IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 31.03.2016

CORAM

THE HON'BLE MR. JUSTICE K.RAVICHANDRABAABU

C.P. No. 66 of 2016

Shriram Equipment Finance Company Limited
Registered Office:
Mookambika Complex, 3rd Floor,
No. 4, Lady Desika Road, Mylapore, Chennai.
Rep by Director
Ms.Reeman Desai.

...Petitioner/Transferor Company

Shriram Transport Finance Company Limited
Registered Office:
Mookambika Complex, 3rd Floor,
No. 4, Lady Desika Road, Mylapore, Chennai.
Rep by Company Secretary
Mr.Vivek Achwal.

...Petitioner/Transferee Company

Prayer in petition: Petition under Sections 391 to 394 of the Act for sanctioning the Scheme of Amalgamation.

For Petitioner : Mr.Harishankarmani

For Regional Director: Mr.G.Venkatesan,
Senior Central Govt. Standing Counsel

Official Liquidator : Mr. P.Atchuta Ramaih

O R D E R

This application is filed under Sections 391(2) to 394 of the Companies Act praying for sanctioning a scheme of Amalgamation of the transferor Company, Shriram Equipment Finance Company Limited with the transferee Company, Shriram Transport Finance Company Limited with effect from 1st April, 2015 so as to be binding on all the shareholders and creditors of the petitioner Company.

2. The petitioner in C.P.No. 66 of 2015 is the Transferor Company and the petitioner in C.P.No. 66 of 2015 is the Transferee Company.

3. A perusal of the records show that the petitioners have complied with the prescribed procedure. The certificate from the statutory Auditor certifying the list of secured creditors as on 18.12.2015 as well as their consent affidavits is produced at pages 1 to 25 of the Volume III typed set of papers. The copy of the resolution dated 26.06.2015 of the Board of Directors adopting the scheme of amalgamation is enclosed as Annexure "7" to the petition.

4. The consent affidavit from the equity shareholders for the scheme of amalgamation and for dispensing with the convening of the meeting of the equity shareholders for approving the scheme of amalgamation is marked at Annexure "11". This Court, by order dated 29.01.2016 in C.A.Nos. 86, 87 and 89 of 2016, dispensed with the convening, holding and conducting of the meeting of the equity and preference shareholders.

5. The Official Liquidator filed a report on 24.03.2016, wherein it is

reported that the Chartered Accountant has verified the books of accounts,statutory records, registers and other related documents maintained by the Transferor Company. It is further reported that the Transferor Company has not declared equity dividend, since its inception and dividend declared by the said Transferor Company till date on Preference Share Capital has been paid in full and there is no unpaid/outstanding dividend on preference shares as on date. It is further reported that the Transferor company has not been acting in a manner prejudicial to the interest of the members, or the creditors, or to the public, nor were there any act of misfeasance by the Directors.

6. The Regional Director filed an affidavit dated 17.03.2016, wherein he has stated that it has been decided not to make any objection to the scheme. It is submitted that the Court vide order dated 29.01.2016 in C.A.Nos. 86, 87 and 89 of 2016 has dispensed with the convening and holding of the meeting of the equity shareholders. It is submitted that the transferors and transferee companies have secured creditors and they have filed their consent affidavits, which is confirmed by the certificate of the Chartered Accountant in respect of each company involved in the scheme. He further reported that the companies are regular in filing the statutory returns and no prosecution filed, no complaints are pending and no inspection has been conducted.

7. I have perused the report filed by the learned Official Liquidator as well as the affidavit filed by the Regional Director, and the order passed by this Court dated 29.01.2016 in C.A.Nos. 86, 87 and 89 of 2016 dispensing with the convening and holding of meeting of the equity and preference shareholders of the respective applicant Companies, taking note of the fact that the consent affidavits are filed by the equity shareholders of the company consenting for the scheme of amalgamation.

8. I have also perused the scheme filed in the company petition. The Scheme states that there is no objectionable feature in the scheme of amalgamation which is detrimental either to the employees of the transferor company or of the transferee company. The said scheme is not violative of any statutory provisions. The scheme is fair, just and sound and is not against any public policy or public interest. No proceedings are pending under Sections 231 to 237 of the Companies Act, 1956. All the statutory provisions are complied with.

9. Considering all these facts and circumstances, and considering the report of the learned Official Liquidator as well as the affidavit filed by the Regional Director, this Court is of the view that there cannot be any impediment for allowing this Company Petition. Accordingly, there shall be an order, approving to the scheme of amalgamation of the transferor Company Shriram Equipment Finance Company Limited with the transferee Company, Shriram Transport Finance Company Limited with effect from 1st

April, 2015 as per the procedure laid down under Sections 391 to 394 of the Companies Act are duly complied with. The Company Petition is allowed.

10. Taking note of the report of the Chartered Accountant as enclosed by the Official Liquidator, the transferor company shall stand dissolved without winding up.

11. The learned Central Government Standing Counsel appearing for the Regional Director shall be paid a sum of Rs. 10,000/- from the petitioner Company.

31.03.2016

rms

K.RAVICHANDRABAABU,J.

rms

C.P. No. 66 of 2016

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