

IN THE HIGH COURT OF DELHI
COMPANY PETITION NO. 515/2015

Reserved on 8th January, 2016
Date of pronouncement: 18th February, 2016

In the matter of

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

And

**Petition under Sections 391 to 394 of the
Companies Act, 1956**

Scheme of Amalgamation of:

Rajendra Ravindra Printers Private Limited

Petitioner/Transferor Company

WITH

Vikas Publishing House Private Limited

Petitioner/Transferee Company

**Through Mr. N.P.S. Chawla, Advocate
for the petitioners**

**Ms. Aparna Mudiam, Assistant
Registrar of Companies for the
Regional Director**

**Mr. Rajiv Bahl, Advocate for the
Official Liquidator**

SUDERSHAN KUMAR MISRA, J.

1. This joint petition has been filed under Sections 391 to 394 of the Companies Act, 1956 by the petitioner companies seeking sanction of the Scheme of Amalgamation of Rajendra Ravindra Printers Private Limited (hereinafter referred to as the transferor company) with Vikas Publishing House 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 17th February, 1962 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The Transferee Company was incorporated under the Companies Act, 1956 on 27th August, 1971 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

5. The present authorized share capital of the transferor company is Rs.15,00,000/- divided into 1500 equity shares of Rs.1000/- each. The present issued, subscribed and paid-up share capital of the company is Rs.7,06,000/- divided into 706 equity shares of Rs.1000/- each.

6. The present authorized share capital of the transferee company is Rs.50,00,000/- divided into 50,000 equity shares of Rs.100/- each. The present issued, subscribed and paid-up share capital of the company is Rs.40,04,000/- divided into 40,040 equity shares of Rs.100/- each.

7. Copies of the Memorandum and Articles of Association of the transferor and transferee companies have been filed on record with

CA(M) 43/2015 earlier filed by the petitioners. The audited balance sheets, as on 31st March, 2014, of the transferor and transferee companies had 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 petition and the accompanying affidavit. It is claimed by the petitioners that the proposed amalgamation will enable consolidation of business operations and will provide significant impetus to the growth in the form of enhanced scale of operations leading to optimum utilization of various resources and infrastructure with reduction in overheads, administrative costs, managerial and other expenditure, provide holistic services, appropriate channelization of synergies, direct operational efficiencies, increased asset base and will consolidate revenue and profitability. It is further claimed that the amalgamation will also provide the transferee company a strong and focused base to undertake the business more advantageously and thereby enabling the increase in its profitability and net worth for its shareholders.

9. So far as the share exchange ratio is concerned, the Scheme provides that a lump sum consideration of Rs.10,000/- has been fixed to be paid for transfer and vesting of assets and liabilities of the transferor company in the transferee company, which shall be discharged by the

transferee company through issue of 100 equity shares of face value of Rs.100/- each to SCCPL (the ultimate beneficiary).

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

11. The Board of Directors of the transferor and transferee companies in their separate meetings held on 22nd December, 2014 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 petitioner companies had earlier filed CA (M) No. 43/2015 seeking directions of this court to dispense with the requirement of convening the meetings of their equity shareholders and for convening of separate meetings of their secured and unsecured creditors, which are statutorily required for sanction of the Scheme of Amalgamation. Vide order dated 5th May, 2015, this court allowed the application and dispensed with the requirement of convening and holding the meetings of the equity shareholders of the transferor and transferee companies and directed convening of separate meetings of the secured and unsecured creditors of the transferor and transferee companies, to consider and, if

thought fit, approve, with or without modification, the proposed Scheme of Amalgamation.

13. The Chairpersons of the ordered meetings of the secured and unsecured creditors of the transferor and transferee companies have filed their reports stating that the meetings were duly held on 6th June, 2015, as directed, and that the Scheme of Amalgamation has been approved unanimously by the secured and unsecured creditors of the transferor and transferee companies, present and voting, in the meetings.

14. The petitioner companies have thereafter filed the present petition seeking sanction of the Scheme of Amalgamation. Vide order dated 10th August, 2015, notice in the petition was directed to be issued to the Regional Director, Northern Region, and the Official Liquidator. Citations were also directed to be published in 'Financial Express' (English) and 'Jansatta' (Hindi) Delhi editions. Affidavit of service has been filed by the petitioner showing compliance regarding service on the Official Liquidator and the Regional Director, Northern Region and also regarding publication of citations in the aforesaid newspapers on 30th September, 2015. It has been stated by the petitioners that the registered office of the transferee company has been changed with effect from 22nd September, 2015 but due to inadvertence, the newspaper advertisement dated 30th September, 2015, the old registered office of the transferee company

was provided. Therefore, the petitioners have against published the said notice on 9th October, 2015 providing the new registered office of the transferee company. Copies of the newspaper clippings containing the publications have been filed along with the said affidavit.

15. Pursuant to the notices issued, the Official Liquidator sought information from the petitioner companies. Based on the information received, the Official Liquidator has filed a report dated 4th January, 2016 wherein he has stated that he has not received any complaint against the proposed Scheme of Amalgamation from any person/party interested in the Scheme in any manner and that the affairs of the transferor company do not appear to have been conducted in a manner prejudicial to the interest of its members, creditors or public interest, as per second proviso of Section 394(1) of the Companies Act, 1956.

16. In response to the notices issued in the petition, Mr. A. K. Chaturvedi, Regional Director, Northern Region, Ministry of Corporate Affairs has filed his report dated 4th January, 2016. Relying on Clause 5.25 of the Scheme, he has stated that, upon sanction of the Scheme of Amalgamation, all the employees of the transferor company shall become the employees of the transferee company without any break or interruption in their services. He has further submitted that in Clause 8 of the Scheme, it has been stated that the transferee company shall

account for the amalgamation in its books as per Accounting Standard-14 as prescribed under Companies (Accounting Standards) Rules, 2006 based on pooling of interest method. He further submitted that in Clause 13.1 of the Scheme, it has been stated that upon this scheme becoming effective, the transferor company shall stand dissolved without the process of winding up.

17. No objection has been received to the Scheme of Amalgamation from any other party. The petitioner companies, in the affidavit dated 6th January, 2016 of Mr. N.P.S. Chawla, Counsel of the petitioner companies, have submitted that neither the petitioner companies nor their counsel have received any objection pursuant to the citations published in the newspapers on 30th September, 2015 and 9th October, 2015.

18. Considering the approval accorded by the equity shareholders and creditors of the petitioner companies to the proposed Scheme of Amalgamation and the affidavits filed by the Regional Director, Northern Region, and the Official Liquidator not raising any objection to the proposed Scheme of Amalgamation, there appears to be no impediment to the grant of sanction to the Scheme of Amalgamation. Consequently, sanction is hereby granted to the Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956. The petitioner

companies will comply with the statutory requirements in accordance with law. Certified copy of this order be filed with the Registrar of Companies within 30 days. It is also clarified that this order will not be construed as an order granting exemption from payment of stamp duty as payable in accordance with law. Upon the sanction becoming effective from the appointed date of Amalgamation, i.e. 1st April, 2014, the transferor company shall stand dissolved without undergoing the process of winding up.

19. Learned counsel for the Official Liquidator prays that costs of at least Rs.1,50,000/- should be paid by the petitioners keeping in view the fact that the matter has involved examination of extensive records and also prioritized hearings. Learned counsel for the petitioner companies states that the same is acceptable to him. As already directed vide order dated 08.01.2016, the petitioners shall deposit a sum of Rs.1,50,000/- by way of costs with the Common Pool Fund of the Official Liquidator.

20. The petition is allowed in the above terms.

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SUDERSHAN KUMAR MISRA, J.

February 18, 2016