

HONOURABLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY PETITION Nos.176,177 &178 OF 2016

COMMON ORDER:

These petitions are filed under Sections 391 and 394 of the Companies Act, 1956 (for short, "the Act"), seeking approval of the scheme of amalgamation between the Transferor company No.1, transferor company No.2 and Transferee company as consented by the shareholders, secured creditors and unsecured creditors of the petitioners Company/Transferor Company Nos.1 and 2 and the Transferee Company.

The transferor company No.1 was incorporated on 01.04.2002. The authorised share capital of the company is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each and the issued, subscribed and paid up capital is Rs.3,40,939/- divided into 3,40,390, equity shares of Rs.10/- each.

The transferor company No.2 was incorporated on 01.04.2002. The authorised share capital of the company is Rs.5,00,000/- divided into 5,000 equity shares of Rs.100/- each and the issued, subscribed and paid up capital is Rs.1,66,300/- divided into 1,663, equity shares of Rs.100/- each.

The transferee company was incorporated on 20.05.2005. The authorised share capital of the company is Rs.50,00,000/- divided into 50,000 equity shares of Rs.100/- each and the paid up capital is Rs.15,00,000/- divided into 15,000, equity shares of Rs.100/- each.

The objects of the transferor companies Nos.1 and 2 and the transferee companies of the petitioners are to carry out similar business, thereby amalgamation will expand and increase its presence in the business thereby streamlining of management focus and running the operational and administration cost.

Considering the fact that the equity share holders, secured creditors and unsecured creditors of the transferor companies Nos.1 and 2 and the transferee company had filed the affidavits expressing

their consent for amalgamation by approving the scheme, the share holders' meetings were dispensed with by a common order dated 26.04.2016 passed by this Court in C.A.Nos.552,553 and 554 of 2016. On 06.06.2016, this Court, in the instant company petitions, ordered notice to the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad and also the Official Liquidator. The petitioners were directed to cause publication of notice of scheme of amalgamation in Business Standard (English) and Andhra Bhoomi (Telugu) daily newspapers of Hyderabad editions. The petitioners submit that notices on the statutory authorities were served and the advertisements were published in the newspapers on 11.06.2016. On 28.07.2016, the Central Government had filed a common report in both the petitions. Official Liquidator also filed his report on 28.07.2016. Necessary proofs as required were filed before this Court evidencing the above aspects.

When the matters are taken up for hearing, the learned counsel for the petitioners has reiterated the contents in the petitions. No objections were received from any quarter. There was a compliance of the convening of the share holders meeting and all other interested parties and there being no objections received from any quarter and the petitioners have satisfied the required parameters as noticed by the Supreme Court in **MIHEER H.MAFATLAL V. MAFATLAL INDUSTRIES LIMITED**^[1].

Learned counsel appearing for the statutory authorities have reported no objections for the proposed scheme of amalgamation.

I have considered the material available on record, the principles of law enunciated by the Apex Court in **Miheer H.Mafatlal's** case (1 supra) and the conclusions/recommendations of the statutory authorities through their reports.

Having regard to the above material/reports, this Court is of the opinion that the proposed scheme of amalgamation is in conformity with the provisions of the Act. The scheme does not affect the interest

of stakeholders and the public or public interest and is intended to further develop the business interests of transferor and transferee companies for more profit and maximum utilization of available resources. Therefore, the scheme of amalgamation in the meetings of Board of Directors of transferor company Nos.1 and 2 held on 23.12.2015 and the transferee company meeting held on 23.03.2016 was sanctioned with effect from the date appointed i.e., 01.08.2015. The transferors companies No.s1 and 2 be dissolved without going to the processing of winding up. The transferor and the transferee companies are directed to communicate certified copy of this order to the Registrar of Companies for the State of Telangana and the State of Andhra Pradesh, Hyderabad within 30 days from the date of receipt of a copy of this order. They are further directed to take all consequential and statutory steps required in pursuance of the approved scheme of amalgamation under the provisions of the Act.

All the Company Petitions are allowed accordingly.

CHALLA KODANDA RAM,J

Date:18.08.2016.

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HON'BLE SRI JUSTICE CHALLA KODANDA RAM

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[\[1\]](#) 1996(87) Company Cases 792,