

(2015) 12 DEL CK 0129

In the Delhi High Court

Case No : Company Petition No. 313/2015

In Re: Ranoson Springs Private Limited and Ors.

Date of Decision : 23-12-2015

Acts Referred:

Citation : (2015) 12 DEL CK 0129

Hon'ble Judges : Sudershan Kumar Misra, J.

Bench : Single Bench

Advocate : Rajan Khanna, Advocate, for the Appellant

Final Decision : Allowed

Judgement

Sudershan Kumar Misra, J.—This joint petition has been filed under Sections 391(2) and 394 read with Sections 100 to 104 of the Companies Act, 1956 by the petitioner companies seeking sanction of the Scheme of Arrangement between Ranoson Springs Private Limited (hereinafter referred to as the Demerged Company) and Ranoson Products Private Limited (hereinafter referred to as the Resulting Company).

2. The registered offices of the demerged and resulting companies are situated at New Delhi, within the jurisdiction of this Court.

3. The demerged company was incorporated under the Companies Act, 1956 on 24th June, 1988 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The resulting company was incorporated under the Companies Act, 2013 on 29th October, 2014 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

5. The present authorized share capital of the demerged company is Rs. 40,00,000/- divided into 40,000 equity shares of Rs. 100/- each. The issued, subscribed and paid-up share capital of the company is Rs. 38,70,000/- divided into 38,700 equity shares of Rs. 100/- each.

6. The present authorized share capital of the resulting company is Rs.

10,00,000/- divided into 10,000 equity shares of Rs. 100/- each. The present issued, subscribed and paid-up share capital of the company is Rs. 1,00,000/- divided into 1,000 equity shares of Rs. 100/- each.

7. Copies of the Memorandum and Articles of Association of the demerged and resulting companies have been filed on record with the joint application, being CA(M) 70/2015, earlier filed by the petitioners. The audited balance sheet, as on 31st March, 2014, of the demerged company had also been filed. It has been submitted by the petitioners that since the resulting company has been incorporated only recently and has not started any business operations, no accounts has been prepared for the resulting company.

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 petition and the accompanying affidavit. It is submitted by the petitioners that the demerged company has two manufacturing units which are situated at Greater Noida, Uttar Pradesh and Haridwar, Uttarakhand which are having tremendous potential. It is further submitted that in order to explore these potentials to the fullest and to provide focused leadership and management attention, the Haridwar Unit of the demerged company shall stand merged in the resulting company. It is claimed that the proposed demerger will provide scope for independent expansion without committing the existing organization in its entirety. It is further claimed that the proposed demerger will strengthen, consolidate, and stabilize the business of these companies and will facilitate further expansion and growth of their business.

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

"03 equity shares of Rs. 100/- each of the resulting company, credited as fully paid up, for every 05 equity shares of Rs. 100/- each held in the demerged 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 demerged and resulting companies in their separate meetings held on 15th December, 2014 have unanimously approved the proposed Scheme of Arrangement. Copies of the Resolutions passed at the meetings of the Board of Directors of the demerged and resulting companies have been placed on record.

12. The petitioner companies had earlier filed CA (M) No. 70/2015 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 Arrangement. Vide order dated 21st May, 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 demerged company and equity shareholders of the resulting company, there being no secured or unsecured creditors of the resulting company, to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Arrangement.

13. The petitioner companies have thereafter filed the present petition seeking sanction of the Scheme of Arrangement. Vide order dated 3rd July, 2015, notice in the petition was directed to be issued to the Regional Director, Northern Region. Citations were also directed to be published in "Business Standard" (English) and (Hindi) editions. Affidavit of services has been filed by the petitioners showing compliance regarding service on the Regional Director, Northern Region, and also regarding publication of citations in the aforesaid newspapers on 5th August, 2015. Copies of the newspaper clippings containing the publications have been filed along with the said affidavit.

14. 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 9th December, 2015. Relying on Clause 4.2 of the Scheme, he has stated that, upon sanction of the Scheme of Arrangement, all the employees of the demerged company in relation to the Demerged Business shall become the employees of the resulting company without any break or interruption in their services.

15. No objection has been received to the Scheme of Arrangement from any other party. The petitioner companies, in the affidavit dated 7th December, 2015 of Mr. Anil Prakash Ranotra, Director of the demerged company, have submitted that neither the petitioner companies nor their counsel have received any objection pursuant to the citations published in the newspapers on 5th August, 2015.

16. Considering the approval accorded by the shareholders and creditors of the petitioner companies to the proposed Scheme of Arrangement and the affidavit filed by the Regional Director, Northern Region, not raising any objection to the proposed Scheme of Arrangement, there appears to be no impediment to the grant of sanction to the Scheme of Arrangement. Consequently, sanction is hereby granted to the Scheme of Arrangement under Sections 391 and 394 read with Sections 100 to 104 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 Arrangement, i.e. 01.04.2014, the Demerged Business of the demerged company shall stand merged in the resulting company.

17. The petition is allowed in the above terms.