

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH AT MUMBAI
COMPANY SCHEME PETITION NO. 549 OF 2017
CONNECTED WITH
COMPANY SCHEME APPLICATION NO. 445 OF 2017

AND

COMPANY SCHEME PETITION NO. 550 OF 2017
CONNECTED WITH
COMPANY SCHEME APPLICATION NO. 443 OF 2017

AND

COMPANY SCHEME PETITION NO. 551 OF 2017
CONNECTED WITH
COMPANY SCHEME APPLICATION NO. 444 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 Commercial Trading Private Limited and
Reliance Jio Asiainfo Innovation Centre Limited
(collectively, the "Transferor Companies") with Reliance
Corporate IT Park Limited (the "Transferee Company")

Reliance Commercial Trading Private Limited

...Petitioner Company/First Transferor Company

AND

Reliance Jio Asiainfo Innovation Centre Limited

...Petitioner Company/Second Transferor Company

AND

Reliance Corporate IT Park Limited

... Petitioner Company/Transferee Company

Order Delivered on **20th July 2017**

Coram :

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

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

For the Petitioner(s): Counsel Mr. Sidharth Samantaray a/w
Advocate Ms. Sonali Aggarwal i/b M/s.
Junnarkar & Associates.

For the Official Liquidator: Mr. Santosh Dalvi, representative from
office of Official Liquidator, in CSP Nos.
549 and 550 of 2017.

Per: V. Nallasenapathy, Member (Technical)

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 Commercial Trading Private Limited and Reliance Jio Asiainfo Innovation Centre Limited (collectively the "Transferor Companies") with Reliance Corporate IT Park Limited (the "Transferee Company").
3. The learned Counsel for the Petitioner Companies states that the First Transferor Company is presently engaged in the business of event management activities and operation of vehicle parking area/systems, the Second Transferor Company proposes to engage in the business of implementation of software and hardware systems and is yet to commence operations and the Transferee Company is presently engaged in the business of providing support services including IT, Business Support and Manpower Services.
4. The benefit of the Scheme of Amalgamation is that the Transferor Companies are wholly owned subsidiaries of the Transferee Company. The business of the Transferor Companies can be conveniently combined with the business of the Transferee Company and 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 help to reduce 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 of 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 this Scheme of Amalgamation.

5. Both 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. 443 to 445 of 2017 and the Company Scheme Petition Nos. 549 to 551 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 it has filed necessary affidavits of compliance in this Tribunal. Moreover, the Petitioner Companies through their Counsel

undertakes 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 13th July 2017 in Company Scheme Petition Nos. 549 and 550 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 5th July 2017 before this Tribunal stating therein that save and except as stated in para IV (a) to (e), 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 both the Transferor Companies are wholly owned subsidiaries of the Transferee Company, 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.*
- (c) 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 12th May 2017 has served a copy Company Scheme Application No. 443 to 445 of 2017 along with relevant orders etc., further the Regional Director has also issued a reminder 04/07/2017 to IT Department.*
- (d) 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.*

(e) *Regarding **Clause 11 of the Scheme** it is submitted that the surplus if any arising out of the Scheme shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to Goodwill Account and will not be adjusted against Profit & Loss Account of the Transferee Company. ”*

10. 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 that it 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. With respect to Para IV(b) of the Report of the Regional Director, the Learned Counsel for the Petitioner Companies states that the Petitioner Companies undertake to file solvency certificate with the Registrar of Companies, Mumbai as required under Section 233(1)(c) read with Section 233(12) of the Companies Act, 2013.
12. With respect to Paras IV (c) and (d) 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.
13. 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 undertakes that surplus, if any, arising out of the Scheme shall be credited to Capital Reserve and deficit, if any arising, out of the same shall be debited to Goodwill Account and will not be adjusted against Profit & Loss Account of the Transferee Company.

- The representative of the*
14. ~~Mr. A. K. Chaturvedi, 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 given by the Petitioner Companies. The undertakings / submissions on behalf of the Petitioner Companies as set out in paragraphs 10, 11, 12 and 13 above have been considered and accepted by the Tribunal.
 15. 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.
 16. 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. 549 to 551 of 2017.
 17. The Transferee Company to file a copy of this Order and the Scheme 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 the Order.
 18. 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.
 19. The Petitioner Companies in all the Company Scheme Petitions to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner Companies in Company Scheme Petition Nos. 549 and 550 of 2017 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.

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



V. Nallasenapathy,
Member (Technical)



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