(2007) 11 AHC CK 0131

In the Allahabad High Court

In Re: Jindal Pipes Ltd.

Date of Decision : 01-11-2007

Acts Referred:

Companies Act, 1956 — Section 391

Citation : (2008) 88 SCL 48

Hon'ble Judges : S.U. Khan, J

Bench : Single Bench

Final Decision : Allowed

Judgement

S.U. Khan, J.—Heard Sri Yashwant Verma, learned Counsel for the applicants and learned Counsel for the Official Liquidator.

2. Through this company petitioner confirmation/sanction by this Court has been sought to the scheme of arrangement between aforesaid transferor and transferee-companies. Scheme of arrangement is Annexure-1 to this petition. The main feature of the scheme of arrangement is to demerge/disinvest the Jindal Invest Division of the transferor-company into the transferee-company. Earlier Company Application No. 06 of 2007 was filed in this regard. In the said application, an order was passed by this Court on 25-5-2007 dispensing with meetings of shareholders/members of transferor and transferee-companies as per the requirements under Sections 391 and 393 of the Companies Act holding of the meeting of creditors of transferee-company was also dispensed with as there was only one creditor of the transferee-company and he had given no objection to the proposed scheme of arrangement and for waiver of the meeting of the creditors. By the said order, it was directed that meeting of the creditors of the transferor-company should be convened. For the said purpose, Sri Sanjay Goswami, Advocate, was appointed as Chairman. Sri Goswami held the meeting on 29-6-2007 and submitted his report on 10-7-2007. According to the said report, sufficient number of creditors were present and they voted in favour of the scheme of arrangement and the percentage of favourable votes of the creditors present was 99.81 per cent. According to the said report, not a single vote was cast against the scheme of arrangement.

3. The date of hearing of this company was advertised in the newspapers Statesman (English) published from Delhi and Economic Times (English) published from Delhi and Dainik Jagran (Hindi) published from Ghaziabad. Copies of the newspapers have been filed.

4. Against the scheme of arrangement, Regional Director, Northern Region, Corporate Affairs has raised two main objections. The one is that the individual assets and liabilities and their values belonging to" ''''Jindal Invest Division" of the Demerged Company, i.e., M/s. Jindal Pipes Ltd., have not been mentioned in the scheme. These particulars have already been mentioned in the scheme. In any case, in pursuance of order passed yesterday, today an affidavit has been filed reproducing the list of assets and liabilities, which is to be incorporated in Form 42 in case, scheme of arrangement is approved by the Court. The other objection of the Regional Director is that Para 23 of the scheme is contrary to the valuation report as it provides under the said para for allotment of shares of the transferee-company to the transferor-company, whereas the valuation report states that allotment of shares of transferee-company will be to the shareholders of the transferor-company. Shares of a company are held by shareholders and not the company. Moreover, in the scheme under Part 1 (Preamble) Clause D, it has been provided that transferee-company has agreed to issue shares to the shareholders of the transferor-company in consideration of the demerger of the "Jindal Invest Division".

5. Accordingly, both the objections raised by Regional Director are not tenable, hence rejected.

6. No other objection has been received against proposed scheme of arrangement.

7. Accordingly, petition is allowed and the scheme of arrangement, Annexure-1 to this company petition, is hereby approved and sanctioned.

8. It is further directed that the certified copy of this order shall be tiled before the Registrar of Companies within 30 days of its receipt. A formal order in appropriate form of the Company (Court) Rules 1959

