IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 389 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 104 OF 2015

IGATE INFORMATION SERVICES PRIVATE LIMITED

………… Petitioner / the Transferor Company

AND

COMPANY SCHEME PETITION NO 390 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 105 OF 2015

IGATE GLOBAL SOLUTIONS LIMITED

………… Petitioner / the Transferee Company

In the matter of the Companies Act, 1956 (1 of 1956)(or re-enactment thereof upon effectiveness of Companies Act, 2013);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 (or any corresponding provisions of Companies Act, 2013 as may be notified);

AND

In the matter of Scheme of Amalgamation

of

IGATE Information Services Private Limited ("Transferor Company")

with

IGATE Global Solutions Limited ("Transferee Company")

and

their respective shareholders

Called for Hearing

Mr. Shyam Mehta, Senior Counsel with Mr. Rajesh Shah i/b. Rajesh Shah & Co., Advocates for the Petitioners in both the Petitions.

Mr. D. R.Shah i/b Mr A. A. Ansari for Regional Director in both the Company Scheme Petitions.

Mr. S Ramakantha Official Liquidator, present in Company Scheme Petition No. 389 of 2015.

CORAM: S. C. Gupte, J.

DATE: 4th September, 2015

1. Heard the Learned Counsels for the Petitioner Companies. No objector has come before the Court to oppose the Scheme of Amalgamation and nor any party has controverted any averments made in the Petitions.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Amalgamation of IGATE Information Services Private Limited with IGATE Global Solutions Limited and their respective shareholders.

3. Learned Senior Counsel for the Petitioners states that the Petitioner in Company Scheme Petition No. 389 of 2015 is incorporated to carry on the business of software development and related support services and Petitioner in Company Scheme Petition No. 390 of 2015 is incorporated to carry on the business of providing business outcome driven iTOPS solutions with a global delivery model. It is also engaged in the business of application development and maintenance, enterprise software and systems integration services, business and technology consulting, product engineering services infrastructure management services, customer interaction services and business process outsourcing, quality assurance and engineering services.

4. The rationale for the amalgamation is that it will enable greater realisation of the potential of the business of the Transferor Company and the Transferee Company in the merged entity and have beneficial results for the companies, their respective

shareholders and all the concerned stakeholders. Amongst others, the amalgamation would have the following benefits:

- Streamlining of the group holding structure by consolidation of key operating entities in India;
- A single unified operating platform in India leading to better synergies and cost efficiencies;
- Minimising compliance costs through consolidation of entities;
- Facilitating effective cash management;
- Managing financing costs and exposure to currency risks;
- Minimising transaction costs; and
- Enhancing shareholder value.

5. The Petitioner Companies have approved the said Scheme by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.

6. The Learned Senior Counsel for the Petitioners state that Petitioner Companies have complied with all directions passed in Company Summons for Directions and that the Scheme has been filed in consonance with the orders passed in respective Company Summons for Directions.

7. The Learned Senior Counsel appearing on behalf of the Petitioners has stated that they have complied with all requirements as per directions of this Hon'ble High Court and they have filed necessary Affidavits of compliance with the Hon'ble High 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 there under. The said undertakings given by the Petitioner Companies are accepted.

8. The Official Liquidator has filed his report on 3rd August, 2015 in the Company Scheme Petition No. 389 of 2015 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 by this Hon'ble High Court.

9. The Regional Director has filed an Affidavit dated 2nd September, 2015 stating therein that save and except as stated in paragraph 6 (a) to 6(c) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6(a), 6(b) and 6(c) of the said Affidavit it is stated that:

   a) *With reference to clause 15(v) of the Scheme, it is submitted that the surplus if any arising out of the scheme shall be credited to Capital Reserve Account of the Transferee Company.*
   b) *Clause 15(vi) of the scheme provides for adjustment for differences in Accounting Policies between Transferor Company and Transferee Company. In this regard, it is submitted that in addition to 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.*
   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 observations made in paragraph 6 (a) of Affidavit of the Regional Director is concerned, the Petitioner/Transferee Company undertakes that the surplus, if any, arising out of the Scheme shall be credited to the Capital Reserve Account of the Transferee Company.

11. As far as observations made in paragraph 6 (b) of Affidavit of the Regional Director is concerned, the Petitioner/Transferee Company undertakes that in addition to compliance of Accounting Standard 14, the Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme of Amalgamation to comply with any other applicable Accounting Standards.

12. As far as observations made in paragraph 6(c) of Affidavit of the Regional Director is concerned, the Petitioner / Transferee Company submits that the Transferee Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme of Amalgamation will be met and answered in accordance with law.

13. The Counsel for the Regional Director on instructions of Mr. M Chandanamuthu, Joint Director (Legal) in the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertaking by the Petitioner Companies. The said undertakings given by the Petitioner Companies are accepted.

14. 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.

15. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 389 of 2015 filed by the Transferor Company are made absolute in terms of prayer clauses (a) to (c) and Company Scheme Petition No. 390 of

2015 filed by the Transferee Company are made absolute in terms of prayer clause (a) to (b).

16. The Petitioner Companies to lodge 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. Petitioner Companies are 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 provisions of the Companies Act 1956 / 2013.

18. The Petitioner Companies in both the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner in Company Scheme Petition No. 389 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 along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S. C. Gupte, J.)