IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 13.04.2016

DELIVERED ON : 18.04.2016

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The Honourable **Mr.Justice RAJIV SHAKDHER**

C.P.Nos 54 to 56 of 2016

M/s.ABT Investments (India) Private Limited
No.180, Race Course Road,
Coimbatore – 641 018
Tamil Nadu
rep. By its Director Mr.S.Elavazhagan
.. Petitioner in C.P.No.54 of 2016/
Resulting Company No.1

M/s.ABT (Madras) Private Limited
No.180, Race Course Road,
Coimbatore – 641 018
Tamil Nadu
rep. By its Director Mr.N.Shanmugasundaram
.. Petitioner in C.P.No.55 of 2016/
Resulting Company No.2

M/s.ABT Limited
No.180, Race Course Road,
Coimbatore – 641 018, Tamil Nadu
rep. By its Director Mr.M.Harihara Sudhan
.. Petitioner in C.P.No.56 of 2016/
Demerged Company

Petitions filed under sections 391 to 394 of the Companies Act, 1956 to sanction the scheme of arrangement (demerger).

For Petitioners : M/s.Ramani

Mr.G.Venkatesan
for Regional Director
Ministry of Company Affairs
Chennai

O R D E R

These company petitions are preferred under Sections 391 and 394 of the Companies Act, 1956 for sanctioning the scheme of arrangement (demerger) (in short Scheme) between the Demerged company with the Resulting companies with effect from 1st January 2015. The Scheme is appended as Annexure 'E' to the petitions.

2. M/s.ABT Investments (India) Private Limited, the petitioner in C.P.No.54 of 2016 is the first Resulting company, M/s.ABT (Madras) Private Limited, the petitioner in C.P.No.55 of 2016 is the second Resulting Company and M/s.ABT Limited, the petitioner in C.P.No.56 of 2016 is the Demerged Company.

3. A perusal of the records show that the respective petitioner companies have complied with the formalities as prescribed under the Companies Act and the Rules framed therein. The affidavits of the equity shareholders giving their consent to the scheme is appended as Annexure G to C.P.Nos.54 and 55 of 2016. By order dated 24.11.2015 in C.A.Nos.1165 and 1166 of 2015, this Court dispensed with the convening, holding and conducting of the meeting of the shareholders of the respective Resulting Companies for the purpose of considering and if thought fit approving with or without modification the scheme. By order dated 24.11.2015 in C.A.No.1164 of 2015, this Court directed the Demerged company to hold and convene a meeting of the equity

shareholders of the Company. Accordingly, meeting was conducted on 06.01.2016 and the Chairman of the said meeting has filed his report, which is appended as Annexure J to the petition in C.P.No.56 of 2016. It is stated that there are no secured creditors as far as both the Resulting companies are concerned (C.P.Nos.54 and 55 of 2016) and the certificate of the Chartered Accountant confirming the same is annexed as Annexure 'H to the respective petitions'. It is stated that the Demerged company, namely, petitioner in C.P.No.56 of 2016 have 9 secured creditors and the consent of the 8 secured creditors have been obtained and filed. On 13.04.2016, when the matter was called, consent from the the remaining secured creditor has been filed. The said consent affidavits have been annexed as Annexure “H” series to C.P.No.56 of 2016.

4. The Board of Directors of the Demerged Company and the Resulting companies vide its resolution dated 06th June, 2015, considered and approved the scheme and the copy of the Board resolution is appended as Annexure 'F' to these petitions.

5. The petitioners state that no investigation proceedings are pending against the petitioner companies under Sections 235 to 251 or any other provisions of the Companies Act, 1956.

6. Upon notice being issued, the Regional Director, Ministry of Company Affairs has filed his report stating that he has no objection to the scheme being sanctioned.

7. I have perused the scheme filed along with the company petition. I find that the Scheme is not prejudicial to the interest of any person or entity, which has a stake/interest in the petitioner companies. The said scheme as framed is not violative of any statutory provisions.

7.1. The scheme as formulated is fair, just, sound and is not contrary to any public policy or public interest. No proceedings appear to be pending under the provisions of Sections 231 to 237 of the Companies Act, 1956. All the statutory provisions appear to have been complied with.

8. Consequently, there shall be an order approving to the scheme of arrangement (demerger) of the Demerged company, the petitioner in C.P.No.56 of 2016 with the Resulting companies, petitioner in C.P.Nos.54 and 55 of 2016 as provided in Annexure "E" in these petitions with effect from 1st January 2015, as the procedure laid down under sections 391 and 394 of the Companies Act are duly complied with. The petitions are allowed.

8.1. It is made clear, that this order will not be construed as an order granting exemption from payment of stamp duty or, taxes or, any other charges, if any, payable, as per the relevant provisions of law or, from any applicable permissions that may have to be obtained or, even compliances that may have to be made, as per the mandate of law.

9. The learned Senior Central Government Standing Counsel is entitled to a fee of Rs.5,000/- from the Demerged company.

18.04.2016

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RAJIV SHAKDHER,J.

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Pre-Delivery Order in

C.P.Nos.54 to 56 of 2016

Dated: .04.2016