IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 706 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 686 OF 2015

ITI Capital Holdings Private Limited…Petitioner

AND

COMPANY SCHEME PETITION NO 707 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 687 OF 2015

ITI Securities Limited…..Petitioner

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

AND

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

AND

In the matter of Scheme of Amalgamation of ITI Capital Holdings Private Limited and ITI Securities Limited with Crest Ventures Limited and their Respective Shareholders

Called for hearing

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

Mr. Anil D Yadav i/b Mr. A.A. Ansari for Regional Director in both the Petitions.

Mr. S. Ramakantha, Official Liquidator Present

CORAM: S. C. Gupte, J.

DATE: 30th October, 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 of the Companies Act, 1956 to the Scheme of Amalgamation of ITI Capital Holdings Private Limited and ITI Securities Limited with Crest Ventures Limited and their respective shareholders.

3. The learned Counsel for the Petitioners states that ITI Capital Holdings core activity is to make investments in group Companies. ITI Securities Limited was a registered stock broker with the National Stock Exchange & the Bombay Stock Exchange. Presently it has surrendered its membership with both the exchanges.

4. The Counsel for the Petitioners state that with a view to maintain a simple corporate structure and eliminate duplicate corporate procedures it is desirable to merge and amalgamate all the undertakings of ITI Capital Holdings Private Limited and ITI Securities Limited ('Transferor Companies') into Crest Ventures Limited ("Transferee Company"). The amalgamation of all undertakings of Transferor Companies into the Transferee Company shall facilitate consolidation of all the undertakings in order to enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative

responsibilities and multiplicity of records and legal and regulatory compliances.

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 29th October, 2015 stating therein that the affairs of the Transferor Companies have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved by this Court.

9. The Regional Director has filed an Affidavit on 27th October, 2015 stating therein, save and except as stated in paragraphs 6 (a) to 6 (d) thereof, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraphs 6 (a) to 6(d) of the said Affidavit, the Regional Director has stated that:-

6.That the Deponent further submits that,

(a) *As the Transferee Company is a NBFC Company registered with the Reserve Bank of India, Transferee Company may be directed to file a copy of the Scheme along with the copy of this Hon'ble Court 's order with the RBI within 30 days and shall also comply with the other applicable provisions of RBI Act.*

(b)With respect to clause 11.6 of the Scheme, it is submitted that surplus if any, arising out of this Scheme be transferred to Capital Reserve Account and deficit if any be transferred to Goodwill Account of Transferee Company.

(c)Clause 7.4 & 11.4 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 entries which are necessary in connection with the scheme to comply with other applicable Accounting standard such AS -5 etc.

(d) 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 the Affidavit of Regional Director is concerned, the Transferee Company through their Counsel undertakes that it shall file a copy of the Scheme along with the copy of this Court's order with the RBI within 30 days from the date of receipt of the order and shall also comply with the other applicable provisions of RBI Act to the extent applicable.

11. In so far as observations made in paragraph 6(b) of the Affidavit of Regional Director is concerned, the Transferee Company undertakes that surplus if any, arising out of this Scheme shall be transferred to Capital Reserve Account and deficit if any be transferred to Goodwill Account of Transferee Company.

12. As far as observations made in paragraph 6(c) of the Affidavit of Regional Director is concerned, the Transferee Company through their Counsel undertakes 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 -5.

13. As far as observations made in paragraph 6(d) of the Affidavit of Regional Director is concerned, the Petitioners clarifies that the approval of the Scheme by this Court will not deter the Income

Tax Authority to scrutinize the tax return filed by the Petitioner Companies after giving effect to the Scheme and all issues arising out of the Scheme will be met and answered in accordance with law.

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 given by the Petitioner Companies. The said undertakings given by the Petitioner Company are accepted.

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. 706 of 2015 and 707 of 2015 are made absolute in terms of the prayer clause (a) of the respective Company Scheme Petition.

17. 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 receipt of Order.

18. 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.

19. The Petitioners in both the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and 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.

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