IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 118 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 22 OF 2016

Blue Star Infotech Limited ...Petitioner Company

AND

COMPANY SCHEME PETITION NO. 119 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 23 OF 2016

Blue Star Infotech Business Intelligence and Analytics Private Limited

…Petitioner Company

AND

COMPANY SCHEME PETITION NO. 120 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 24 OF 2016

Blue Star Limited …Petitioner Company

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, of Blue Star Infotech Limited and Blue Star Infotech Business Intelligence and Analytics Private Limited with Blue Star Limited and their respective shareholders and creditors

Called for Hearing

Dr. Veerndra Tulzapurkar, Senior Counsel, Mr. Peshwan Jehangir and Mr. Himanshu Vidhani i/b Khaitan & Co, Advocates for the Petitioner Company.

Mr. Arun Kumar Roy i/b A A Ansari for the Regional Director in the petitions.

Mr. Vinod Sharma, Official Liquidator present

Coram: B. P. Colabawalla, J.

Date: 16th April, 2016

P.C:

1. Heard Learned Counsel for the Parties. No objector has come before the Court to oppose the Scheme and nor has any party controverted any averments made in the Petitions.

2. The sanction of the Court is sought Sections 391 to 394 of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 for the Composite Scheme of Amalgamation between Blue Star Infotech Limited, i.e. **Transferor Company No.1** and Blue Star Infotech Business Intelligence and Analytics Private Limited, i.e. **Transferor Company No.2** with Blue Star Limited, i.e. **Transferee Company** and their respective shareholders and creditors ("**Scheme**").

3. The Learned Counsel for the Petitioner Companies states that Transferor Company No.1 is presently, *inter alia*, engaged in the business of dealing in microprocessor based mini computers and data processing system and different types of software, calculators, electronic and electrical apparatuses, equipment, gadgets including mobility, cloud computing, analytics and business intelligence, product engineering, testing, package implementation, applications services and leasing of immovable property; Transferor Company No.2 presently, *inter alia*, engaged in the business of software and hardware design, development, manufacture, consultancy, system support and maintenance, distribution and maintenance of Information Technology related products and services, including but not limited to embedded and digital signal processing software, hardware and systems.; and the Transferee Company presently, *inter alia*, engaged in the business of electro-mechanical projects, central air conditioning and commercial refrigeration. It also offers expertise in allied contracting activities such as, plumbing and fire-fighting services, in order to provide a comprehensive solution to its clients.

4. The Learned Counsel for the Petitioner Companies states that proposed Scheme is beneficial since, *inter alia*, the proposed Amalgamation will (i) integrate and consolidate the business of Transferor Company No.1 and Transferor Company No.2 in a single entity and consolidate resources and assets of all the Companies for optimal deployment and enhanced overall efficiencies; (ii) enable better and efficient management, control and running of the businesses to attain operational efficiencies, cost competitiveness, create synergies and capitalize on the growth opportunities to the fullest extent; (iii) channelize resources to focus and grow the core air conditioning and refrigeration business of the Transferee Company; (iv) utilize capital for funding growth of Group's core business and improve returns to

create long term sustainable value for all shareholders; and (v) the proposed amalgamation and vesting of the Transferor Company No.1 and the Transferor Company No.2 into Transferee Company, with effect from the Appointed Date, is in interest of the shareholders, creditors, employees and other stakeholders, of both the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

5. The Petitioner Companies have approved the said Scheme by passing Board Resolutions which are annexed to the 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 Directions and that the respective Company Scheme Petitions have been filed in consonance with the order passed in the respective Summons for Directions.

7. The Learned Counsel appearing on behalf of the Petitioner Companies have further stated that the Petitioner Companies have complied with all the requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements, if any, under the Companies Act, 1956 and 2013, and rules made thereunder, whichever is applicable. The said undertaking is accepted.

8. The Regional Director has filed an Affidavit dated 7 April, 2016 stating therein that save and except as stated in paragraph 6(a) and 6(b) of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public.

"6. That the Deponent further submits that,

(a) The shares of the petitioner companies are held by foreign body corporate. Hence while giving effect to the scheme, by issuing shares by the Transferee Company to the Transferor Company, the petitioner companies may be directed to comply with FEMA/RBI regulations as applicable in this regard.

(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 the scheme by the Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by petitioner company after giving effect to the amalgamation The decision of the Income Tax Authority is binding on the petitioner company."

9. As far as the observation in paragraph 6(a) of the Affidavit of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies, states that the Petitioner Companies undertake to comply with the applicable provisions of FEMA/RBI regulations, in this regard.

10. As far as the observation in paragraph 6(b) of the Affidavit of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies, states that the Petitioner Companies are bound to comply with all applicable provisions of the Income Tax Act and that all tax issues arising out of the Scheme 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 the Regional Director,

Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings given hereinabove by the Petitioner Companies through its counsel. The undertakings given by the Petitioner Companies mentioned hereinabove are accepted.

12. The Official Liquidator has filed his report on 12th April , 2016 in Company Scheme Petition No. 118 of 2016 and Company Scheme Petition No. 119 of 2016 stating therein that the affairs of the Transferor Companies have been conducted in a proper manner and that the Transferor Companies may be ordered to be dissolved.

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 Petitions are made absolute in terms of prayer clauses (a) to (c) and (f) of each of the three Company Scheme Petitions.

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 purposes of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.

16. The Petitioner Companies are directed to file a copy of this order alongwith a copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-Form 21/INC28 in addition to physical copy as per relevant provisions of

the Companies Act, 1956 and the Companies Act, 2013 and Rules made thereunder whichever are applicable.

17. The Petitioner Companies are directed to pay a cost of Rs 10,000/- each to the Regional Director, Western Region, Mumbai and the Transferor Companies are directed to pay a cost of Rs 10,000/- to the Official Liquidator each. 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 attached thereto, duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(B. P. Colabawalla, J.)

C E R T I F I C A T E

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

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