

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO.289 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO.266 OF 2015
SPS Capital & Money Management Services Private Limited.
.....Petitioner/the Transferor Company.

AND
COMPANY SCHEME PETITION NO.290 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO.267 OF 2015
SPS Multi Commodity Private Limited.
.....Petitioner/the Transferee Company.

In the matter of the Companies Act I
of 1956.

AND

In the matter of Sections 391 to 394 of
the Companies Act, 1956.

AND

In the matter of the Scheme of
Amalgamation of :

SPS Capital & Money Management
Services Private Limited.

AND

SPS Multi Commodity Private Limited.

AND

their Respective Shareholders.

Called for Hearing

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

Ms.S.V.Bharucha i/b Shri. A. A. Ansari for Regional Director in all
the Petitions.

Mr. S. Ramakantha, Official Liquidator, present in C.S.P No. 289 of
2015.

CORAM: S. C. GUPTE, J

DATE : 3rd JULY, 2015

PC:

1. Heard learned counsel for parties. None appears 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 under Sections 391 to 394 of the Companies Act, 1956, to a Scheme of Amalgamation of SPS Capital & Money Management Services Private Limited with SPS Multi Commodity Private Limited and their respective shareholders.
3. The learned Advocate for the Petitioner Companies states that the Transferor Company is presently carrying on activities of dealing in shares and securities. The Transferee Company is presently carrying on business of financial services /activities of lending funds.
4. The learned Advocate for the Petitioner Companies further states that the Scheme of Amalgamation will result into integration of operations and the Transferor Company and the Transferee Company being compatible in terms of nature of their business the Amalgamation will enable the Transferee Company to consolidate its business operation and provide significant impetus to growth of the Transferee Company business and the amalgamation

would result in optimum utilization of management and other resources and would reduce the administrative costs and other overheads which are presently being multiplied because of separate entities and Enhance values of all stake holders in the long run.

5. The Petitioner Companies have approved the said Scheme of Arrangement by passing the Board Resolution which is annexed to the respective Company Scheme Petition.

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

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

8. The Official Liquidator has filed his report on 5th June, 2015 in Company Scheme Petition Nos. 289 of 2015, inter alia, stating

therein 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.

9. The Regional Director has filed his Affidavit on 12th June, 2015, inter alia, stating therein that save and except as stated in paragraphs 6 (a) to (c) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraphs 6 (a) to (c) of the said Affidavit, the Regional Director has stated that :

“6. That the Deponent further submits that:-

- a) *Clause 12.4 of the scheme provides for adjustment for differences in Accounting Policies between Transferor Company and Transferee Company. In this regards, it is submitter that in addition to the compliance of Accounting Standard-14, the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standard such as AS-5 etc.*
- b) *The appointed date is defined in clause 2.5 of the scheme as “Shall be the effective date”. A specific appointed date is required for the purpose of identifying the assets and liabilities of Transferor Company proposed to be transferred to Transferee Company as to ascertain the correct value of assets/liabilities of the transferor company so required. Therefore, it is necessary on the part of the petitioner company to prescribe a specific appointed date. The petitioner company may be directed to provide suitable appointed date.*
- c) *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 the objection of the Regional Director, Western Region, Mumbai in paragraph 6(a) of his affidavit is concerned, the Transferee Company through its advocate undertakes that in addition to accounting treatment given in the scheme the Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme to comply with any other accounting standards.

11. So far as the objection of the Regional Director, Western Region, Mumbai, as stated in paragraph 6(b) of his Affidavit is concerned, the Petitioner Companies through its Learned advocate states that in view of the objection raised by the Regional Director, Western Region, Mumbai Clause 2.5 of the Scheme is required to be amended. Hence, learned Counsel for the Petitioner Companies seeks leave to amend clause 2.5 of the scheme by substituting the words "the Effective Date" with "1st April, 2015".

12. So far as the objection of the Regional Director, Western Region, Mumbai, as stated in paragraph 6(c) of his Affidavit is concerned, the Petitioner Companies submit that the Petitioner is

bound to comply with all applicable provisions of the 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. 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 Companies are accepted.

14. 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 agree with the amendments sought by the Petitioner Companies as mentioned in paragraph 11 hereinabove, in view thereof leave to amend the Scheme annexed to both the Company Scheme Petition including all consequential amendments are granted. Amendments to be carried out within four weeks from the date of the order.

15. 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.

16. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No.289 of 2015 filed by the Transferor Company is made absolute in terms of prayer clauses (a) to (c) and Company Scheme Petition No.290 of 2015 filed by the Transferee Company is made absolute in terms of prayer clauses (a) & (b).

17. The Petitioner Companies to lodge a copy of this order and the 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 this order.

18. Petitioner is directed to file/lodge a copy of this 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.

19. The Petitioners in all the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai. The Petitioners in the Company Scheme Petition Nos. 289 of 2015 to pay costs of Rs.10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.

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

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

(S. C. GUPTE , J.)