IN THE HIGH COURT OF DELHI
COMPANY PETITION NO. 865/2015

Reserved on 11th July, 2016
Date of pronouncement: 12th August, 2016

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

And

Petition under Sections 391 and 394 of the Companies Act, 1956

Scheme of Amalgamation of:

Atlantic Vision Private Limited
Petitioner/Transferor Company No. 1

Blossom Advertisers Private Limited
Petitioner/Transferor Company No. 2

Bliss Credits Private Limited
Petitioner/Transferor Company No. 3

Meerut Credits & Leasing Private Limited
Petitioner/Transferor Company No. 4

Pushpak Exports Private Limited
Petitioner/Transferor Company No. 5

Tarangini Contractors and Developers Private Limited
Petitioner/Transferor Company No. 6

Vivek Cybertech Private Limited
Petitioner/Transferor Company No. 7

WITH

3Dimension Asset Reconstruction Private Limited
Petitioner/Transferee Company

Through Mr. Subrahmanyam and Mr.Abhishek, Advocates for the petitioners with Ms. Rency George, Company Secretary
Ms. Aparna Mudiam, Asstt. Registrar of Companies for the Regional Director

Mr. Kanwal Chaudhary, Advocate for the Official Liquidator

SUDERSHAN KUMAR MISRA, J.

1. This joint petition has been filed under Sections 391 and 394 of the Companies Act, 1956 by the petitioner companies seeking sanction of the Scheme of Amalgamation of Atlantic Vision Private Limited (hereinafter referred to as the transferor company no. 1); Blossom Advertisers Private Limited (hereinafter referred to as the transferor company no. 2); Bliss Credits Private Limited (hereinafter referred to as the transferor company no. 3); Meerut Credits & Leasing Private Limited (hereinafter referred to as the transferor company no. 4); Pushpak Exports Private Limited (hereinafter referred to as the transferor company no. 5); Tarangini Contractors and Developers Private Limited (hereinafter referred to as the transferor company no. 6) and Vivek Cybertech Private Limited (hereinafter referred to as the transferor company no. 7) with 3Dimension Asset Reconstruction 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 no. 1 was incorporated under the Companies Act, 1956 on 12th September, 1996 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The transferor company no. 2 was incorporated under the Companies Act, 1956 on 9th June, 2000 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 29th January, 1992 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 23rd October, 1990 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

7. The transferor company no. 5 was incorporated under the Companies Act, 1956 on 31st May, 1989 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

8. The transferor company no. 6 was originally incorporated under the Companies Act, 1956 on 16th February, 1989 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi under the name and style of Sunrise Developers Private Limited. The company changed its name to Tarangini Contractors & Developers Private Limited and obtained the fresh certificate of incorporation on 8th September, 2009.

9. The transferor company no. 7 was incorporated under the Companies Act, 1956 on 9th June, 2000 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

10. The transferee company was incorporated under the Companies Act, 2013 on 8th July, 2015 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

11. The present authorized share capital of the transferor company no.1 is Rs.25,00,000/- divided into 2,50,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital of the company is Rs.15,99,400/- divided into 1,59,940 equity shares of Rs.10/- each.

12. The present authorized share capital of the transferor company no.2 is Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital of the company is Rs.4,48,200/- divided into 44,820 equity shares of Rs.10/- each.

13. The present authorized share capital of the transferor company no.3 is Rs.5,00,000/- divided into 5,000 equity shares of Rs.100/- each. The issued, subscribed and paid up capital of the company is Rs.4,90,000/- divided into 4,900 equity shares of Rs.100/- each.

14. The present authorized share capital of the transferor company no.4 is Rs.5,00,000/- divided into 5,000 equity shares of Rs.100/- each. The issued, subscribed and paid up capital of the company is Rs.4,92,400/- divided into 4,924 equity shares of Rs.100/- each.

15. The present authorized share capital of the transferor company no.5 is Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital of the company is Rs.4,02,500/- divided into 40,250 equity shares of Rs.10/- each.

16. The present authorized share capital of the transferor company no.6 is Rs.35,00,000/- divided into 35,000 equity shares of Rs.100/- each. The issued, subscribed and paid up capital of the company is Rs.35,00,000/- divided into 35,000 equity shares of Rs.100/- each.

17. The present authorized share capital of the transferor company no.7 is Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital of the company is Rs.2,48,500/- divided into 24,850 equity shares of Rs.10/- each.

18. The present authorized share capital of the transferee company is Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each. The

issued, subscribed and paid up capital of the company is Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each.

19. 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 companies, along with the report of the auditors, have also been filed. Learned counsel for the petitioners has submitted that since the transferee company has been incorporated only recently, no accounts have been prepared for the transferee company.

20. 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 affidavits. It is claimed by the petitioners that the proposed amalgamation will enable the companies to pool their financial, commercial and other resources, as the magnitude of the investments contemplated will be better met by the merged companies together and considerable synergy of operations would be achieved. It is further claimed that with enhanced capabilities and resources at its disposal, the amalgamated company will have greater flexibility and strength and will be able to compete more effectively as a combined entity.

21. 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:-

> "4.20 equity shares of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held by them in the transferor company no. 1."
>
> "64.33 equity shares of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held by them in the transferor company no. 2."
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> "13.11 equity shares of Rs.10/- each of the transferee company for every 01 equity share of Rs.100/- each held by them in the transferor company no. 3."
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> "12.42 equity shares of Rs.10/- each of the transferee company for every 01 equity share of Rs.100/- each held by them in the transferor company no. 4."
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> "80.29 equity shares of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held by them in the transferor company no. 5."
>
> "8.63 equity shares of Rs.10/- each of the transferee company for every 01 equity share of Rs.100/- each held by them in the transferor company no. 6."
>
> "14.37 equity shares of Rs.10/- each of the transferee company for every 01 equity share of Rs.10/- each held by them in the transferor company no. 7."

22. 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.

23. The Board of Directors of the transferor and transferee companies in their separate meetings held on 3rd August, 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. Further, the Board of Directors of the transferor and transferee companies in their separate meetings held on 30th March, 2016 and 31st March, 2016 respectively extending the period of the Scheme of Amalgamation from 31st March, 2016 to 30th September, 2016. Copies of the said resolutions have also been placed on record.

24. The petitioner companies had earlier filed CA (M) No. 158/2015 seeking directions of this court to dispense with the requirement of convening the meetings of their equity shareholders, secured and unsecured creditors, which are statutorily required for sanction of the Scheme of Amalgamation. Vide order dated 2nd November, 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, there being no secured or unsecured creditors of the petitioner companies, to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation.

25. The petitioner companies have thereafter filed the present petition seeking sanction of the Scheme of Amalgamation. Vide order dated 11th December, 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 'Business Standard' (English) and (Hindi) Delhi editions. An affidavit has been filed by the petitioners showing compliance regarding publication of citations in the aforesaid newspapers on 12th February, 2016. Copies of the newspaper clippings containing the publications have been filed along with the said affidavit.

26. 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 13th April, 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 companies do not appear to have been conducted in a manner prejudicial to the interest of their members, creditors or public interest, as per second proviso of Section 394(1) of the Companies Act, 1956.

27. 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 28th April, 2016 not raising any objection to the proposed Scheme of Amalgamation.

28. No objection has been received to the Scheme of Amalgamation from any other party. Learned counsel for the petitioners has submitted that neither the petitioner companies nor their counsel have received any objection pursuant to the citations published in the newspapers on 12th February, 2016.

29. Considering the approval accorded by the equity shareholders of the petitioner companies, there being no 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 August, 2015, the transferor companies no. 1 to 7 shall stand dissolved without undergoing the process of winding up.

30. Learned counsel for the Official Liquidator prays that costs of at least Rs.1,00,000/- 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 company states that the same is acceptable to him. As already directed vide order dated 11.07.2016, the petitioners shall deposit a sum of Rs.1,00,000/- by way of costs with the Delhi High Court Bar Association Lawyers Social Security and Welfare Fund, New Delhi.

31. The petition is allowed in the above terms.

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SUDERSHAN KUMAR MISRA, J.

August 12, 2016