

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH AT MUMBAI**

COMPANY SCHEME PETITION NO. 796 OF 2017  
CONNECTED WITH  
COMPANY SCHEME APPLICATION NO. 529 OF 2017  
AND

COMPANY SCHEME PETITION NO. 792 OF 2017  
CONNECTED WITH  
COMPANY SCHEME APPLICATION NO. 524A OF 2017  
AND

COMPANY SCHEME PETITION NO. 744 OF 2017  
CONNECTED WITH  
COMPANY SCHEME APPLICATION NO. 524 OF 2017  
AND

COMPANY SCHEME PETITION NO. 795 OF 2017  
CONNECTED WITH  
COMPANY SCHEME APPLICATION NO. 528 OF 2017  
AND

COMPANY SCHEME PETITION NO. 797 OF 2017  
CONNECTED WITH  
COMPANY SCHEME APPLICATION NO. 523 OF 2017  
AND

COMPANY SCHEME PETITION NO. 793 OF 2017  
CONNECTED WITH  
COMPANY SCHEME APPLICATION NO. 527 OF 2017  
AND

COMPANY SCHEME PETITION NO. 798 OF 2017  
CONNECTED WITH  
COMPANY SCHEME APPLICATION NO. 525 OF 2017  
AND

COMPANY SCHEME PETITION NO. 794 OF 2017  
CONNECTED WITH  
COMPANY SCHEME APPLICATION NO. 526 OF 2017

Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

In the matter of the Scheme of Amalgamation of Reliance Aerospace Technologies Limited, Reliance Commercial Land & Infrastructure Limited, Reliance Global Commercial

Limited, Reliance Petroinvestments Limited, Reliance Supply Solutions Private Limited, Reliance Trading Limited and Reliance Universal Commercial Limited (collectively, the "Transferor Companies") with Reliance Industrial Investments and Holdings Limited (the "Transferee Company")

Reliance Aerospace Technologies Limited

...Petitioner Company/First Transferor Company  
AND

Reliance Commercial Land & Infrastructure Limited

... Petitioner Company/Second Transferor Company  
AND

Reliance Global Commercial Limited

... Petitioner Company/ Third Transferor Company  
AND

Reliance Petroinvestments Limited

...Petitioner Company/ Fourth Transferor Company  
AND

Reliance Supply Solutions Private Limited

... Petitioner Company/ Fifth Transferor Company  
AND

Reliance Trading Limited

... Petitioner Company/ Sixth Transferor Company  
AND

Reliance Universal Commercial Limited

...Petitioner Company/Seventh Transferor Company  
AND

Reliance Industrial Investments and Holdings Limited

... Petitioner Company/ Transferee Company

Order Delivered on **2<sup>nd</sup> November 2017**

**Coram :**

Hon'ble Shri B.S.V. Prakash Kumar, Member (Judicial)

Hon'ble Shri V. Nallasenapathy, Member (Technical)

For the Petitioner(s): Counsel Ms. Alpana Ghone and Counsel  
Mr. Sidharth Samantaray a/w Advocate  
Ms. Praneeta Mehta i/b M/s. Junnarkar  
& Associates.

For Regional Director: Mr. S. Ramakantha, Joint Director

For the Official Liquidator: Mr. Santosh Dalvi, Official Liquidator, in  
CSP Nos. 796 of 2017, 792 of 2017, 744  
of 2017, 795 of 2017, 797 of 2017, 793 of  
2017, 798 of 2017.

**PER** : Hon'ble Shri B.S.V. Prakash Kumar, Member (Judicial)

**ORDER**

1. Heard Learned Counsel for parties. No objector has come before the Tribunal to oppose the Scheme of Amalgamation and nor has any party controverted any averments made in the Petitions.
2. The sanction of this Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 to the Scheme of Amalgamation of Reliance Aerospace Technologies Limited, Reliance Commercial Land & Infrastructure Limited, Reliance Global Commercial Limited, Reliance Petroinvestments Limited, Reliance Supply Solutions Private Limited, Reliance Trading Limited and Reliance Universal Commercial Limited (collectively, the "Transferor Companies") with Reliance Industrial Investments and Holdings Limited (the "Transferee Company").
3. The Learned Counsel for the Petitioner Companies states that the First Transferor Company is incorporated with the main object of research, development and innovation in aerospace technology but is presently not carrying on any business, the Second Transferor Company is presently engaged in the business of trading, the Third Transferor Company is presently engaged in the business of trading, and providing

advice and consultancy services, the Fourth Transferor Company is presently engaged in the business of trading, the Fifth Transferor Company is incorporated with the main object of dealing in office products and development and sale of Software and Software solutions but is presently not carrying on any business, the Sixth Transferor Company is presently engaged in the business of trading, the Seventh Transferor Company is presently engaged in the business of trading and other related activities and the Transferee Company holds investments and is presently mainly engaged in the sale of petroleum products.

4. The benefit of the Scheme of Amalgamation is that all the Transferor Companies are wholly owned subsidiaries of the Transferee Company. The amalgamation will reduce multiple companies by consolidation of companies having holding and subsidiary relationship into a single larger entity. The amalgamation will achieve economy, better administration and efficiency of operations. The amalgamation will achieve reduced administrative costs, avoid duplication and result in internal economies and optimize profitability. The merged company will be in a better position as compared to smaller standalone companies enabling it to avail financial, managerial, technical and other capital resources which in turn will enable the merged company to expand business operations with minimum additional cost and in the shortest possible time. The integration proposed would enable cost savings, optimum utilization of available resources, will make management control systems more efficient and effective which will enhance the management focus thereby increasing the shareholders' value of all companies. In furtherance to its aforesaid objects and in view of existence of business synergies between Transferee Company and Transferor Companies, and to enhance shareholders value, it is proposed to merge the Transferor Companies with the Transferee Company in accordance with the provision of the Scheme of Amalgamation.

5. All the Transferor Companies and the Transferee Company have approved the Scheme of Amalgamation by passing Board Resolutions, which are annexed to the respective Company Scheme Petitions.
6. Learned Counsel for the Petitioner Companies further states that the Petitioner Companies have complied with all the directions passed by this Tribunal in the Company Scheme Application Nos. 529, 524A, 524, 528, 523, 527, 525 and 526 of 2017 and the Company Scheme Petition Nos. 796, 792, 744, 795, 797, 793, 798 and 794 of 2017 filed in this Tribunal are in consonance with the Orders passed in the said Company Scheme Applications and Company Scheme Petitions.
7. Learned Counsel for the Petitioner Companies have stated that the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal and have filed necessary affidavits of compliance in this Tribunal. Moreover, all the Petitioner Companies through their Counsel undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
8. The Official Liquidator has filed his Report dated 30<sup>th</sup> August 2017 in Company Scheme Petition Nos. 796, 792, 744, 795, 797, 793 and 798 of 2017 stating therein that the affairs of the Transferor Companies have been conducted in a proper manner and the Transferor Companies may be ordered to be dissolved.
9. The Regional Director, Western Region has filed his Report dated 3<sup>rd</sup> October 2017 before this Tribunal stating therein that save and except as stated in para IV (a) to (f), it appears that the Scheme is not prejudicial to the interest of shareholders and public. Para IV of the said Report reads as under:

**“IV.** *The observations of the Regional directors on the proposed Scheme to be considered by the Hon’ble NCLT are as under:-*

- (a) *In addition to compliance of AS-14 (IND AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc;*
- (b) *As per existing practice, the Petitioner Companies are required to serve Notice for Scheme of Arrangements to the Income Tax Department for their comments. It appears that the company vide letter dated 13<sup>th</sup> July 2017 has served a copy company scheme application No. 523 to 529 of 2017 along with relevant orders etc., further the Regional Director has also issued a reminder 25<sup>th</sup> September 2017, to IT Department.*
- (c) *The tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon’ble Tribunal may not deter the Income Tax Authority to scrutinize the tax return filed by the transferee Company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the petitioner Company.*
- (d) *As all the Transferor Companies are wholly owned subsidiary of M/s. Reliance Industrial Investments and Holdings Limited (the Transferee Company). Hence, this Hon’ble Tribunal may kindly direct the companies involved in the scheme to file Solvency Certificate with the Registrar of Companies, Mumbai, as required u/s 233(1)(c) read with section 233(12) of the Companies Act, 2013 and pass appropriate order(s) as deem fit.*
- (e) *It is submitted that petitioner(s) has to comply with proviso to section 230(7) read with Rule 6(3)(ix)(e) of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 the auditor of the company to issue a Certificate to the effect that the Accounting Treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standard prescribed u/s 133 of the Companies Act, 2013.*
- (f) *Regarding observations of ROC Mumbai, as mentioned vide para 11 Hon’ble Tribunal may pass appropriate order/ orders as deem fit.”*

10. The observations of the Registrar of Companies, Mumbai as mentioned in paragraph III(11) of the Report of the Regional Director, are as under:

- “i) Transferee Companies main objects does not have enabling objects for carrying out activities of Transferor Companies 1,2,3,4 & 5.*
- ii) Second Transferor Company's main objects are real estate, have notice to RERA may be required to be issued by it.*
- iii) Fourth Transferor Company & Transferee Company's main objects are NBFC in nature and hence notice to RBI may be required to be issued by them.*
- iv) Financials as at crucial appointed date 01.10.2016 (30.09.2016) were no furnished intearlia to verify the Status of holding/subsidiary etc., as on that date.*
- v) Para 11.2 of the Scheme needs deletion as it is contradictory to para 11.1 & it is open ended.*
- vi) Para 16.2 needs deletion as it is violative of Section 231(1)(a) 231(1)(b) of the Companies Act, 2013”*

11. With respect to the aforesaid observations of the Regional Director contained in paragraph IV (a) to (f), the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies have filed with this Tribunal Affidavit of Ms. Mohana V., Authorised Signatory on behalf of all the Petitioner Companies, affirmed on 10<sup>th</sup> October 2017 dealing with the said observations contained in the Report of the Regional Director, Mumbai dated 3<sup>rd</sup> October 2017.

12. With respect to each of the observations, the Learned Counsel for the Petitioner Companies submits as under :

12.1 With respect to Para IV (a) of the Report of the Regional Director, the Learned Counsel for the Petitioner Companies states that the Transferee Company undertakes to pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8), etc.

12.2 With respect to Paras IV (b) and (c) of the Report of the Regional Director, the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies are bound to comply with all applicable provisions of Income Tax Act, and the Transferee Company shall comply with and deal with

all tax matters arising out of the Scheme in accordance with law.

- 12.3 With respect to Para IV (d) of the Report of the Regional Director, the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies have already filed Solvency Certificates with the Registrar of Companies, Mumbai as required under Section 233(1)(c) read with Section 233(12) of the Companies Act, 2013 by electronic filing of Form GNL-1 and the original Solvency Certificates and copies of Form GNL-1 of all the Petitioner Companies are annexed to the Affidavit of Ms. Mohana V., affirmed on 10<sup>th</sup> October 2017, on behalf of all the Petitioner Companies.
- 12.4 With respect to Para IV (e) of the Report of the Regional Director, the Learned Counsel for the Petitioner Companies submits that the Transferee Company has already filed a Certificate of its Auditors, being Exhibit "F" of the Company Scheme Petition filed by the Transferee Company, stating that the Accounting Treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- 12.5 With respect to Para IV (f) of the Report of the Regional Director, the Regional Director has referred to observations of the Registrar of Companies, Mumbai which are mentioned in Para III(11) of the said Report. With respect to the observations of the Registrar of Companies, Learned Counsel for the Petitioner Companies submits that:
- (a) With respect to clause (i) of Para III(11), the Learned Counsel for the Petitioner Companies submits that the First Transferor Company and the Fifth Transferor Company are presently not carrying on any business activities. The Second Transferor Company and the Fourth Transferor Company are engaged in the business of trading and the Third Transferor Company



is presently engaged in the business of trading, and providing advice and consultancy services. The main objects of the Transferee Company set out in Clause 3 of Part IIIA of the Memorandum of Association of the Transferee Company provides "*To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing, supplying, trading, dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis and to act as advisers, consultants, factors, brokers, agents, .....*". The activities of carrying on the business of trading as well as providing advice and consultancy services is included in the main objects of the Transferee Company. Hence, the Learned Counsel submits that the Transferee Company has enabling objects to carry out the activities of the Second Transferor Company, the Fourth Transferor Company and the Third Transferor Company.

- (b) With respect to clause (ii) of Para III(11), the Learned Counsel for the Petitioner Companies submits that the Second Transferor Company is presently carrying on trading business. The Second Transferor Company has no real estate project requiring registration under the provisions of the Real Estate (Regulation and Development) Act, 2016 and hence, the Learned Counsel submits that no notice is required to be issued by the Second Transferor Company to the Real Estate Regulatory Authority.
- (c) With respect to clause (iii) of Para III(11), the Learned Counsel for the Petitioner Companies states that the Fourth Transferor Company and the Transferee Company are not non-banking financial companies. The Fourth Transferor Company and the Transferee Company are not registered with the Reserve Bank of India and hence, the Learned Counsel submits that the Fourth Transferor Company and the Transferee

Company are not required to issue any notice to Reserve Bank of India.

- (d) With respect to clause (iv) of Para III(11), the Learned Counsel for the Petitioner Companies states that the Petitioner Companies have submitted their respective audited Financial Statements for the financial year ended on 31<sup>st</sup> March 2016 and provisional and unaudited Statements of Profit and Loss for the period ended 31<sup>st</sup> December 2016 and the consolidated accounts as on Appointed Date will be prepared after the Scheme is sanctioned. The First Transferor Company, the Second Transferor Company and the Fifth Transferor Company are wholly owned subsidiaries of the Transferee Company as shown in audited Financial Statements for the financial year ended on 31<sup>st</sup> March 2016. With effect from 23<sup>rd</sup> August 2016 and prior to the Appointed Date, the Fourth Transferor Company became a wholly owned subsidiary of the Transferee Company. With effect from 25<sup>th</sup> August 2016 and prior to the Appointed Date, the Sixth Transferor Company became a wholly owned subsidiary of the Transferee Company. With effect from 30<sup>th</sup> August 2016 and prior to the Appointed Date, the Third Transferor Company and the Seventh Transferor Company became wholly owned subsidiaries of the Transferee Company. The same is reflected in provisional and unaudited Statements of Profit and Loss for the period ended 31<sup>st</sup> December 2016 and audited Financial Statements for the financial year ended on 31<sup>st</sup> March 2017 of the Third Transferor Company, the Fourth Transferor Company, the Sixth Transferor Company and the Seventh Transferor Company.

- (e) With respect to clause (v) of Para III(11), the Learned Counsel for the Petitioner Companies submits that Clause 11.2 is an enabling clause and the said Clause is in conformity with Accounting Standards. The said Clause 11.2 of the Scheme permits the Transferee Company to give effect to the value of assets and liabilities of the Transferor Companies in the books of the Transferee Company in accordance with uniform accounting policies and methods. The Learned Counsel submits that the said Clause 11.2 of the Scheme is not open ended and hence the Clause ought not to be deleted.
- (f) With respect to clause (vi) of Para III(11), the Learned Counsel for the Petitioner Companies submits that Clause 16.2 is not in violation of Section 231(1)(a) and Section 231(1)(b) of the Companies Act, 2013. It is submitted that Section 231 confers overriding powers on the Tribunal and Clause 16.2 of the Scheme does not in any way derogate from such power. Clause 16.2 of the Scheme is to be read with Clause 16.1 of the Scheme which empowers the Board of Directors of the Petitioner Companies to accept only such modifications or amendments or additions to the Scheme, as may be imposed by the Tribunal or any other authorities under law. Further, it is submitted that the combined reading of Clause 16.1 and Clause 16.2 of the Scheme shows that the Board of Directors can only act subject to the approval of the Tribunal. Accordingly, Clause 16.2 is not in violation of Section 231(1)(a) and (b) of the Companies Act, 2013 and hence, the Learned Counsel submits Clause 16.2 ought not to be deleted.
13. Mr. S. Ramakantha, Regional Director in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai for the Regional Director states that they are satisfied with the undertakings and submissions given by the Petitioner Companies. The undertakings / submissions on

behalf of the Petitioner Companies as set out in paragraphs 11 and 12 above have been considered and accepted by the Tribunal.

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, Company Scheme Petitions are made absolute in terms of prayer clauses (a) to (h) and clause (j) of Company Scheme Petition Nos. 796 of 2017, 792 of 2017, 744 of 2017, 795 of 2017, 797 of 2017, 793 of 2017, 798 of 2017 and prayer clauses (a) to (g) and (i) of Company Scheme Petition No. 794 of 2017.
16. The Transferee Company to file a copy of this Order and the Scheme of Amalgamation duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty, if any, payable on the same, within 60 (sixty) days from the date of receipt of the Order.
17. The Petitioner Companies are directed to file a copy of this Order alongwith a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically, alongwith E-Form INC 28 in addition to the physical copy, as per relevant provision of the Companies Act, 1956 or Companies Act, 2013, whichever is applicable.
18. The Transferor Companies and the Transferee Company to pay costs of Rs.25,000/- each to the Regional Director, Western Region, Mumbai and all the Transferor Companies to pay costs of Rs.25,000/- each to the Official Liquidator. Costs to be paid within four weeks from the date of the Order.

19. All concerned regulatory authorities to act on a copy of this Order alongwith Scheme of Amalgamation, duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench.

Sd/-

**V. Nallasenapathy**  
**Member (Technical)**

Sd/-

**B.S.V. Prakash Kumar**  
**Member (Judicial)**