dated 6th August, 2014 of Ishant Agarwal & Associates, Chartered Accountants. Therefore, there

is a contradiction of the share exchange ratio as mentioned in the valuation report and in the Scheme of Amalgamation. Furthermore, it is not clear as to on which report, whether of Ishant Agarwal & Associates, Chartered Accountants or of Gopal Rao & Company, Chartered Accountants, the applicants are basing their share exchange ratio in the Scheme of Amalgamation.

5. It is further noticed from the list of shareholders of the transferor and transferee companies that IVM Intersurer B.V. is the holding company of the said companies, which are proposed to be amalgamated. The consents given on behalf of IVM Intersurer B.V. approving the Scheme of Amalgamation and seeking dispensation of the meeting of the shareholders of the transferor and transferee companies are not supported by any Board Resolution of IVM Intersurer B.V. authorizing the persons who have given the aforesaid consents.

6. Learned counsel for the applicants is directed to file an affidavit clarifying the aforesaid discrepancies, within two weeks.

7. Re-notify the matter on 26^{th} February, 2015.

SUDERSHAN KUMAR MISRA, J.

February 13, 2015