IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO.194 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO.173 OF 2015

Liberty Foods Private Limited

…..Petitioner/First Transferor Company.

AND

COMPANY SCHEME PETITION NO.195 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO.174 OF 2015

Liberty Industries Private Limited

…..Petitioner/Second Transferor Company.

AND

COMPANY SCHEME PETITION NO.196 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO.175 OF 2015

Liberty Investments Private Limited

… Petitioner/Transferee Company

In the matter of the Companies Act, 1956

AND

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

AND

In the matter of Scheme of Amalgamation

OF

Liberty Foods Private Limited

… First Transferor Company

AND

Liberty Industries Private Limited

… Second Transferor Company

WITH

Liberty Investments Private Limited

…Transferee Company

AND

Their Respective Shareholders

Called for Hearing

Mr. NaserAli Rizvi i/b Thakore Jariwala & Associates, Advocates for Petitioners.

C.J. Joy i/b. Mr. A.A. Ansari for Regional Director in the Petitions.

Mr. S. Ramakantha, Official Liquidator, present.

CORAM: S. C. GUPTE, J

DATE: 12th June, 2015

PC:

1. Heard learned counsel for parties. No objector has come to oppose the Scheme nor any party has controverted any averments made in the Petitions.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 to an arrangement embodied in the Scheme of Amalgamation of Liberty Foods Private Limited, the First Transferor Company and Liberty Industries Private Limited, the Second Transferor Company with Liberty Investments Private Limited, the Transferee Company and their respective shareholders.

3. The learned Advocate for the Petitioner Companies states that the First and Second Transferor Companies are engaged in the business of oil and all kinds of oil substances, compounds and other by and related products and the Transferee Company is engaged in the business of acquiring and dealing in shares, securities and such other moveable and immoveable properties and also engaged in the business of oil and all kinds of allied and by-products.

4. The learned Advocate for the Petitioner Companies further states that the Scheme of Amalgamation would enable the consolidation of legal entities which would result in reduced number of entities within the group, minimize cost and administrative hassle of maintaining multiple legal entities, the consolidation would help in pooling of financial resources to ensure smooth operations and diversification of business; and would ultimately contribute to the future business and profitability of the merged entity. The amalgamation of Transferor Companies and Transferee Company is, therefore, beneficial in the long-term interests of the shareholders and all stake holders of these companies.

5. The Petitioner Companies have approved the said Scheme of Amalgamation by passing the Board Resolutions which is annexed to the respective Company Scheme Petition.

6. The learned Advocate for the Petitioners states that the Petitioner Companies have complied with all the directions passed in Company Summons for Direction and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Direction and seeks sanction to the said proposed Scheme of Amalgamation.

7. The Learned Advocate appearing on behalf of the Petitioners has stated that they have complied with all requirements as per directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, 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. The said undertaking is accepted.

8. The Official Liquidator has filed his report on 19th May, 2015 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.

9. The Regional Director has filed his Affidavit on 5th May, 2015, *inter alia,* stating therein that save and except as stated in paragraphs 6 (a) to (d) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraphs 6 (a) to (d) of the said Affidavit, the Regional Director has stated that :

"*6. That the Deponent further submits that:-*

a) Clause 8.2 of the Scheme provides for adjustment for differences in Accounting Policies between Transferor Company and Transferee Company. In this regard, it is submitted that in addition to the compliance of Accounting Standard – 14, the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standard such as AS-5 etc.

b) With reference to clause 8.5 of the Scheme it is submitted that the surplus if any arising out of the Scheme be credited to Capital Reserve Account of transferee company.

c) Clause 9 of the Scheme, which provides increase in the authorised share capital of the Transferee Company from

Rs.6,10,00,000 /- to Rs.6,15,00,000/-. It is submitted that the Resulting Company shall comply with the provision of section 94/97 of the Companies Act, 1956 corresponding to section 61/64 of the Companies Act, 2013 in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms.

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

10. As far as the objection of the Regional Director in paragraph 6(a) of his affidavit is concerned, the Transferee Company through its advocate undertakes that the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standard.

11. As far as the objection of the Regional Director in paragraph 6(b) of his affidavit is concerned, the Transferee Company through its advocate undertakes that the surplus if any arising out of the Scheme will be credited to Capital Reserve Account of the Transferee Company.

12. As far as the objection of the Regional Director in paragraph 6(c) of his affidavit is concerned, the Transferee Company through its advocate undertakes that the Transferee Company shall comply with the provisions of Section 94/97 of the Companies Act, 1956 corresponding to section 61/64 of the companies Act, 2013 in respect of filing of necessary forms with the Registrar of companies after payment of necessary filing fee and stamp duty as applicable on the said forms.

13. So far as the objection of the Regional Director as stated in paragraph 6(d) of his Affidavit is concerned, the Petitioner Companies submit that the Petitioner is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme will be met and answered in accordance with law.

14. The Learned Counsel for 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 made by the Petitioner Company through their advocate. In view thereof, the said undertakings are accepted.

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, the Company Scheme Petition No.194 and 195 of 2015 filed by the Transferor Companies is made absolute in terms of prayer clauses

(a), (c) and (e) and Company Scheme Petition No.196 of 2015 filed by the Transferee Company is made absolute in terms of prayer clauses (a), (c) and (e).

17. The Petitioner Companies to lodge a copy of this order along with the Scheme and Form of Minutes duly authenticated by the Company Registrar, High Court, Bombay, 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 this order.

18. Petitioner is directed to file/lodge a copy of this order along with the Scheme and Form of Minutes duly authenticated by the Company Registrar, High Court, Bombay, 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, whichever is applicable.

19. The Petitioners to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioners in Company Scheme Petition Nos.194 and 195 of 2015 to pay costs of Rs.10,000/- each to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.

20. Filing and issuance of the drawn up order is dispensed with.

21. All concerned regulatory authorities to act on copy of this order along with the Scheme and Form of Minutes duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S. C. GUPTE, J.)