

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 104 OF 2016
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 3 OF 2016
DATAMATICS SOFTWARE SERVICES LIMITED
.... Petitioner / the Transferor Company 1
And
COMPANY SCHEME PETITION NO. 105 OF 2016
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 4 OF 2016
DATAMATICS VISTA INFO SYSTEMS LIMITED
.... Petitioner / the Transferor Company 2
In the matter of the Companies Act, 1956
(1 of 1956) (or any re-enactment thereof
upon effectiveness of Companies Act,
2013);
AND
In the matter of Sections 391 to 394 of the
Companies Act, 1956 and other relevant
provisions of the Companies Act 2013;
AND
Datamatics Software Services Limited
("the Transferor Company 1")
AND
Datamatics Vista Info Systems Limited
("the Transferor Company 2")
WITH
Datamatics Global Services Limited ("the
Transferee Company")
AND
their respective Shareholders

Called for Hearing

Mr. Rajesh Shah i/b Rajesh Shah & Co., Advocates for Petitioners in both the Company Scheme Petitions.

Mr. Arun Kumar Roy i/b Mr. A. A. Ansari for Regional Director in both the Company Scheme Petitions.

Mr. Vinod Sharma Official Liquidator, present in both the Company Scheme Petitions.

Coram: B. P. Colabawalla, J.

Date: 22nd April, 2016

1. Heard the learned advocate for the Petitioner Companies. No objector has come 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 and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013 to the Scheme of Amalgamation of Datamatics Software Services Limited and Datamatics Vista Info Systems Limited with Datamatics Global Services Limited and their respective shareholders.
3. Learned Advocate for the Petitioners states that the Petitioner in Company Scheme Petition No. 104 of 2016 is presently engaged in the business of providing complete data centre, data entry/conversion, data processing services, management consultancy services, IT enabled services and development and maintenance of software and Petitioner in

Company Scheme Petition No. 105 of 2016 is presently engaged in execution of software projects, maintenance contracts and manpower deployment contracts, IT enabled outsourcing services and deals in computer technology, information technology products.

4. The rationale for the merger is that the amalgamation of the Petitioner Companies with the Transferee Company will provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage assets, capabilities, experience and infrastructure of all the companies and further would reduce the managerial overlaps involved in operating multiple entities; ease and increase operational and management efficiency; integrate business functions; eliminate duplication and rationalization of administrative expenses and would also lead to synchronizing of efforts to achieve uniform corporate policy.
5. Learned Advocate for the Petitioner Companies states that both the Petitioner Companies are Directly or Indirectly wholly owned subsidiary of the Transferee Company and after the Scheme being sanctioned, no new shares are required to be issued to the members of the Petitioner Company by the Transferee Company and the entire share capital of the Petitioner Companies will stand cancelled and in view of the judgement of this Court in Mahaamba Investments Limited Vs IDI Limited (2001)

Company Cases 105, filing of a separate Company Summons for Direction and Company Scheme Petition by Datamatics Global Services Limited, the Transferee Company was dispensed with, by order dated 8th January, 2016 passed in CSD NO. 3 and 4 of 2016.

6. The Petitioner Companies approved the said Scheme by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.
7. The 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.
8. The Counsel for the Petitioners further states that the Petitioner Companies 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 undertaking is accepted.
9. The Regional Director has filed its Affidavit dated 1st April, 2016 stating therein that save and except as stated in paragraph 6 of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public.

In paragraph 6, of the said affidavit it is stated that:

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 this 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 of Affidavit of the Regional Director is concerned, the Petitioner Companies on behalf of 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.
11. The Learned 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 submission given by the Petitioner Companies. The said submissions given by the Petitioner Companies are accepted.
12. The Official Liquidator has filed his report on 21st April, 2016 in the Company Scheme Petition No. 104 and 105 of 2016 stating therein that the affairs of the Transferor Company 1 and Transferor Company 2 have been conducted in a proper manner and that the Transferor Company 1 and Transferor Company 2 may be ordered to be dissolved by this Court.

13. 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.
14. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 104 and 105 of 2016 filed by the Petitioner /Transferor Companies are made absolute in terms of prayer clauses (a) to (c).
15. 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 issuance of Order.
16. The Petitioner/Transferee 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 relevant provisions of the Companies Act 1956 / 2013.
17. 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 to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.
18. Filing and issuance of the drawn up order is dispensed with.

19. 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.

(B. P. Colabawalla, J.)

CERTIFICATE

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

Uploaded by: - Shankar Gawde, Stenographer