

In Re: Vast Textiles Ltd.

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Court : Rajasthan

Decided On : Feb-09-2007

Reported in : [2008]81SCL233(Raj)

Judge : Shiv Kumar Sharma, J.

Appellant : In Re: Vast Textiles Ltd.

Judgement :

Shiv Kumar Sharma, J.

1. Vast Textiles Limited ('Resulting Company') and Associated Stone Industries (Kota) Limited ('Demerged Company') have filed the present applications under Sections 392 and 394 of the Companies Act, 1956 ('1956 Act') read with Rule 9 for modifying the order of this Court dated 19-12-2006 passed in the company petitions filed by the companies. This Court while allowing the company petitions filed by the companies for approving scheme of arrangement rejected the objections relating to obtaining, no objection from the concerned stock exchange but allowed the objection in relation to omission of para 19(c) of Section 4 of the scheme. The applicants averred that para 19(c) of Section 4 does not contemplate that the relevant provisions of the Companies Act shall not be followed. On sanctioning of the scheme the relevant provisions of the Companies Act shall be followed and complied with. In this manner the applicants submitted that the order of this Court dated 19-12-2006 may be modified.

2. The learned Counsel for the applicants in support of the applications placed reliance on *Juggilal Kamalapat Holding Ltd., In re* [2006] 132 Comp. Cas. 237 : 68 SCL 40 (All.) and *Hotline Hoi Celdings (P.) Ltd., In re* [2005] 127 Comp. Cas. 165 (Delhi).

3. In *Hotline Hoi Celdings (P.) Ltd.*'s case (*supra*) it was indicated that in the case of merger where it was provided that the share capital of the transferor-companies became the authorised capital of the transferee company, no fee to the Registrar of Companies or Stamp Duty to the State Government was payable.

4. In *Juggilal Kamalapat Holding Ltd.* 's case (*supra*) it was held that since the combined authorised capital of the transferee company did not exceed the authorised capital of all the three companies no further fees or stamp duty was required to be paid.

5. In view of the ratio indicated in the aforequoted judicial pronouncements, I find that the order passed by this Court requires to be modified.

6. In the aforesaid circumstances and having regard to the averments made in the applications, I am satisfied that the order passed by this Court requires modification and the Scheme of Arrangements as prayed in paras (a) to (b) of the prayer clause of the main petitions but subject to fulfilling the condition of enhancing the authorised capital after following the procedure under the Companies Act is sanctioned. The order of this Court dated 19-12-2006 omitting para 19(c) of Section (4) is recalled and stand deleted (*sic*). Costs of Rs. 2,500 to the Official Liquidator to be paid by the applicant Companies within two weeks from today. Certified copy of this order may be filed with the Registrar of Companies within 14 days from this date.