

(1996) 01 AP CK 0013

In the Andhra Pradesh High Court

Case No : Company Petition No's. 41 and 42 Connected with C.A. No's. 106 and 107 of 1995

In the Matter of: M/s. Winfield Agro Services Private Limited and M/s. Hindustan Antipests Private Limited

Date of Decision : 25-01-1996

Acts Referred:

Companies Act, 1956 — Section 235, 251, 394, 396

Citation : AIR 1996 AP 230

Hon'ble Judges : G. Bikshapathy, J

Bench : Single Bench

Advocate : M/s. Ravi S and Sanjay Kishore A, for the Appellant; P. Innaiah Reddy, Standing Counsel, for Central Govt., for the Respondent

Judgement

G. Bikshapathy, J.

1. These two petitions are filed by the Transferor Company and Transferee Company seeking sanction for the scheme of arrangement for amalgamation.

2. C. P. No. 41/95 is filed by M/s. Winfield Agro Services Private Limited, Vijayawada (Transferor Company) for which is being amalgamated with M/s. Hindustan Antipests Private Limited (Transferee Company). C.P. No. 42/95 has been filed by the Transferee company. The Transferee Company is having an object clause of that of Transferor Company. It is stated that the Transferor Company and Transferee Company belong to the same group of companies. The Transferee Company is engaged in the business of distribution of pesticides while the Transferor Company is engaged in the manufacture of pesticides. The amalgamation would result in the combined operation being carried on more advantageously, conveniently and economically and efficiently. The amalgamation is in the interest of both the Companies and their respective share holders, employees and all concerned. By an order made by this Court on 30-6-1995, the Transferor Company was directed to convene the meeting of the Equity Shareholders for considering and approving the scheme of compromise or arrangement., Sri Vemireddy Bhasker Reddy was appointed as Chairman by this

Court for the purpose of holding meeting. The meeting was held on 30-7-1995 and the scheme of amalgamation was approved unanimously without any modification.

3. Similarly, as per the directions of this Court dated: 30-6-1995 meeting of Equity Shareholder of the Transferee Company was held on 29-7-1995 and Shri Harinder Pershs appointed as Chairman for conducting the meeting. The resolution was unanimously approved. It is also submitted that no proceedings are pending u/s 235 or 251 of the Companies Act against the Transferor Company and Transferee Company.

4. The Central Government filed affidavits with two objections. It is stated under para. 12(8)(ii) of the petition filed by the Transferee Company provided that the authorised capital of the Transferee Company is being increased in order to accommodate the allotment of the shares of the members of the Transferor Company. As such the Transferee Company has to take necessary steps to obtain approval of the members for increase in authorised capital and also it is required to file form No. V with requisite fee with Registrar of Companies before, making any allotment of shares to the members of the Transferor Company in terms of the scheme. This objection is sought to be repelled by the learned counsel for the Transferee Company, stating that after the amalgamation the steps which are required to be taken in accordance with the provisions of the Companies Act will be taken by the Transferee Company and that issue may not be a subject-matter in the present Company Petition. I am in agreement with the contention raised by the learned counsel for the Transferee Company. It is needless to mention that in case of increase in the authorised capital, the requirement that is contemplated under the Act has to be complied with by the Transferee Company.

5. The second objection raised by the Central Government that after giving effect to the scheme the total members of the Transferee Company may exceed to 50 and in which event the Transferee Company would become a public company. Again the same situation arises where it is for the Transferee Company to conduct its operations within the parameters of the Act. The post amalgamation events cannot be made a subject-matter of dispute in the present application. Therefore, the situation that may emerge with regard to the total number of members of the Transferee Company is to be dealt with by the Company in accordance with the Act.

6. No other objections have been raised to the scheme of amalgamation. In the circumstances, there is no reason why these applications should not be allowed.

7. Considering the facts and circumstances of the case, I sanction and confirm the scheme of arrangement for amalgamation as approved with effect from 1-4-1995. The Transferor Company is directed to be dissolved without winding up. A certified copy of this order shall be delivered to the Registrar of the Companies within 30 days to take all necessary steps consequential action in respect of the dissolution of Transferor Company. A copy of the scheme of

arrangement for amalgamation should be attached to this order. The parties to the scheme or any other person interested shall be at liberty to approach this Court for any direction that may be required for carrying out the scheme of arrangement for amalgamation. The petitions are ordered accordingly. No costs.

Order accordingly.