IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO.279 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 118 OF 2015

Runwal Housing and Construction Private Limited....Petitioner Company

With

COMPANY SCHEME PETITION NO.280 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 119 OF 2015

Runwal Housing & Townships Private Limited....Petitioner Company

In the matter of Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956

AND

In the matter of Scheme of Amalgamation and Arrangement of Runwal Housing and Construction Private Limited with Runwal Housing & Townships Private Limited and their respective shareholders

Called for hearing

Mr. Hemant Sethi, i/b M/s Hemant Sethi & Co. Advocate for the Petitioner Company

Mr. S. Ramakantha, Official Liquidator Present
Mr. P. S. Jetly i/b Mr. A.A. Ansari for Regional Director.

CORAM: S. C. Gupte, J.

DATE: 17th July, 2015

PC:

1. Heard counsel for the parties. No objector has come before the court to oppose the Scheme of Amalgamation and nor any party has controverted any averments made in the Petition.

2. The sanction of the Court is sought under Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 to the Scheme of Amalgamation and Arrangement of Runwal Housing and Construction Private Limited with Runwal Housing & Townships Private Limited and their respective shareholders.

3. The Learned Counsel for the Petitioners states that Petitioner Company in Company Scheme Petition No. 279 of 2015 is presently engaged in the business of promoters, builders, developers and contractors of buildings, bungalows, residential, land development and all activities connected with real estate business and the Petitioner Company in Company Scheme Petition No. 280 of 2015 is presently engaged in the business of and activities of engineers, consultant, builders, contractors and constructors of building,

houses, apartments, land development and developers of properties and all activities connected with real estate business.

4. Learned Counsel for the Petitioners states that the Scheme will result into following benefits namely Synergies in procurement, administration and marketing operation, Achieving economies of scale, Avoiding duplication of efforts, costs and resources, Lesser regulatory / procedural compliance, Integrate, rationalize and streamline the management structure of the merged business, Combined capital resources would strengthen the financial position of the merged entity and result in increasing leveraging capacity of the merged entity i.e. its capacity to borrow funds for business purposes, Pooling of the human talents in terms of manpower, management, administration and marketing which would result in savings of costs, Amalgamation of the companies would eliminate duplication of work, administrative services and will result in cost savings, Cost saving in fees/ duties payable on statutory and procedural compliance, Facilitate inter transfer of resources and costs and optimum utilization of assets, Synchronizing of efforts to achieve uniform corporate policy, Ease in decision making and To reflect the consolidated net worth of these companies in one balance sheet.

5. Learned Counsel for the Petitioners 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.

6. The Learned Counsel for the Petitioners further states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Direction and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Direction.

7. The Learned Counsel appearing on behalf of the Petitioners has stated 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 undertakes 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 14th July, 2015 stating therein that the affairs of the Petitioner Company have been conducted in a proper manner and that the Petitioner Company may be ordered to be dissolved by this Court.

9. The Regional Director has filed an Affidavit on 2nd July, 2015 stating therein, save and except as stated in paragraphs 6 (a) and 6 (b) thereof, it appears that the Scheme is not prejudicial to the interest of

shareholders and public. In paragraphs 6 (a) and 6 (b) of the said Affidavit, the Regional Director has stated that:-

"6. That the Deponent further submits that,

(a) *As per clause 15.3 of the scheme, the surplus arising out of the scheme will be adjusted in the reserve of the Transferee Company and debit balance if any will be adjusted against the securities premium account of the Transferee Company. In this regard it is submitted that the surplus if any arising out of the scheme be credited to Capital Reserve Account of Transferee Company.*

(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.*

10. As far as observations made in paragraph 6 (a) of Affidavit of the Regional Director is concerned, the Petitioner/Transferee Company through their Counsel undertakes to follow the accounting treatment provided in the scheme and reserve, if any arising out of the scheme be credited to Capital Reserve Account of Transferee Company.

11. As far as observations made in paragraph 6(b) of Affidavit of the Regional Director is concerned, the petitioner through their counsel submits that the petitioner is bound to comply with all applicable provisions of Income Tax Act, and all tax issues arising out of Scheme of amalgamation will be met and answered in accordance with law.

12. The Learned Counsel for Regional Director on instructions of Mr. M. Chandanamuthu, 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 Company. The said undertakings given by the Petitioner Company are accepted.

13. 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.

14. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 279 of 2015 and 280 of 2015 are made absolute in terms of the prayer clause (a) of the respective Company Scheme Petition.

15. The Petitioner Companies are directed to lodge a copy of this order and Scheme duly authenticated by the Company Registrar, High Court, 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.

16. Petitioner is directed to file a copy of this order along with a copy of the Scheme 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.

17. The Petitioners in both the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and Petitioner Company in Company Scheme Petition No. 279 of 2015 to pay cost of Rs.10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.

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

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

(S. C. Gupte, J.)