

HONOURABLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY PETITION Nos.163 & 164 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 and Transferee company as consented by the shareholders of the petitioners Company/Transferor Company and the Transferee Company.

The transferor company was incorporated on 10.08.2015. The authorised share capital of the company is Rs.50,00,000/- divided into 5,00,000 equity shares of Rs.10/- each and the entire share capital has been issued, subscribed and fully paid-up.

The transferee company was incorporated on 27.08.1997. The authorised share capital of the company is Rs.1,60,00,000/- divided into 16,00,000 equity shares of Rs.10/- each and the entire share capital has been issued, subscribed and fully paid up.

The objects of the transferor and the transferee companies of the petitioners are that they engaged in the business of transport, logistic, setting and operating container, freight station. In order to reorganise and consolidate and integrate operations of the transferor company it has been proposed to amalgamate the transferor company with the transferee company and to achieve greater efficiency by consolidation of operations and sustained its long term growth having greater financial leverage which will result in synergy of operations and cost saving for both the companies.

Considering the fact that the share holders 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 06.04.2016 passed by this Court in C.A.Nos.484 of 2016 and 485 of 2016. On 29.04.2016, 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 arrangement 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 09.05.2016. On 28.07.2016, the Central Government had filed a common report in both the petitions. Official Liquidator also filed his report on 21.07.2016. 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 arrangement.

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 meeting of Board of Directors of transferor and the transferee companies held on 25.02.2016 was sanctioned with effect from the date appointed i.e.,

Both the Company Petitions are allowed accordingly.

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Date:04.08.2016.

Gk.

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