

**HONOURABLE SRI JUSTICE CHALLA KODANDA RAM**

**COMPANY PETITION Nos.254 & 255 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 arrangement between the Transferor and Transferee company as consented by the shareholders of both the companies.

The petitioner/transferor company was incorporated on 02.02.2001. The authorised share capital of the company is Rs.8,50,00,00,000/- divided into 85,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up capital of the transferor company is Rs.6,52,35,000/- divided into 65,23,500 equity shares of Rs.10/-.

The petitioner/transferee company was incorporated on 03.09.2015. The authorised share capital of the company is Rs.4,00,00,000/- divided into 40,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up capital of the transferee company is Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each.

The main objects of the transferor and the transferee's companies as set out in the Memorandum of Associations are extracted in the petition and the same are not reiterated herein for the sake of brevity.

Considering the fact that the share holders had filed the affidavits expressing their consent for arrangement by approving the scheme, the share holders' meeting was dispensed with on 14.06.2016 in C.A.Nos.771 & 772 of 2016. On 21.07.2016, this Court, in the instant company petitions, ordered notice to the Regional Director, South East Region, Ministry of Corporate

Affairs, Hyderabad. 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 advertisement was published in the newspapers on 30.07.2016. The Central Government had filed a common report in both the petitions. 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**<sup>1</sup>.

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 arrangement is in conformity with the provisions of the Act. The scheme does not

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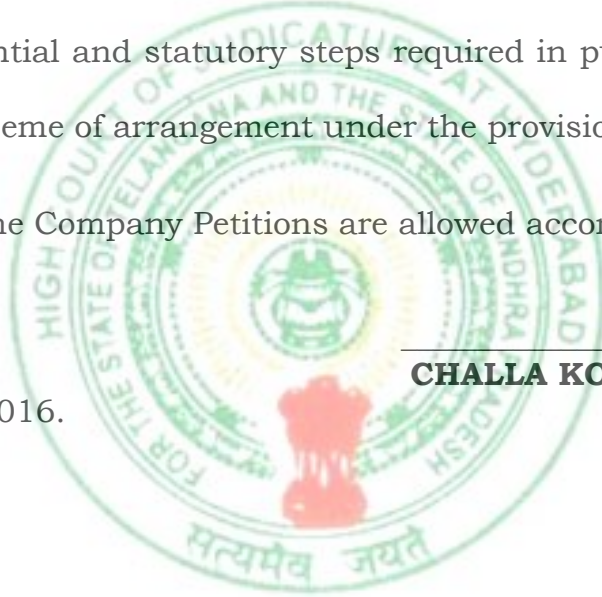
<sup>1</sup> 1996(87) Company Cases 792,

affect the interest of stakeholders and the public or public interest and is intended to further the business interests of transferor and transferee companies for more profit and maximum utilization of available resources. Therefore, the scheme of arrangement in the meeting of Board of Directors of transferor and the transferee companies held on 27.02.2016 are sanctioned with effect from the date appointed i.e., 01.03.2016. 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 arrangement under the provisions of the Act.

Both the Company Petitions are allowed accordingly.

Date:30.09.2016.  
Gk.

**CHALLA KODANDA RAM,J**



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Date:30.09.2016.

Gk.