(2015) 09 DEL CK 0005

In the Delhi High Court

Case No : Company Application (Main) No. 135 of 2015

In Re: Chandpur Enterprises Limited and Others

Date of Decision : 11-09-2015

Acts Referred:

Citation : (2015) 09 DEL CK 0005

Hon'ble Judges : Sudershan Kumar Misra, J

Bench : Single Bench

Advocate : Rajeev K. Goel, for the Appellant

Judgement

Sudershan Kumar Misra, J—This application has been filed under Section 391(1) of the Companies Act, 1956 by the applicant/resulting company no. 2 seeking directions of this court to dispense with the requirement of convening the meetings of its equity shareholders, secured and unsecured creditors to consider and approve, with or without modification, the proposed Scheme of Arrangement between Chandpur Enterprises Limited (hereinafter referred to as the demerged company) and Emdees Foods Limited (hereinafter referred to as the resulting company no. 1) and VKM Industries Limited (hereinafter referred to as the applicant/resulting company no. 2).

2. The registered office of the applicant/resulting company no. 2 is situated at New Delhi, within the jurisdiction of this Court. However, the registered offices of the demerged company and the resulting company no. 1 are situated at Uttar Pradesh, outside the jurisdiction of this Court. Learned counsel for the applicant submitted that separate application has been filed by the demerged company and the resulting company no. 1 in the Allahabad High Court for sanction of the Scheme of Amalgamation in their respect.

3. The applicant/resulting company no. 2 was originally incorporated under the Companies Act, 1956 on 9th March, 2012 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi under the name and style of VKM Industries Private Limited. The company changed its name to VKM Industries Limited and obtained the fresh certificate of incorporation on 22nd April, 2013.

4. The present authorized share capital of the applicant/resulting company no. 2 is Rs. 1,50,00,000/- divided into 15,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid-up share capital of the company is Rs. 33,00,300/- divided into 3,30,030 equity shares of Rs. 10/- each.

5. A copy of the Memorandum and Articles of Association of the applicant/ resulting company no. 2 has been filed on record. The audited balance sheet, as on 31st March, 2014, of the applicant/resulting company no. 2, along with the report of the auditors, has also been filed.

6. 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 has been submitted by the applicant that the demerged company has three distinct businesses/divisions viz. Paper Division, Food Division, and Steel Division. It has been further submitted that in order to explore the potential of these businesses to the fullest and to provide focused leadership and management attention, it is intended to demerge Food Division and Steel Division of the demerged company into the resulting companies nos. 1 & 2 respectively. It is claimed that the proposed demerger will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these companies and will facilitate further expansion and growth of their business.

7. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, the resulting companies nos. 1 & 2 shall issue and allot equity shares to the shareholders of the demerged company in the following ratio:-

"24 equity shares of Rs. 10/- each of the resulting company no. 1, credited as fully paid up, for every 100 equity shares of Rs. 10/- each held in the demerged company."

"147 equity shares of Rs. 10/- each of the resulting company no. 2, credited as fully paid up, for every 1000 equity shares of Rs. 10/- each held in the demerged company."

8. It has been submitted by the applicant that no proceedings under Sections 235 to 251 of the Companies Act, 1956 are pending against the applicant/ resulting company no. 2.

9. The Board of Directors of the applicant/resulting company no. 2 in their meeting held on 20th January, 2015 have unanimously approved the proposed Scheme of Arrangement. A copy of the Resolution passed at the meeting of the Board of Directors of the applicant/resulting company no. 2 has been placed on record.

10. The applicant/resulting company no. 2 has 07 equity shareholders and 02 unsecured creditors. All 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 applicant/resulting company no. 2 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 applicant/resulting company no. 2, as on 31st March, 2014.

11. The application stands allowed in the aforesaid terms.

