

**IN THE HIGH COURT OF DELHI**  
**COMPANY APPLICATION (MAIN) NO. 2/2016**

**Reserved on 5<sup>th</sup> January, 2016**  
**Date of pronouncement: 18<sup>th</sup> February, 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**

Scheme of Arrangement between:

Lakeland India Private Limited

Applicant/Transferor Company

AND

Lakeland Gloves and Safety Apparel Private Limited

Applicant/Transferee Company

**Through Mr. Vivek Kapoor, 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 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 Arrangement between Lakeland India Private Limited (hereinafter referred to as the transferor company) and Lakeland Gloves and Safety Apparel 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 19<sup>th</sup> October, 2005 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The transferee company was incorporated under the Companies Act, 1956 on 23<sup>rd</sup> February, 2007 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

5. The present authorized share capital of the transferor company is Rs.20,00,00,000/- divided into 1,20,00,000 equity shares of Rs.10/- each aggregating to Rs.12,00,00,000/- and 80,00,000 preference shares of Rs.10/- each aggregating to Rs.8,00,00,000/-. The issued, subscribed and paid-up share capital of the company is Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each.

6. The present authorized share capital of the transferee company is Rs.27,00,00,000/- divided into 2,70,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.26,07,31,520/- divided into 2,60,73,152 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 31<sup>st</sup> March, 2015, along with the report of the auditors, and unaudited balance sheets, as on 31<sup>st</sup> October, 2015, of the transferor and transferee companies have also been filed.

8. A copy of the Scheme of Arrangement 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 the transferor company owes money to the transferee company and the proposed amalgamation would help the transferor company to get benefit of the assessed losses since the transferor company is not in a position to make repayment of the liabilities and therefore, it would be beneficial to the transferor company to have access to better financial resources. It is claimed that the proposed amalgamation would result in reduction of administrative costs and overhead expenses which would lead to greater and effective executive control, focused management, and channelized synergy of operations resulting in optimum utilization of the available resources and administrative efficiencies.

9. 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 company in the following ratio:

“4,065 equity shares of Rs.10/- each of the transferee company for every 10,000/- equity shares of Rs.10/- each held by such shareholder in the transferor company.”

10. It has been submitted by the applicants that no proceedings under Sections 237, 250, 250A and 251 of the Companies Act, 1956 and under Sections 210, 214, 215, 216, 217, 219, 220, 223, 224 & 225 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 20<sup>th</sup> October, 2015 have unanimously approved the proposed Scheme of Arrangement. 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 and 02 unsecured creditors. Both the equity shareholders and both the unsecured creditors have given their consents/no objections in writing to the proposed Scheme of Arrangement. 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 and unsecured creditors of the transferor company to consider and, if thought fit, approve, with or without modification, the

proposed Scheme of Arrangement is dispensed with. There is no secured creditor of the transferor company, as on 31<sup>st</sup> October, 2015.

13. The transferee company has 02 equity shareholders and 04 unsecured creditors. Both the equity shareholders and all the unsecured creditors have given their consents/no objections in writing to the proposed Scheme of Arrangement. 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 and unsecured creditors of the transferee company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Arrangement is dispensed with. There is no secured creditor of the transferee company, as on 31<sup>st</sup> October, 2015.

14. The application stands allowed in the aforesaid terms.

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**SUDERSHAN KUMAR MISRA, J.**

**February 18, 2016**