

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 455 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 764 OF 2014

Kroner Investments Limited

...Petitioner/the Second Transferor Company

In the matter of the Companies Act
of 1956.

AND

In the matter of Sections 391 to
394 read with Sections 100 to 104
of the Companies Act, 1956.

AND

In the matter of the Scheme of
Amalgamation of:
Karthik Financial Services Limited

AND

Kroner Investments Limited

WITH

Imperial Consultants and
Securities Private Limited

AND

their Respective Shareholders.

Called for Hearing

Mr. Ashish Parwani, i/b Rajani Associates, Advocate for the
Petitioner Company

Mr. Arun Kumar Roy, i/b A.A Ansari for Regional Director

Mr. S. Ramakantha, Official Liquidator Present

CORAM: S. C. GUPTE, J
DATE: 30th October, 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 Company Scheme Petition.
2. The sanction of the Court is sought under Sections 391 to 394 read with Sections 100 to 104 of Companies Act, 1956 to a Scheme of Amalgamation of Karthik Financial Services Limited (First Transferor Company) and Kroner Investments Limited (Petitioner Company/ Second Transferor Company) with Imperial Consultants and Securities Private Limited (Transferee Company).
3. The learned Advocate for the Petitioner Company states that the registered office of the First Transferor Company and the Transferee Company is in Chennai, Tamil Nadu. The First Transferor Company and the Transferee Company have filed necessary proceedings in the High Court of Judicature at Madras for the sanction of the Scheme of Amalgamation.
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4. The learned Advocate for the Petitioner Company states that the Petitioner Company, the First Transferor Company and the

Transferee Company mainly carries on the business of consultancy and investment activities.

5. The learned Advocate for Petitioner Company further states that the entire business and undertaking including the Transferor Undertakings of the First Transferor Company and the Petitioner Company shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company. The proposed amalgamation would *inter-alia* reduce the multiple level of holding structure there would be a synergy in terms of administration costs, as well as simplification and flexibility of operations, since the present independent set-up of the companies results in duplication of administrative efforts and costs in terms of record keeping relating to accounts, income tax, records of Registrar of Companies. It would result in aggregation of consultancy services in one entity and facilitate effective management of investments with benefits of synergy.
6. The Petitioner Company has approved the said Scheme of Amalgamation by passing the Board Resolution which is annexed to the Company Scheme Petition.
7. The Learned Advocate for the Petitioner states that the Petitioner Company has complied with all the directions passed in Company Summons for Direction and that the Company Scheme Petition has been filed in consonance with

the orders passed in respective Company Summons for Direction.

8. The Learned Advocate appearing on behalf of the Petitioner Company 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, the Petitioner Company undertakes 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.
9. The Regional Director has filed his affidavit dated October 27, 2015 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 Regional Director has stated that
 - "6 *That the Deponent further submits that,*
 - (a) *That the Registered Office of the First Transferor Company and Transferee Company is situated in the State of Tamil Nadu. Hence, the present Scheme of Amalgamation between the Transferor companies and Transferee Company will be subject to the condition of obtaining similar approval from Hon'ble High Court of Madras in respect of First Transferor Company and Transferee Company.*
 - (b) *It is respectfully submitted that the tax implication, if any, arising out if 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 Company.

- (c) *Clause 20 of the Scheme provides for Modification and Amendments to Scheme wherein the Board of Directors of Transferor Companies and Transferee Company have been authorized to make any amendments to Scheme, if necessary, after the Scheme is approved by the Hon'ble High Court. Such liberty shall not be exercised by Board of Directors without obtaining prior approval from the Hon'ble High Court. The Petitioner Company may be directed to undertake to this effect. "*

10. So far as the observation of the Regional Director, Western Region, Mumbai in paragraph 6(a) of his Affidavit in relation to the registered office of the First Transferor Company and the Transferee Company, the learned advocate for the Petitioner Company states that First Transferor Company and the Transferee Company have filed their respective necessary proceeding in the High Court of Judicature at Madras for the sanction of the Scheme of Amalgamation and the implementation of the Scheme is subject to sanction of the Scheme by the Hon'ble High Court of Judicature at Madras.
11. So far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 6(b) of this Affidavit is concerned in relation to any tax issue arising out of the Scheme of Amalgamation, the learned Advocate on behalf of

the Petitioner Company submits that this Scheme shall be subject to final decision of Income Tax Authority and the approval of the same by this Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the Transferee Company after giving effect to the amalgamation. However, the Transferee Company shall have liberty to exercise all their legal rights under applicable laws including, under Income Tax Act, 1961 and/or under equity in the event the Transferee Company is not satisfied with the order/adjudication done by the Income Tax Authorities in the aforesaid matter.

12. So far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 6(c) of this Affidavit is concerned in relation to amendments and modification to the Scheme, the Petitioner Company undertakes that any modifications or amendments to the Scheme by the Board of Directors of the Transferor Companies and/or the Transferee Company shall be subject to the prior approval of the Hon'ble High Court of Judicature at Bombay and Hon'ble High Court of Judicature at Madras.
13. The Official Liquidator has filed his affidavit on October 26, 2015 wherein he has stated that the affairs of the Petitioner Company have been conducted in a proper manner. Therefore, Petitioner Company may kindly be ordered to be dissolved by this Hon'ble Court.

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 are satisfied with the undertakings and submissions made by the Petitioner Company through their advocate. In view thereof, the said undertakings are accepted.
15. From the material on record, the Scheme appears to be fair and reasonable and is not in violation 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.455 of 2015 filed by the Transferor Company is made absolute in terms of prayer clauses (a) to (g).
17. The Petitioner Company to lodge a copy of this order and the Scheme of Amalgamation 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. The Petitioner Company 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 Petitioner to pay costs of Rs. 10,000/- each to the Regional Director, Western Region, Mumbai and 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 Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S.C. GUPTE, J.)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of the original signed Order.

Uploaded by: S. Gawde
Stenographer

