

(2008) 05 UK CK 0021
In the Uttarakhand High Court
In Re: Cheema Papers Ltd.

Date of Decision : 23-05-2008

Acts Referred:

COMPANIES ACT, 1956 — Section 391, 394

Citation : (2008) 88 SCL 136

Hon'ble Judges : Brahma Singh Verma, J

Bench : Single Bench

Judgement

B.S. Verma, J.—Heard Sri Deepak Diwan, learned Counsel for the applicants-petitioners.

2. This is a petition under Sections 391 and 394 of the Companies Act, 1956, seeking sanction to the Scheme of Arrangement between Cheema Papers Limited (Transferor-Company) and Cheema Paper Mills Private Limited (Transferee-Company).

3. The registered offices of both the transferor and the transferee Company are situated at 2 Km. Bazpur Road, Kashipur, District Udham Singh Nagar, Uttarakhand, ie., within the jurisdiction of this Court.

4. According to the applicants, the transferor-company was incorporated on 26-5-1988 and the authorized share capital of the transferor-company is Rs. 10,50,00,000 divided into 1,05,00,000 (one crore five lakhs) Equity Shares of Rs. 10 each. The issued, subscribed, called and paid-up capital of the company is Rs. 10,21,06,250.

5. The transferee-company was incorporated on 6-7-2004. The authorized share capital of the transferee-company is Rs. 5,00,000 (Rs. Five lacs) divided into 50,000 (fifty thousand) equity shares of Rs. 10 each. The issued, subscribed, called and paid-up capital of the company is Rs. 1,00,000 (Rs. One lakh only).

6. The transferor and the transferee-companies had filed a joint Company Application No. 1 of 2000, which was allowed by the Court by the order dated 21-2-2008, thereby the requirement of conducting meetings of equity shareholders of both the transferor and the transferee-companies were

dispensed with. However, the Court directed the meeting of creditors of value of Rs. 50,000 or more of the Cheema Papers Limited, the transferor-company be conducted and convened on 29-3-2008 at 2 Km. Bazpur Road, Kashipur, District Udham Singh Nagar, Uttarakhand. Mr. Sudhir Kumar Chaudhary, Advocate and Mr. K.P. Upadhyay, Additional Chief Standing Counsel were appointed as the Chairpersons and the alternate Chairperson respectively. There were no creditors in the transferee-company, hence, the meeting of creditors of the transferee-company was dispensed with.

7. According to the report of the Chairperson for the meeting of the creditors of value of Rs. 50,000 or more of Cheema Papers Limited, the transferor-company, Mr. Sudhir Kumar Chaudhary, the Scheme of Arrangement was approved by 100 per cent of those attending and validly voting.

8. Vide order dated 7-4-2008, citations were directed to be published in "The Times of India" (English Daily Edition) and Amar Ujala (Hindi Daily Edition), in terms of the Company Court Rules, 1959. An affidavit has been filed by Mr. N.P. Singh Chawla, Advocate for the petitioner companies about the publication of the citations in "The Times of India" (English Daily) and Amar Ujala (Hindi Daily) on dated 3-5-2008. The said publications containing the citations have also been produced along with the affidavit.

9. Vide order dated 7-4-2008, notice was issued to the Regional Director, Northern Region, Ministry of Corporate Affairs, Noida. Pursuant to the notice issued, Mr. Dhan Raj, Regional Director (Northern Region) had filed his report through an affidavit dated 13-5-2008.

10. In para No. 3 of the report of the Regional Director, it was stated that all the employees of Paper Division of the transferor-company shall become the employees of the transferee-company without any break or interruption in their services upon the sanctioning of the said Scheme of Arrangement. The same has also been provided in Clause 14(a) of the Scheme of Arrangement.

11. It was brought to the notice of the Court by the Counsel for the petitioners that the figure of the post Demerger Authorised Share Capital of Cheema Papers Limited, the transferor-company is wrongly mentioned in para 24(a) of the Scheme of Arrangement due to a typographical error. The post Demerger Authorised Share Capital of Cheema Papers Limited, the transferor-company should have been indicated as Rs. 7,32,13,750 instead of Rs. 7,03,20,000 shown in para 24(a) of the Scheme. The same, in accordance with this order, now stands rectified.

12. There is no other legal impediment in the sanction of the Scheme of Arrangement, which is annexed to the petition. No objection has been received in response to the citations published as aforesaid.

13. Consequently, sanction is hereby granted to the Scheme of Arrangement between the transferor and the transferee-companies under Sections 391 and

394 of the Companies Act, 1956.

14. Certified copy of this Order be filed with the Registrar of Companies within six weeks from today.

15. The company petition is disposed of in terms of the above order.