IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 837 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 805 OF 2014.

Intime Equities Limited ………….Petitioner

AND

COMPANY SCHEME PETITION NO. 838 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 806 OF 2014

Intime Multi Commodity Company Limited……….Petitioner

AND

COMPANY SCHEME PETITION NO. 839 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 807 OF 2014

ITI Financial Services Limited…………Petitioner

AND

COMPANY SCHEME PETITION NO. 840 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 808 OF 2014

ITI Investor Services Limited………...Petitioner

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

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 read with applicable provisions of the Companies Act, 1956 (to the extent applicable Companies Act, 2013)

AND

In the matter of Composite Scheme of Arrangement and Amalgamation between Intime Equities Limited and Intime Multi Commodity Company Limited and ITI Financial Services Limited and ITI Investor Services Limited and their respective shareholders and creditors

Called for Hearing

Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the Petitioners in all the Petitions.

Mrs. S. V. Bharucha, i/b Mr. H.P. Chaturvedi for Regional Director in all the Company Scheme Petitions.

Mr. S Ramakantha Official Liquidator, present in Company Scheme Petitions No. 839 and 840.

CORAM: S.J. Kathawalla, J.

DATE: 10th April, 2015

PC:

1. Heard the learned counsel for the Petitioner Companies. The learned counsel for the Petitioner Companies states that Mrs. Jyotiramoyi Kanugonda has filed an affidavit in this Court which is numbered as OTS/ 10/ 15 the said objector is unsecured Creditor of M/s. ITI Investor Services Limited, Petitioner Company in Company Scheme Petition No. 840 of 2014. The learned counsel for the Petitioner Company further states that though the affidavit of Objection and Vakalatnama of the Advocate appearing for the said Unsecured Creditor been filed, neither objecting Creditor nor her advocate is present today.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Composite Scheme of Arrangement and

Amalgamation between Intime Equities Limited and Intime Multi Commodity Company Limited and ITI Financial Services Limited and ITI Investor Services Limited and their respective shareholders and creditors.

3. Learned Counsel for the Petitioners states that the Petitioner Companies in Company Scheme Petition no. 837 and 839 of 2014 are presently engaged in the business of equity broking and the Petitioner Companies in Company Scheme Petition no. 838 and 840 of 2014 are presently engaged in the business of commodity broking.

4. The Learned Counsel for the Petitioners states that ITI Investor Services Limited & Intime Multi Commodity Company Limited are engaged in the same business i.e. business of broking in commodities and ITI Financial Services Limited & Intime Equities Limited are engaged in the same business i.e. business of stock broking in equity segment, and with a view to take advantage of consolidation in the current competitive environment, proposes to consolidate operations and amalgamate, which would result in benefits namely economies of scale of operations, increased market share, reduction in duplication of efforts, greater and optimal utilization of resources, to increase operations and confer a competitive advantage on the entire business, with integrated processes, higher scales of operation, greater integration, greater financial strength and flexibility for the amalgamated entities, maximizing overall shareholder value, improvement of competitive position of the combined entities, better efficiency in cash management, unfettered access to cash-flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, the amalgamated companies will have the benefit of synergy, optimum use of manpower for executing and management of various projects, expertise, and stability of operations.

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 Advocate for the Petitioners state that Petitioner Companies have complied with all directions passed in company summons for Directions and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company summons for Directions.

7. Counsel 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 there under. The said undertakings given by the Petitioner Companies are accepted.

8. The Official Liquidator has filed his report on 12th March 2015 stating that the affairs of the Transferor Companies have been conducted in a proper manner and that Transferor Companies may be ordered to be dissolved.

9. The Regional Director has filed an Affidavit on 6th April, 2015 stating therein that save and except as stated in paragraph 6(a) & (b) of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public.

In paragraph 6(a) and 6(b) of the said affidavit, it is stated that:

6. That the deponent further submits that :-

(a) *As provided in Clause 16.1 and 16.2 of the scheme, that the respective companies shall obtain prior approval from statutory authority.*

(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 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 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 Company through its Counsel undertakes that they will obtain prior approval as required form statutory authority.

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

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

13. Mr. Prashant Kamble Advocate for Mrs. Jyotiramoyi Kanugonda has raised their objections stating that the dues of aforesaid creditor have not been paid by the Petitioner/Transferor Company. The learned Counsel appearing for the Petitioner states that the Scheme does not affect the rights of Creditors. Further it will be open to the said Creditor to peruse legal remedy as may be advised for recovery of their dues. It

will be open to Creditor Mrs. Jyotiramoyi Kanugonda to pursue their legal remedies against the Transferee Company. The Transferee Company shall abide by the final outcome of the said legal remedies if any, in favour of the Creditor.

14. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and not contrary to public policy.

15. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 837 to 840 of 2014 filed by the Petitioner Companies are made absolute in terms of prayer clause (a).

16. The Petitioner Companies are directed 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 all the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and Petitioner Companies in Company Scheme Petition No. 839 and 840 of 2014 to pay costs of Rs.10,000/- each to 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.J. Kathawalla. J.)