IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 105 OF 2015

IN

COMPANY SUMMONS FOR DIRECTIONS NO. 898 OF 2014

In the matter of the Companies Act, I of 1956;

And

In the matter of Sections 391 and 394 of the Companies Act, 1956;

And

In the matter of Scheme of Amalgamation of Suyog Invest & Finance Private Limited - Transferor Company No.1- and Shanti Realtors Private Limited - Transferor Company No.2- with Pride Financial Services Private Limited- Transferee Company

SUYOG INVEST & FINANCE PRIVATE LIMITED, a company incorporated under the Companies Act, 1956 and having its Registered Office at 601, Orbit Plaza, New Prabhadevi Marg, Mumbai 400 025. .. Petitioner Company

AND

COMPANY SCHEME PETITION NO. 106 OF 2015

IN

COMPANY SUMMONS FOR DIRECTIONS NO. 899 OF 2014

In the matter of the Companies Act, I of 1956;

And

In the matter of Sections 391 and 394 of the Companies Act, 1956;

And

In the matter of Scheme of Amalgamation of Suyog Invest & Finance Private Limited – Transferor Company No.1 - and Shanti Realtors Private Limited – Transferor Company No.2 - with Pride Financial Services Private Limited – Transferee Company

SHANTI REALTORS PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 601, Orbit Plaza, New Prabhadevi Road, Prabhadevi, Mumbai – 400 025.) .. Petitioner Company

AND

COMPANY SCHEME PETITION NO. 107 OF 2015

IN

COMPANY SUMMONS FOR DIRECTIONS NO. 900 OF 2014

In the matter of the Companies Act, I of 1956;

And

In the matter of Sections 391 and 394 of the Companies Act, 1956;

And

In the matter of Scheme of Amalgamation of Suyog Invest & Finance Private Limited – Transferor Company No.1 - and Shanti Realtors Private Limited – Transferor Company No.2 - with Pride Financial Services Private Limited – Transferee Company

PRIDE FINANCIAL SERVICES PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 601, Orbit Plaza, New Prabhadevi Marg Mumbai 400 025.	)	.. Petitioner Company

Mrs. Annapoorna Seshadri i/b Narayanan & Narayanan, Advocates for the Petitioner Company in all the Petitions

Mrs. S. V. Bharucha i/b A.A. Ansari Regional Director in all the Petitions

Mr. S. Ramakantha, Official Liquidator, present in Company Scheme Petition No. 105 and 106 of 2015

Coram : S. C. Gupte J.

Date: 10th July 2015

CALLED FOR HEARING

1. Heard Learned Counsel for the parties. No objector has come before the Court to oppose the Scheme nor has any party controverted any averment made in the Petitions.

2. The sanction of this Court is sought under Sections 391 and 394 of the Companies Act, 1956 to a Scheme of Amalgamation of Suyog Invest & Finance Private Ltd. ("the Transferor Company No. 1") and Shanti Realtors Private Ltd. ("the Transferor Company No. 2") with Pride Financial Services Private Ltd. ("the Transferee Company") under Sections 391 to 394 of the Companies Act, 1956.

3. The Learned Counsel for the Petitioners states that the Transferor Company No. 1 carries on the business of financing the Industrial Enterprises and providing a complete range of personal financial services and also as an Investment Company and underwriting and subunderwriting, investing and managing stocks since the date of its incorporation, i.e. 4th December 1995; the Transferor Company No. 2 is engaged in the business as Builders, Contractors, Developers and promoters of co-operative society and dealing in real estate business by constructing flats, residential houses, factories, etc. since the date of its incorporation, i.e. 3rd October 1994 and the Transferee Company carries on the business of financing industrial enterprises as Financial Consultants, etc., leasing and hire purchase finance and merchant banking and portfolio management subject to the Securities and Exchange

Board of India (Merchant Banking) Rules and Regulations, 1992 and other required statutory approvals since the date of its incorporation, i.e. 21st July 1994. The proposed Scheme of Amalgamation will have the benefit that the amalgamation will enable the Transferee Company to achieve better synergy in operations and provide significant impetus to the growth of the consolidated entity in the form of revenue and profitability, operational rationalization and optimal utilization of various resources; due to inherent synergies, the amalgamation would result in improved value for shareholders. The sanction of the Scheme of Amalgamation will enable the Transferee Company to carry on its business more efficiently and profitably and under one large Company and it will be advantageous and in the interest of all concerned including the Transferor Company No. 1, the Transferor Company No. 2 and the Transferee Company and their equity shareholders and secured/unsecured/sundry creditors, to amalgamate the Transferor Company No. 1 and the Transferor Company No. 2 with the Transferee Company.

4. Learned Counsel for the Petitioner Companies further states that the Board of Directors of the Petitioner Companies have approved the said Scheme of Amalgamation by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.

5. Learned Counsel for the Petitioner Companies further states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Directions and

that the respective Company Scheme Petitions have been filed in consonance with the Orders passed in the respective Company Summons for Directions.

6. Learned Counsel appearing on behalf of the Petitioner Companies states that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary Affidavit of Compliance in the Court. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/ 2013 and Rules made thereunder, whichever is applicable. The said undertaking is accepted.

7. The Official Liquidator has filed his Report on 5th June 2015 in Company Scheme Petition No. 105 and 106 of 2015 stating that the affairs of the Transferor Companies have been conducted in a proper manner and that the Transferor Companies may be ordered to be dissolved.

8. The Regional Director has filed an Affidavit on 29th April 2015 stating therein save and except as stated in paragraph 6, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the said Affidavit, the Regional Director has stated that –

"6. That the Deponent further submits that,

a) Clause no. 9 of the Scheme provides for issue of shares upon coming into effect of this Scheme. The authorized share capital of transferee company may not be sufficient to issue further shares as provided in clause no. 9 of the Scheme. In this regard, it is suggested that Transferee company may, if necessary and to the extent required, increase its Authorised Share Capital to facilitate issue and allotment of Shares under this Scheme. In this connection, the Transferee company may be directed to comply with provisions of section 61/64 of Companies Act, 2013 corresponding to section 94/97 of Companies Act, 1956, in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms.

b) Clause 12 of the Scheme provides for Accounting Treatment in the books of Transferee company. In this regard, it is submitted that the Surplus, if any arising out of the scheme shall be credited to Capital Reserve Account of Transferee Company and the Deficit, if any arising, shall be debited to Goodwill Account of the Transferee Company.

c) The Transferee company is a Non Banking Finance Company, registered with Reserve Bank of India. In this regard, the Transferee Company may be directed to file a copy of the scheme along with the copy of this Hon'ble Court's order within 30 days from the date of the order, with the Reserve Bank of India and to obtain necessary approval from Reserve Bank of India.

d) It is respectfully submitted that the tax implication, if any, arising out of the Scheme is subject to final decision of Income

Tax Authorities. The approval of the Scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the Transferee Company after giving effect to the Scheme. The decision of the Income Tax Authority is binding on the Petitioner Companies.

9. So far as the observation in paragraph 6(a) of the Affidavit of Regional Director is concerned, the Petitioner/Transferee Company through Counsel submits that the Petitioner Company through their Counsel undertakes that it will, if necessary and to the extent required, increase its Authorised Share Capital to facilitate issue and allotment of Shares under the Scheme, and to comply with the provisions of Section 61/64 of the Companies Act, 2013 corresponding to Section 94/97 of the Companies Act, 1956 in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms.

10. So far as the observation in paragraph 6(b) of the Affidavit of Regional Director is concerned, the Petitioner/Transferee Company through Counsel undertakes that the surplus, if any, arising out of the Scheme will be credited to Capital Reserve Account of Transferee Company and the Deficit, if any, arising, shall be debited to Goodwill Account of the Transferee Company.

11. So far as the observation in paragraph 6(c) of the Affidavit of Regional Director is concerned, the Petitioner/Transferee Company

undertakes to file a copy of the Scheme along with the copy of this order within 30 days from the date of the Order with the Reserve Bank of India and obtain necessary approval from Reserve Bank of India.

12. So far as the observation in paragraph 6(d) of the Affidavit of Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies are bound to comply with all applicable provisions of Income Tax Act and all tax issues arising out of the Scheme will be met and answered in accordance with law.

13. The Learned Counsel for Regional Director on instructions of Mr. M. Chandana-Muthu, Joint Director Legal in the Office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that he is satisfied with the undertakings given by the Petitioners. The above undertakings are accepted.

14. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provision of law and is not contrary to public policy.

15. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 105 of 2015, 106 of 2015 and 107 of 2015 are made absolute in terms of prayer clauses (a) and (n).

16. The Petitioner Companies to file a copy of this Order and the Scheme duly authenticated by the Company Registrar, High Court

(O.S.), Bombay with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.

17. Petitioners are directed to file a certified copy of Order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies electronically along with E Form INC-28 in addition to physical copy as per the relevant provisions of the Companies Act, 1956/ 2013 whichever is applicable.

18. The Petitioner Companies in all the Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai. The Petitioner Company in Company Scheme Petition No.105 and 106 of 2015 to pay costs of Rs.10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the Order.

19. Filing and issuance of the drawn-up Order is dispensed with.

20. All concerned regulatory authorities to act on a copy of this Order alongwith Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay.

(S. C. GUPTE J.)