

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY SCHEME PETITION NO. 58 OF 2017
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 661 OF 2016
(HIGH COURT TRANSFERRED APPLICATION).

INDIA DEBT MANAGEMENT PRIVATE LIMITED

....Petitioner/ the Demerged Company

AND

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY PETITION NO. 59 OF 2017
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 662 OF 2016
(HIGH COURT TRANSFERRED APPLICATION)

RELIANCE HOME FINANCE LIMITED

....Petitioner/ the Resulting Company

In the matter of the Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between India Debt Management Private Limited ('the Demerged Company') and Reliance Home Finance Limited ('the Resulting Company') and their respective Shareholders.

Called for hearing

Mr. Rajesh Shah with Mr. Ahmed M Chunawala i/b M/s. Rajesh Shah & Co.,
Advocate for the Petitioner.

Mr. S. Ramakantha, Joint Director for the Regional Director.

Mr. Pola Raghunathan, the Official Liquidator

Coram: SH. B.S.V. Prakash Kumar, Member (J) and SH. V. Nallasenapathy,
Member (T)

Date: 5th April, 2017

MINUTES OF THE ORDER

1. Heard learned counsel for parties. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions.
2. The sanction of the Tribunal is sought under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 232 of the Companies Act, 2013 to a Scheme of Arrangement between India Debt Management Private Limited ('the Demerged Company') and Reliance Home Finance Limited ('the Resulting Company') and their respective Shareholders.
3. The Petitioner Companies have approved the said Scheme of Arrangement by passing the Board Resolutions which are annexed to the respective Company Scheme Petitions.
4. The Learned Advocate appearing on behalf of the Petitioners states that the Petitions have been filed in consonance with the order passed in their Company Summons for Direction Nos. 661 of 2016 and 662 of 2016 of the Hon'ble Bombay High Court.

5. The Learned Advocate appearing on behalf of the Petitioners further states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Bombay High Court and they have filed necessary affidavits of compliance in the Hon'ble National Company Law Tribunal. Moreover, Petitioner Companies undertake to comply with all the statutory requirements if any, as required under the Companies Act, 1956/2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
6. The Learned Counsel for the Petitioners states that the Demerged Company has been carrying on the business of non-banking financial services and is registered with the Reserve Bank of India as a Non-Banking Financial Company. The Demerged Company is principally engaged into financial business. The Resulting Company is registered with National Housing Bank as a housing finance company, without accepting public deposits, as defined under Section 29A of the National Housing Bank Act, 1987 and is principally engaged in the housing finance business.
7. The Regional Director has filed a Report dated 27th day of March, 2017 stating therein, save and except as stated in paragraph IV (a) to (c), it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV (a) to (c) of the said Report, the Regional Director has stated that:-

"IV. The observations of the Regional Directors on the proposed Scheme to be considered by the Hon'ble NCLT are as under:

- a) As per Definitions 1.1.1 of the scheme "The Appointed Date" means 31st March 2016 or such other date as may be decided by the High Court. In this regard, it is submitted in terms of provisions of section 232(6) of the Companies Act, 2013 it should be 31st March 2016;*

- 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 January 2017 has served a copy company petition No.58 & 59 of 2017 along with relevant orders etc., to IT Department. Further, this office has also issued remainder letter dated 24.03.2017 to the concerned Income Tax authorities.*
- 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.*
8. So far as the observation in paragraph IV (a) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that "The Appointed Date" shall be 31st March 2016 in terms of provisions of section 232(6) of the Companies Act, 2013.
9. So far as the observation in paragraph IV (b) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the Regional Director has not stated any objection in such clause.
10. So far as the observation in paragraph IV (c) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies undertakes to comply with all applicable provisions of the Income Tax Act and all income tax issues arising out of the Scheme will be met and answered in accordance with law.
11. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 8 to 10 above. The clarifications and undertakings given by the Petitioner Companies are accepted.

12. 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.
13. Since all the requisite statutory compliances have been fulfilled, Company Petition No. 58 of 2017 and Company Petition No. 59 of 2017 are made absolute in terms of prayers clause (a) and (c).
14. The Petitioner Companies to file a copy of this order along with a copy of the Scheme duly authenticated by the Deputy Director, National Company Law Tribunal, 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 date of receipt of the Order.
15. Petitioners are directed to lodge 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.
16. The Petitioner Companies to pay costs of Rs.25,000/- each to the Regional Director, Western Region, Mumbai. Cost to be paid within four weeks from the date of receipt of the Order.
17. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Deputy Director, National Company Law Tribunal, Mumbai.

Sd/-

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

Sd/-

V. Nallasenapathy Member (Technical)