

(2015) 09 DEL CK 0282

In the Delhi High Court

Case No : Company Petition No. 48/2015

In Re: Om Jee Snacks Private Limited and Ors.

Date of Decision : 11-09-2015

Acts Referred:

Citation : (2015) 09 DEL CK 0282

Hon'ble Judges : Sudershan Kumar Misra, J.

Bench : Single Bench

Advocate : Ashish Middha, Advocate, for the Appellant

Final Decision : Allowed

Judgement

Sudershan Kumar Misra, J.—This joint petition has been filed under Sections 391(1) to 394 read with Section 100 of the Companies Act, 1956 by the petitioner companies seeking sanction of the Scheme of Amalgamation of Om Jee Snacks Private Limited (hereinafter referred to as the transferor company) with Om Sweets 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 29th March, 2004 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The transferee company was incorporated under the Companies Act, 1956 on 31st July, 2000 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

5. The present authorized share capital of the transferor company is Rs. 10,00,000/- divided into 1,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid up capital of the company is Rs. 3,00,000/- divided into 30,000 equity shares of Rs. 10/- each fully paid-up.

6. The present authorized share capital of the transferee company is Rs. 50,00,000/- divided into 5,00,000 equity shares of Rs. 10/- each. The issued,

subscribed and paid up capital of the company is Rs. 50,00,000/- divided into 5,00,000 equity shares of Rs. 10/- each fully paid-up.

7. Copies of the Memorandum and Articles of Association of the transferor and transferee companies have been filed on record with the joint application, being CA(M) 3/2015, earlier filed by the petitioners. The audited balance sheets, as on 31st March, 2014, of the transferor and transferee companies, along with the report of the auditors, had also been filed.

8. 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 submitted by the petitioners that the proposed scheme will result in formation of a larger company enabling further growth and development of the business of the said company thus enabling the said company to obtain greater facilities possessed and enjoyed by one large company compared to a small company for raising capital, securing and conducting trade and business on favourable terms and other related benefits. It is claimed that the proposed amalgamation will result in reduction in overheads and other expenses, reduction in administrative and procedural work, eliminate duplication of work, better and more productive utilization of various resources and will enable the undertakings concerned to effect internal economies and optimize productivity.

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 companies in the following ratio:-

"279 equity share of Rs. 10/- each of the transferee company, credited as fully paid up, for every 100 equity shares of Rs. 10/- each held in the transferor company."

10. It has been submitted by the petitioners that no proceedings under Sections 235 to 251 of the Companies Act, 1956 are pending against the petitioner companies.

11. The Board of Directors of the transferor and transferee companies in their separate meetings held on 15th October, 2014 have unanimously approved the proposed Scheme of Amalgamation. 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 petitioner companies had earlier filed CA (M) No. 3/2015 seeking directions of this court to dispense with the requirement of convening the meetings of their equity shareholders, secured and unsecured creditors, which are statutorily required for sanction of the Scheme of Amalgamation. Vide order dated 20th January, 2015, this court allowed the application and dispensed with the requirement of convening and holding the meetings of the equity

shareholders, secured and unsecured creditors of the transferor and transferee companies to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation.

13. The petitioner companies have thereafter filed the present petition seeking sanction of the Scheme of Amalgamation. Vide order dated 3rd February, 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 "Business Standard" (English) and (Hindi) editions. The petitioners have filed an affidavit showing compliance regarding publication of citations in the aforesaid newspapers on 25th March, 2015. Copies of the newspaper clippings containing the publications have been filed along with the said affidavit.

14. Pursuant to the notices issued, the Official Liquidator sought information from the petitioner companies. Based on the information received, the Official Liquidator has filed a report dated 8th July, 2015 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.

15. 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 14th July, 2015. Relying on Clause 3.21 of Part-III of the Scheme, he has stated that, upon sanction of the Scheme of Amalgamation, all the employees of the transferor company shall become the employees of the transferee company without any break or interruption in their services. He has further submitted that in Clause 5.3 of Part-V of the Scheme, it has been stated that the transferee company shall account for amalgamation in accordance with Accounting Standard-14 (Accounting for Amalgamation) prescribed under the Companies (Accounting Standards) Rules, 2006.

16. No objection has been received to the Scheme of Amalgamation from any other party. The petitioner companies, in the affidavit dated 14th July, 2015 of Mr. Om Parkash Kathuria, Director of the transferee company, have submitted that neither the petitioner companies nor their counsel have received any objection pursuant to the citations published in the newspapers on 25th March, 2015.

17. Considering the approval accorded by the equity shareholders and creditors of the petitioner companies to the proposed Scheme of Amalgamation and the affidavits filed by the Regional Director, Northern Region and the Official Liquidator having not raised 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 companies 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.

18. Learned counsel for the Official Liquidator prays that keeping in view the fact that the matter has involved examination of extensive records and also prioritized hearings, costs of at least Rs. 1,00,000/- should be paid by the petitioner. Learned counsel for the petitioner submits that he has no objection to the prayer being granted. Considering the facts and circumstances of the case, petitioner shall deposit a sum of Rs. 1,00,000/-, by way of costs, with the Common Pool Fund of the Official Liquidator within two weeks.

19. The petition is allowed in the above terms.