

IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 47/2016

Reserved on 19th April, 2016
Date of pronouncement: 16th May, 2016

In the matter of

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

And

**Application under Sections 391(1) of the
Companies Act, 1956**

Scheme of Amalgamation of:

Capital Electrotech Limited

Applicant/Transferor Company No. 1

GS Control Private Limited

Applicant/Transferor Company No. 2

Key Components Private Limited

Applicant/Transferor Company No. 3

MRG Electric Industries Private Limited

Applicant/Transferor Company No. 4

WITH

Capital Urjatech Limited

Applicant/Transferee Company

Through Mr. Mukesh Sukhija,
Advocate for the applicants

SUDERSHAN KUMAR MISRA, J.

1. This joint Application has been filed under Section 391(1) of the Companies Act, 1956, 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 Capital Electrotech Limited (hereinafter referred to as the transferor company No. 1); GS Control Private Limited (hereinafter referred to as the transferor company No. 2); Key Components Private Limited (hereinafter referred to as the transferor company No. 3) and MRG Electric Industries Private Limited (hereinafter referred to as the transferor company No. 4) with Capital Urjatech 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 no. 1 was originally incorporated under the Companies Act, 1956 on 18th August, 2003 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi under the name and style of VRS Electro Private Limited. The company changed its name to Capital Electrotech Private Limited and obtained the fresh certificate of incorporation on 12th March, 2011. The company again changed its name to Capital Electrotech Limited and obtained the fresh certificate of incorporation on 7th April, 2011.

4. The transferor company no. 2 was incorporated under the Companies Act, 1956 on 16th December, 2002 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

5. The transferor company no. 3 was incorporated under the Companies Act, 1956 on 23rd April, 2004 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

6. The transferor company no. 4 was incorporated under the Companies Act, 1956 on 10th September, 2008 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

7. The transferee company was incorporated under the Companies Act, 1956 on 27th April, 2010 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

8. The present authorized share capital of the transferor company no.1 is Rs.8,00,00,000/- divided into 80,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.7,62,00,000/- divided into 76,20,000 equity shares of Rs.10/- each.

9. The present authorized share capital of the transferor company no.2 is Rs.9,50,00,000/- divided into 95,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.9,00,00,000/- divided into 90,00,000 equity shares of Rs.10/- each.

10. The present authorized share capital of the transferor company no.3 is Rs.6,50,00,000/- divided into 65,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.4,67,20,000/- divided into 46,72,000 equity shares of Rs.10/- each.

11 The present authorized share capital of the transferor company no.4 is Rs.3,50,00,000/- divided into 35,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.2,86,00,000/- divided into 28,60,000 equity shares of Rs.10/- each.

12. The present authorized share capital of the transferee company is Rs.10,00,00,000/- divided into 1,00,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.8,46,00,000/- divided into 84,60,000 equity shares of Rs.10/- each.

13. Copies of 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.

14. 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 affidavit. It is submitted by the applicants that all the applicant companies are closely held companies and the proposed amalgamation would result in business synergy and consolidation of these companies into one large company with a stronger asset base. It is further claimed that the proposed amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of human and other resource and enhancement of overall business efficiency. It will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth of their businesses.

15. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, the transferee company shall issue and allot equity shares to the shareholders of the transferor companies in the following ratio:

“01 equity share of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held in the transferor company no. 1.”

“01 equity share of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held in the transferor company no. 2.”

“01 equity share of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held in the transferor company no. 3.”

“01 equity share of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held in the transferor company no. 4.”

16. It has been submitted by the applicants that no proceedings under Sections 235 to 251 of the Companies Act, 1956 are pending against the applicant companies.

17. The Board of Directors of the transferor and transferee companies in their separate meetings held on 30th January, 2016 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.

18. The transferor company no. 1 has 09 equity shareholders. All the equity shareholders 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 meeting of the equity shareholders of the transferor company no. 1 to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured or unsecured creditor of the transferor company no. 1, as on 9th February, 2016.

19. The transferor company no. 2 has 08 equity shareholders. All the equity shareholders 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 meeting of the equity shareholders of the transferor company no. 2 to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured or unsecured creditor of the transferor company no. 2, as on 9th February, 2016.

20. The transferor company no. 3 has 10 equity shareholders. All the equity shareholders 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 meeting of the equity shareholders of the transferor company no. 3 to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured or unsecured creditor of the transferor company no. 3, as on 9th February, 2016.

21. The transferor company no. 4 has 07 equity shareholders. All the equity shareholders 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 meeting of the equity shareholders of the transferor company no. 4 to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured or unsecured creditor of the transferor company no. 4, as on 9th February, 2016.

22. The transferee company has 08 equity shareholders, 01 secured creditor and 17 unsecured creditors. All the equity shareholders, the sole secured creditor 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 creditors of the transferee company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with.

23. The Application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

May 16, 2016