

IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 57/2016

Reserved on 18th April, 2016
Date of pronouncement: 30th May, 2016

In the matter of

The Companies Act, 1956 & the Companies Act, 2013 (to the extent applicable):

And

**Application under Sections 391 to 394 of the
Companies Act, 1956 read with Rules 6 & 9 of
the Companies (Court) Rules, 1959**

Scheme of Amalgamation of:

Kasuya GPP Auto Products Private Limited

Applicant/Transferor Company

WITH

Ghaziabad Precision Products Private Limited

Applicant/Transferee Company

**Through Mr. Ashok Kumar Juneja,
Advocate for the applicants**

SUDERSHAN KUMAR MISRA, J.

1. This joint application has been filed under Sections 391 to 394 of the Companies Act, 1956 read with Rules 6 & 9 of the Companies (Court) Rules, 1959 by the applicant companies seeking directions of this court to dispense with the requirement of convening the meetings of their equity shareholders, secured and unsecured creditors to consider and approve, with or without modification, the proposed Scheme of Amalgamation of Kasuya GPP Auto Products Private Limited (hereinafter referred to as the transferor company) with Ghaziabad Precision

Products Private Limited (hereinafter referred to as the transferee company).

2. The registered offices of the transferor and transferee companies are situated at New Delhi, within the jurisdiction of this Court.

3. The transferor company was incorporated under the Companies Act, 1956 on 19th March, 2008 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The transferee company was incorporated under the Companies Act, 1956 on 13th September, 1988 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

5. The present authorized share capital of the transferor company is Rs.5,00,00,000/- divided into 50,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.1,50,00,000/- divided into 15,00,000 equity shares of Rs.10/- each.

6. The present authorized share capital of the transferee company is Rs.1,50,00,000/- divided into 15,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.1,14,60,200/- divided into 11,46,020 equity shares of Rs.10/- each.

7. Copies of the Memorandum and Articles of Association of the transferor and transferee companies have been filed on record. The audited balance sheets, as on 31st March, 2015, of the transferor and transferee companies, along with the report of the auditors, have also been filed.

8. A copy of the Scheme of Amalgamation has been placed on record and the salient features of the Scheme have been incorporated and detailed in the application and the accompanying affidavits. It is submitted by the applicants that the transferor company is a wholly owned subsidiary of the transferee company and the proposed amalgamation would result in greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.

9. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, no shares of the transferee company shall be allotted in lieu or exchange of its holding in the transferor company and the paid-up share capital of the transferor company shall stand cancelled since the transferor company is a wholly owned subsidiary of the transferee company.

10. It has been submitted by the applicants that no proceedings under Sections 210 to 227 of the Companies Act, 2013 are pending against the applicant companies.

11. The Board of Directors of the transferor and transferee companies in their separate meetings held on 26th November, 2015 have unanimously approved the proposed Scheme of Amalgamation. Copies of the Resolutions passed at the meetings of the Board of Directors of the transferor and transferee companies have been placed on record.

12. The transferor company has 02 equity shareholders, 02 secured and 51 unsecured creditors. Both the equity shareholders, both the secured creditors and all the unsecured creditors have given their consents/no objections in writing to the proposed Scheme of Amalgamation. Their consents/no objections have been placed on record. They have been examined and found in order. In view thereof, the requirement of convening the meetings of the equity shareholders, secured and unsecured creditor of the transferor company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with.

13. The transferee company has 11 equity shareholders, 02 secured creditors (the debt of the third secured creditor namely HDFC Bank has since been repaid) and 97 unsecured creditors. 07 out of 11 equity shareholders, being 63.63% in number and 79.19% in value; the two secured creditors; and 96 out of 97 unsecured creditors, being 98.97% in number and 99.8% in value, have given their0 consents/no objections in writing to the proposed Scheme of Amalgamation. Their consents/no objections have been placed on record. They have been examined and found in order. In view thereof, the requirement of convening the meetings of the equity shareholders, secured and unsecured creditors of the transferee company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with.

16. The application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

May 30, 2016