

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

**CSP NO.767 OF 2017
with
CSP NO.772 OF 2017**

Under Sections 230 to 232 of the Companies Act,
2013

In the matter of Scheme of Amalgamation of
Jindal Bio Sciences Private Limited with Jindal
Crop Sciences Private Limited and their
respective Shareholders and Creditors

JINDAL BIO SCIENCES PRIVATE LIMITEDPetitioner Company
(Transferor Company)

WITH

JINDAL CROP SCIENCES PRIVATE LIMITEDPetitioner Company
(Transferee Company)

ORDER DELIVERED ON: 5th OCTOBER, 2017

CORAM:

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

Hon'ble V. Nallasenapathy, Member (Technical)

Advocate for the Petitioner: 1. Advocate Shruti Kelji-Pednekar
2. Advocate Rahul Risbud
3. Advocate A. S. Lambhate
4. Advocate Sunila Chavan

For Regional Director: P. Sheela, Assistant Director

For Registrar of Companies: Ramesh Gholap, Deputy Registrar

For Official Liquidator: Santosh Dalvi, representative
(in Company Scheme Petition No.767 of 2017)

PER: V. Nallasenapathy, Member (Technical)

ORDER

1. Heard Advocate for the parties. Neither any objector has come before the Hon'ble Tribunal to oppose the Scheme of Amalgamation nor has any party controverted any averments made in the Petitions.
2. The sanction of the Hon'ble Tribunal is sought under Section 230 to 232 of the Companies Act, 2013 to the Scheme of Amalgamation of Jindal Bio Sciences Private Limited with Jindal Crop Sciences Private Limited and their respective shareholders and creditors.
3. The Learned Advocate for the Petitioner Companies state that the Transferor Company is engaged in the business of seeds farming, production and processing thereof and the Transferee Company is engaged in the business of research and development in the field of seeds and also involved in marketing and trading of seeds and other agricultural inputs.
4. The Learned Advocate for the Petitioner Companies state that the Transferor and Transferee Companies are engaged in the same line of business and are being managed and owned by the same management and it will make available to the undertaking of the Transferor Company, the benefit of financial resources, and managerial, technical and marketing expertise of the Transferee Company and the amalgamation would bring in greater economies in scale of operations and will help in reducing expenditure considerably and the amalgamation will be conducive to better and more efficient and economic control and conduct of the business of the Transferee Company and there will be operational synergy in terms of procurement benefits, common license and reduction of administration work etc. for the Transferee Company and the Transferee Company will have the benefit of the combined assets, man-power and cash flows of both the companies and with the enhanced capabilities and resources at its disposal, the Transferee Company will have greater

flexibility to market and meet consumer needs more effectively.

5. The Learned Advocate for the Petitioner Companies 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 Advocate for the Petitioner Companies further states that the Petitioner Companies have complied with all the directions passed in the respective Company Scheme Applications and that the Company Scheme Petitions have been filed in consonance with the Orders passed in respective Company Scheme Application.
7. The Learned Advocate appearing on behalf of the Petitioner Companies have stated that the Petitioner Companies have complied with all requirements as per directions of the Tribunal and they have filed necessary affidavit of compliance in the Tribunal. Moreover, the 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 whichever is applicable. The said undertakings given by the Petitioner Companies are accepted.
8. The Official Liquidator has filed his report dated 15th September, 2017 in the Company Scheme Petition No.767 of 2017 stating therein that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.
9. The Regional Director has filed his report dated 25th September, 2017 wherein it is stated that save and except as stated in paragraph IV(a) to IV(c), it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Report, the Regional Director has stated that:-

“IV. The observations of the Regional Director 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 27th June, 2017 has served a copy company scheme Application No. 237 & 238 of 2017 along with relevant orders etc., further the Regional Director has also issued a reminder 8th 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 Court 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.

10. As far as the observations in paragraph IV (a) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies states that the Transferee Company undertakes that in addition to compliance of AS-14 (IND AS-103) accounting treatment, 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.
11. As far as the observations in paragraph IV (b) and IV (c) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies states that the Petitioner Companies have served the concerned Income Tax Department on 30th June, 2017 respectively and filed the original acknowledgements with this Tribunal vide its Affidavit of Service (Annexure F). Further, the Learned Counsel for the Petitioner Companies undertakes 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.
12. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 10 and 11 above. The clarifications and undertakings given by the Petitioner Companies are accepted by the Tribunal.

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.767 of 2017 filed by the Petitioner Company is made absolute in terms of prayer clauses (a) to (c) and Company Scheme Petition No.772 of 2017 filed by the Petitioner Company is made absolute in terms of prayer clauses (a) and (b).
15. The Petitioner Companies are directed to lodge a copy of this order and the Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench, Mumbai 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 receipt of the order.
16. The Petitioner Companies are further 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, 2013.
17. The Petitioner Companies to pay costs of Rs.25,000/-each to the Regional Director, Western Region, Mumbai and cost of Rs.25,000/- to the Official Liquidator, High Court, Bombay in Company Scheme Petition No.767 of 2017. Costs to be paid within four weeks from the date of receipt of the Order.
18. All concerned regulatory authorities to act on a copy of this order along with the Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench, Mumbai.
19. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kumar, Member (J)