

**GOVERNMENT OF INDIA  
LAW , JUSTICE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:802  
ANSWERED ON:23.11.2000  
MERGER OF MODI XEROX LTD. WITH XEROX MODI CORPORATION LTD.  
SUDHA YADAV

**Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether Modi Xerox Limited, a public Limited Company was taken over/merged with Xerox Modi Corporation Limited, a non-listed Company;
- (b) if so, the justification thereof and the rules governing for such merger;
- (c) the guidelines issued for its merger and the manner in which it is approved by shareholders;
- (d) the specific rules under which Courts can interfere in such matters;
- (e) the manner in which the shares of Xerox Modi Corporation allotted to shareholders in lieu of Modi Xerox share;
- (f) whether the Xerox Modi Corporation will buy back its share now; and
- (g) if so, the details thereof ?

**Answer**

MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

- (a) Yes Sir.
- (b) Section 391 and 394 of the Companies Act, 1956 provides for amalgamation and reconstruction of companies. Merger was with the approval of the Hon`ble High Court of Allahabad.
- (c) The Hon`ble High Court has issued directions for convening the meeting of Shareholders for approving the Resolution for amalgamation. The amalgamation Scheme is approved by shareholders in their meeting under Section 393 of Companies Act, 1956.
- (d) The Hon`ble High Court is empowered under Section 391 & 394 of the Companies Act, 1956, read with Company Court Rules 1959, to pass suitable order in regard to amalgamation on petitions filed by both the Transferor and Transferee companies.
- (e) As per the Scheme of Amalgamation approved by the Hon`ble Court, the exchange ratio approved was to allot two equity shares of Rs.10/- each fully paid up to the shareholders of Modi Xerox Limited in lieu of three equity shares of Rs.10/- each.
- (f) & (g) Decision regarding buy back of Shares falls within the domain of the Shareholders and Directors of the Company after due compliance of the Rules for buy back of Shares by Public/Private and Limited Companies under Section 77.