

Amco Batteries Limited Vs. Nil

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Court : Karnataka

Decided On : Jul-31-2009

Reported in : 2009(5)KarLJ679

Judge : B.S. Patil, J.

Acts : Companies (Court) Rules, 1959

Appeal No. : Company Petition Nos. 23 and 24 of 2009

Appellant : Amco Batteries Limited

Respondent : Nil

Advocate for Pet/Ap. : King and ;Partridge, Advs.;Deepak and ;V. Jayaram, Advs.;T.M. Venkata Reddy, Central Government Counsel

Disposition : Petition allowed

Judgement :
ORDER

B.S. Patil, J.

1. Co. P. No. 23 of 2009 is filed by the Transferee Company and Co. P. No. 24 of 2009 is filed by the Transferor Company.

2. These petitions are filed for sanction of the Scheme of Amalgamation of the Transferor Company with the Transferee Company. The Scheme of Amalgamation is at Annexure-E.

3. The Transferee Company was incorporated on 19-5-1955 with the Registrar of Companies, Karnataka, with main objects to acquire properties movable and immovable including goodwill belonging to any person, firm or company engaged in the manufacture of batteries and take over the execution of any contract or contracts by such person, firm or company, etc. The registered office of the Transferee Company is situated at 3rd Floor, Unity Building, Tower Block, J.C. Road, Bangalore-560 002. The authorised share capital of the Transferee Company is Rs. 15,00,00,000/- divided into 15,00,000 equity shares of Rs. 100/- each and Rs. 5,00,00,000 divided into 5,00,000/- preference shares of Rs. 100/- each. The issued, subscribed and paid up share capital is Rs. 3,30,00,000/- directed into 3,30,000 equity shares of Rs. 100/- each fully paid up.

4. The Transferor Company was incorporated on 24-12-1999 with the Registrar of Companies, Karnataka, with main objects to carry on the business of real estate agents, property developers, builders and architects in all their branches and for that purpose to acquire land by whatever means and to construct buildings, complexes, townships, satellite towns, industrial estate, software parks and the like thereon either for residential or commercial purposes and to establish, maintain and run hotels, holiday resorts, clubs and the like and also to dispose of the same by sale, lease, tenancy, licence or otherwise and to undertake maintenance of all kinds of buildings/constructions with all amenities like satellite connections, drainage facilities and etc. The registered office of the Transferor Company is situated at 3rd floor, Unity Building, Tower Block, J.C. Road, Bangalore-560 002. The authorised share capital of the Transferor Company is Rs. 5,00,000/- divided into 50,000 equity shares of Rs. 10/- each. The issued, subscribed and paid up share capital is Rs. 5,00,000/- divided into 50,000 equity shares of Rs. 10/- each fully paid up.

5. The Board of Directors of the Transferee Company and the Transferor Company have approved and adopted the Scheme of Amalgamation at its

meetings held on 7-8-2008 and 29-9-2008 respectively by virtue of which the Transferor Company is proposed to be merged with the Transferee Company, subject to confirmation by this Court.

6. C.A. Nos. 76 and 77 of 2009 are filed by the Transferee and Transferor Companies respectively for dispensation of the meetings of the shareholders and creditors of the Companies for approving the Scheme of Amalgamation. The said applications are allowed on 5-2-2009 dispensing the said meetings.

7. Notice was ordered to the Regional Director, Ministry of Corporate Affairs, Southern Region, Chennai, in both the petitions and to the Official Liquidator in Co. P. No. 24 of 2009 and directed the petitioners to take out advertisement in 'The Hindu' and 'Kannada Prabha', daily newspapers on or before 13-3-2009 showing the date of hearing as 3-4-2009.

8. The Official Liquidator has filed his Report No. 105 of 2009 seeking for appointment of Chartered Accountant to investigate into the books of accounts and records of the Transferor Company. Accordingly, by order dated 3-4-2009 M/s. Umesh R. Associates, Chartered Accountants were appointed and they have filed their report. Further, the Official Liquidator has filed Report No. 249 of 2009 based on the report of the Chartered Accountants stating that the affairs of the Transferor Company have not been conducted in any manner prejudicial to the interest of its shareholders or general public.

9. Registrar of Companies, Karnataka has filed his affidavit dated 21-7-2009 on behalf of the Regional Director, Ministry of Corporate Affairs, Southern Region, Chennai, in both the petitions stating that it was decided not to file any objections against the scheme of Amalgamation.

10. As already adverted to above, the Official Liquidator has not raised any objection as report of Chartered Accountants clearly shows that the affairs of the Companies were not carried on in any manner prejudicial to the interest of the shareholders or general public. Though the objects of both the Companies are not similar, the Transferor Company is 100% subsidiary Company of the Transferee Company. The purpose of amalgamation is intended to bring in more efficient

administration and management of the affairs. From the materials on record, I do not find any legal impediment for sanctioning the Scheme of Amalgamation.

11. As can be seen from Clause 9 of the Scheme, interest of the staff and workmen and other employees of the Transferor Company are also safeguarded. At any rate there is no objection from any other quarters for sanctioning the Scheme.

12. In view of the above and in the light of the foregoing discussion, both the petitions are allowed. The Transferor Company is ordered to be amalgamated with the Transferee Company and sanction is accordingly accorded to the Scheme vide Annexure-E. Transferor Company stands dissolved without the process of winding up. Registry is directed to draw up the decree as per Form 42 of the Companies (Court) Rules, 1959.

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