IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 207 OF 2015.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 11 OF 2015.

SRBMA LEASING AND FINANCE PRIVATE LIMITED

....Petitioner/ Transferor Company

In the matter of the Companies Act, 1 of 1956 and other relevant provision of Companies Act, 2013;

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provision of Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation of SRBMA LEASING AND FINANCE PRIVATE LIMITED, (the Transferor Company) with HANSINI MANAGEMENT CONSULTANT PRIVATE LIMITED, (the Transferee Company)

Called for hearing

Mr. Rajesh Shah i/b Rajesh Shah & Co., Advocate for the Petitioners in Petition.

Mr. P. S Gujjar i/b Mr. A.A. Ansari for Regional Director in the Petition.

Mr. S. Ramakantha, Official Liquidator, present in CSP No. 207 of 2015.

CORAM: S. C. Gupte, J.

DATE: 17^{th} July, 2015

PC:

1. Heard Learned Counsel for the party. No objector has come before the court to oppose the Scheme and nor any party has controverted any averments made in the Petition.

2. The sanction of the Court is sought to a Scheme of Amalgamation of SRBMA LEASING AND FINANCE PRIVATE LIMITED, the Petitioner Company with HANSINI MANAGEMENT CONSULTANT PRIVATE LIMITED, the Transferee Company, under Sections 391 to 394 of the Companies Act, 1956.

3. The Learned Counsel for the Petitioner state that the Transferor Company has been carrying on the business of Financial Services by way of buying, purchasing, acquiring and holding of all forms of immovable and movable properties etc. The proposed scheme of Amalgamation will have the benefit that both the Companies are under same Management and it would be advantageous to combine the activities and operations in a single Company and that the amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base and that it would be advantageous to combine the

activities and operations of both companies into a single Company for synergistic linkages as both the Companies are engaged in the same type of business activities and thus there will be benefit of combined financial resources which this will be reflected in the profitability of the Transferee Company and that the amalgamated Company will immensely benefit from several back end processes such as supply chain and logistics alignment, benefit from the increased scale of operations, saving in various fixed cost, reduced administrative cost as there will be no duplication of various activities in running two companies with similar business and that this Scheme of amalgamation would result in merger and thus consolidation of business of the Transferor Company and the Transferee Company in one entity which will result in savings of cost and improvement in the revenues and margins of the Amalgamated Company, all the shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform and that the Amalgamation of the Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business which will specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, expertise and infrastructure of both the companies and that the merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme and that the Scheme of amalgamation will result in cost saving for both the companies as they are capitalizing on each others core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company, thus it will immensely benefit the shareholders of both the companies.

4. Learned Counsel for the Petitioner further state that the Board of Directors of the Petitioner Company have approved the said Scheme of Amalgamation by passing Board Resolution which is annexed to the Company Scheme Petition.

5. The Learned Advocate for the Petitioner further states that the Petitioner Company is wholly owned subsidiary company of the Transferee Company and all the shares of the Petitioner Company is presently held by the Transferee Company in its own name and in the name of its nominees and that after the scheme being sanctioned, no new shares are required to be issued to the members of the Petitioner Company by the Transferee Company and the entire share capital of the Petitioner Company will stand cancelled and that the Scheme does not affect the rights and interests of the members or the creditors of the Transferee Company and does not involve any re-organization of the Share Capital of the Transferee Company and that the assets and liabilities of the Petitioner Company will be vested under the scheme with the Transferee Company and the shareholding and other rights of the members of the Transferee Company will remain unaffected as no new shares are being issued and there will be no change in capital structure. In view of the judgment of this Court in Mahaamba Investment Limited v/s IDI Limited (2001) Company Cases 105, filing of Company Summons for Direction and Company Scheme Petition by HANSINI MANAGEMENT CONSULTANT PRIVATE LIMITED,

Transferee Company was dispensed the vide order dated 16th January, 2015 passed in Company Summons for Direction No. 11 of 2015

6. The Learned Counsel for the Petitioner further state that, Petitioner Company has complied with all the direction passed in the Company Summons for Direction and that the Company Scheme Petition have been filed in consonance with the order passed in Company Summons for Direction.

7. The Learned Counsel appearing on behalf of the Petitioner has state that the Petitioner Company 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 Company undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and rules made there under whichever is applicable. The said undertaking is accepted.

8. The Official Liquidator has filed his report on 1st day of July, 2015 in Company Scheme Petition Nos. 207 of 2015 stating that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved

8. The Regional Director has filed an Affidavit on 3rd day of July, 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 7.4 of the scheme provides for adjustment for differences in Accounting Polices between Transferor Company and Transferee Company. In this regard, it is submitted that in addition to the compliance of Accounting Standard – 14, the Transferee Company shall pass such accounting Standard which are necessary in connection entries which are necessary in connection with the scheme to comply with other applicable Accounting Standard such as AS-5 etc.*

(b) That the Deponent further submits that, the tax issue if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High court may not deter the Income Tax Authority to scrutinize the tax returns filed by the petitioner company after giving effect to the amalgamation, The decision of the Income Tax Authority is binding on the petitioner company.

9. 9. So far as the observation in paragraph 6 (a) of the Affidavit of Regional Director is concerned, the Petitioner Company through its counsel submitted that in addition to the compliance of Accounting Standard – 14, the Transferee Company shall pass such accounting Standard which are necessary in connection entries which are necessary in connection with the scheme to

comply with other applicable Accounting Standard such as AS-5 etc.

10. So far as the observation in paragraph 6(b) of the Affidavit of Regional Director is concerned, the Learned Counsel for the Petitioner Companies submit 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.

11. 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 they are satisfied with the undertakings given by the Petitioner. The above undertakings is accepted.

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

13. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition Nos. 207 of 2015 is made absolute in terms of prayers clause (a), (b) and (d).

14. The Petitioner Company 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.

15. Petitioner is 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.

16. The Petitioner Company to pay costs of Rs.10,000/- to the Regional Director, Western Region, Mumbai and the Petitioner in the Company Scheme Petition No.207 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.

17. Filing and issuance of the drawn up order is dispensed with.

18. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S. C. Gupte, J.)