

IN THE HIGH COURT OF DELHI
COMPANY PETITION NO. 975/2015

Reserved on 29th July, 2016
Date of pronouncement: 29th August, 2016

In the matter of

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

And

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

Scheme of Amalgamation of:

Consumer Financial Services Limited

Petitioner/Transferor Company

WITH

L&T Housing Finance Limited

Non-Petitioner/Transferee Company

**Through Mr. Ashim Sood, Mr. Pankaj
Mehta and Mr. N. Vohra, Advocates for
the petitioner**

**Ms. Aparna Mudiam, Asstt. Registrar
of Companies for the Regional Director
Mr. Rajiv Bahl, Advocate for the
Official Liquidator**

SUDERSHAN KUMAR MISRA, J.

1. This petition has been filed under Sections 391 to 394 of the Companies Act, 1956 by the petitioner/transferor company seeking sanction of the Scheme of Amalgamation of Consumer Financial Services Limited (hereinafter referred to as the petitioner/transferor company) with L&T Housing Finance Limited (hereinafter referred to as the transferee company).

2. The registered office of the petitioner/transferor company is situated at New Delhi, within the jurisdiction of this Court. However, the registered office of the transferee company is situated at Mumbai, outside the jurisdiction of this Court. Learned counsel for the petitioner has submitted that a similar petition has been filed by the transferee company before the court of competent jurisdiction for sanction of the Scheme of Amalgamation, which was allowed by the court vide order dated 10th July, 2015. A copy of the said order has been placed on record.

3. The petitioner/transferor company was originally incorporated under the Companies Act, 1956 on 26th September, 2001 with the Registrar of Companies, Maharashtra at Mumbai under the name and style of Weizmann Infin Services Limited. The company changed its name to Widereach Infin Services Limited and obtained the fresh certificate of incorporation on 3rd July, 2003. The company again changed its name to Consumer Financial Services Limited and obtained the fresh certificate of incorporation on 20th June, 2008. Thereafter, the company shifted its registered office from the State of Maharashtra to Delhi and obtained a certificate in this regard from the Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 15th February, 2010.

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

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

6. 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 petitioner that the proposed amalgamation would create greater synergies between the businesses of both the companies and would enable them to have large asset base, access to better financial resources as well as enable them to manage their business more efficiently by effectively pooling the technical, distribution and marketing skills of each other. It is further claimed that the proposed amalgamation shall result in enhancement of net worth of the combined business to capitalize on future growth potential.

7. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, no consideration shall be payable by the transferee company since the transferee company (itself and through its nominee) is the only shareholder of the transferor company, and no shares shall be allotted by the transferee company either to itself or to any of its nominee shareholders holding shares in the transferor company.

8. It has been submitted by the petitioner that no proceedings under Sections 235 and 250A of the Companies Act, 1956 are pending against the petitioner/transferor company.

9. The Board of Directors of the petitioner/transferor company and the transferee company in their separate meetings held on 18th July, 2013 have unanimously approved the proposed Scheme of Amalgamation. Copies of the Resolutions passed at the meetings of the Board of Directors of petitioner/transferor company and the transferee company have been placed on record.

10. The petitioner/transferor company had earlier filed CA (M) No. 69/2015 seeking directions of this court to dispense with the requirement of convening the meetings of its equity shareholders, secured and unsecured creditors, which are statutorily required for sanction of the

Scheme of Amalgamation. Vide order dated 28th August, 2015, this court allowed the application and dispensed with the requirement of convening and holding the meetings of the equity shareholders and unsecured creditors of the transferor company, there being no secured creditor of the petitioner company, to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation.

11. The petitioner/transferor company has thereafter filed the present petition seeking sanction of the Scheme of Amalgamation. Vide order dated 18th 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 'Times of India' (English) and 'Navbharat Times' (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 23rd March, 2016. Copies of the newspaper clippings containing the publications have been filed along with the said affidavit.

12. Pursuant to the notices issued, the Official Liquidator sought information from the petitioner company. Based on the information received, the Official Liquidator has filed a report dated 22nd March, 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.

13. 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 11th May, 2016 stating that the Regional Director has no objection to the proposed Scheme of Amalgamation.

14. No objection has been received to the Scheme of Amalgamation from any other party. The petitioner company in the affidavit dated 6th May, 2016 of Mr. Pankaj Mehta, counsel of the petitioner company, has submitted that they have not received any objection pursuant to the citations published in the newspapers on 23rd March, 2016.

15. Considering the approval accorded by the equity shareholders and creditors of the petitioner company 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 company 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, 2015, the transferor company shall stand dissolved without undergoing the process of winding up.

16. Learned counsel for the Official Liquidator prays that costs of at least Rs.2,50,000/- should be paid by the petitioner 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 29.07.2016, the petitioner shall deposit a sum of Rs.2,50,000/- by way of costs with the Delhi High Court Bar Association Lawyers Social Security and Welfare Fund, New Delhi.

17. The petition is allowed in the above terms.

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SUDERSHAN KUMAR MISRA, J.

August 29, 2016