HON'BLE SRI JUSTICE A.RAMALINGESWARA RAO

Company Petition No.266 of 2016

ORDER:

This Company Petition is filed by M/s Liners India Limited-demerged company to sanction the proposed scheme of arrangement, i.e., demerger of its trading division into M/s Jai and Sons Private Limited-Resulting company so as to be binding on all its shareholders and unsecured creditors with effect from the effective date i.e., on 01.10.2015.

The petitioner averred that it was incorporated on 24.4.1986 and its registered office is situated at R.S.No.205/2A, Kannuru, Near 7th Cross Road, Jawahar Auto Nagar, Vijayawada, Andhra Pradesh; that its authorised share capital is Rs.7,50,00,000/- divided into 75 lakhs equity shares of Rs.10/- each; that its issued, subscribed and paid up capital is Rs.4,68,65,010/- divided into 46,86,501 equity shares of Rs.10/- each; and that its Board of Directors met on 26.10.2015 and passed a resolution approving the proposed scheme of arrangement.

The Chairperson appointed by this Court in Company Application No.559 of 2016 convened the meeting of the shareholders of the petitioner-company at 11 am on 04.6.2016 at its registered office and submitted her report on 14.6.2016, wherein it is stated that all the shareholders, who attended the meeting, either in person or through proxy, voted in favour of the proposed scheme of arrangement.

Similarly, another Chairperson, who is appointed by this Court to convene the meeting of the unsecured creditors of the petitioner-company, convened the meeting on the same day at 3 pm at the registered office of the petitioner-company and submitted her report on 14.6.2016, wherein it is stated that all the unsecured creditors, who attended the meeting either in person or through proxy, voted in favour of the proposed scheme of arrangement.

In pursuance of order, 27.7.2016, of this Court, advertisement was published in 'Andhra Bhoomi' Telugu daily newspaper of Vijayawada edition and in 'Business Standard' English daily newspaper of Hyderabad edition on 19.8.2016 and a notice was issued to the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad.

It is averred that no objections/claims are stated to have been received in response to the paper publication.

In response to the notice, the Regional Director filed his report, wherein it is stated that the demerged company involved in the proposed scheme of arrangement is regular in filing the statutory returns and no complaints, investigations and inspections are pending against the said company. It is further stated that in pursuance of General Circular No.1 of 2014, dated 15.01.2014 issued by the Ministry of Corporate Affairs, New Delhi, comments from the Income Tax Department were invited by him, vide letter, dated 15.9.2016, but, no comments/objections have been received from the Income Tax Department.

The secured creditors have filed their 'No Objections' to the proposed scheme of arrangement and the same are filed in the Company Petition along with a memo.

It appears that the Resulting Company filed Company Petition No.310 of 2016 before the High Court of Madras on 18.7.2016, which was admitted on 31.8.2016 and appropriate notice was issued to the Regional Director, Southern Region and the paper publication was filed in respect of the said Company Petition. The High Court of Madras sanctioned the proposed scheme of arrangement by its order, dated 08.12.2016.

Having regard to the report of the Regional Director and as no objections/claims are stated have been received in pursuance of the advertisement got published by the petitioner in the newspapers and in view of the consent expressed by the shareholders, secured and unsecured creditors of the petitioner-company to the proposed scheme of arrangement, the proposed scheme of arrangement is sanctioned with effect from the effective date i.e., on 01.10.2015 and it shall bind all the shareholders and unsecured creditors of the petitioner-company. The petitioner shall cause a certified copy of this order to be delivered to the Registrar of Companies for the State of Telangana and State of Andhra Pradesh, Hyderabad within 30 days of its receipt and take all other consequential steps in pursuance of the approval of the scheme of arrangement.

The Company Petition is, accordingly, ordered.

JUSTICE A.RAMALINGESWARA RAO

13th December 2016
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