IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 492 OF 2016

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 553 OF 2016

Farm Enterprises Limited …Petitioner Company
(First Transferor Company)

AND

COMPANY SCHEME PETITION NO. 493 OF 2016

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 554 OF 2016

Nagothane Agrofarms Private Limited … Petitioner Company
(Second Transferor Company)

AND

COMPANY SCHEME PETITION NO. 494 OF 2016

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 555 OF 2016

Reliance Consultancy Services Private Limited … Petitioner Company
(Third Transferor Company)

AND

COMPANY SCHEME PETITION NO. 495 OF 2016

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 556 OF 2016

Zenmedia Solutions Private Limited … Petitioner Company
(Resulting Company)

AND

COMPANY SCHEME PETITION NO. 496 OF 2016

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 557 OF 2016

Reliance Industries Holding Private Limited … Petitioner Company
(Transferee Company)

In the matter of the Companies Act, 1956 and the Companies Act, 2013, as applicable;

-And-

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

-And-

In the matter of the Scheme of Arrangement and Amalgamation among

Farm Enterprises Limited (First Transferor Company)

AND

Nagothane Agrofarms Private Limited (Second Transferor Company or Demerged Company)

AND

Reliance Consultancy Services Private Limited (Third Transferor Company)

AND

Zenmedia Solutions Private Limited (Resulting Company)

AND

Reliance Industries Holding Private Limited (Transferee Company)

AND

Their respective Shareholders and Creditors

CALLED FOR HEARING

Mr. Arif Doctor a/w Ms. Nirali Chopra i/b M/s. Junnarkar & Associates, Advocates for the Petitioner Companies in all the Petitions.

Ms. Yogini Chauhan, Dy. Official Liquidator, for Official Liquidator, in CSP Nos. 492 to 494 of 2016.

Mr. A.R. Verma i/b Mr. A.K. Chaturvedi for Regional Director in all the Petitions.

CORAM : A. K. Menon, J.

DATE : 6th October 2016

P.C:-

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

2. The sanction of this Court is sought under Sections 391 to 394 of the Companies Act, 1956 to a Scheme of Arrangement and Amalgamation among Farm Enterprises Limited, Nagothane Agrofarms Private Limited, Reliance Consultancy Services Private Limited, Zenmedia Solutions Private Limited and Reliance Industries Holding Private Limited.

3. The learned Counsel for the Petitioner Companies states that the First Transferor Company presently holds investments in other companies and carries on incidental activities, the Second Transferor Company is presently engaged in the business of producing and dealing in agricultural commodities and also holds investments in other companies and carries on allied activities, the Third Transferor Company presently holds investments in other companies and carries on allied activities, the Resulting Company is presently engaged in business of

software development activities and the Transferee Company presently holds investments and its other activities are incidental thereto.

4. The benefits of the proposed Scheme of Arrangement and Amalgamation are that all the Transferor Companies are wholly owned subsidiaries of the Transferee Company. The Scheme provides for the segregation of the Farming Undertaking of the Second Transferor Company by the demerger thereof to the Resulting Company and the consolidation of the investments of all the Transferor Companies in the Transferee Company. The demerger of the Farming Undertaking of the Second Transferor Company to the Resulting Company will enable consolidation of farming business and the amalgamation of the Transferor Companies with the Transferee Company will result in consolidation of investments in a separate single company. This will enable the companies to have greater focus on their specific activities as also reduce the number of companies. The amalgamation will result in operational and economic convenience and provide for a simplified business structure. The re-structuring would enable all the Companies to streamline their operations so as to rationalize management, business and finances. The Scheme will result in achieving synergies and economies of scale by reducing duplication of costs and improving administrative and operational efficiency. The segregation and consolidation will enable the Resulting Company and the Transferee Company to have larger and enhanced activities and thereby increased asset value and capacity to generate additional capital and raise funds.

5. All the Transferor Companies, the Resulting Company 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 directions passed in the Company Summons for Directions and that the Company Scheme Petitions have been filed in consonance with the Orders passed in the said Company Summons for Directions.

7. Learned Counsel appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all the requirements as per directions of this Court and have filed necessary Affidavits of compliance in Court. Moreover, the Petitioner Companies through their Counsel undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 or the Companies Act, 2013 and the Rules made thereunder, whichever is applicable. The said undertaking is accepted.

8. The Official Liquidator has filed his Report on 21st September 2016 in Company Scheme Petition Nos. 492 to 494 of 2016 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 has filed an Affidavit on 30th September 2016 stating therein that save and except as stated in para 6(a) to (d), it appears that the Scheme is not prejudicial to the interest of shareholders and public. Para 6 of the said Affidavit, reads as under:

"6. That the Deponent further submits that :-

(a) with reference to investment activities carried out by all three Transferor Companies they are i) M/s Farm Enterprises Limited (First Transferor Company) (FEL), (ii) M/s Nagothane Agrofarms Private Limited (Second Transferor Company)/Demerged Company(NAPL) M/s (iii) Reliance Consultancy Services Private Limited (Third Transferor Company) (RCSPL) and M/s Reliance Industries Holding Private Limited. (Transferee Company) (RIHPL) the petitioner company to comply with RBI guidelines if applicable.

(b) In addition to compliance of AS-14 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 etc.,

(c) The surplus if any arising out of the scheme (as per clause 21.5 of the Scheme shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to Goodwill Account of Transferee Company.

(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 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. With respect to Para 6(a) of the Affidavit of the Regional Director, the Learned Counsel for the Petitioner Companies states that the three Transferor Companies and the Transferee Company are only holding investments. The three Transferor Companies and the Transferee Company undertake to comply with all RBI Guidelines if applicable.

11. With respect to Para 6(b) of the Affidavit of the Regional Director, the Learned Counsel for the Petitioner/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, etc.

12. With respect to Para 6(c) of the Affidavit of the Regional Director, the Learned Counsel for the Petitioner Companies undertakes that the surplus if any arising out of the Scheme (as per Clause 21.5 of the Scheme shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to Goodwill Account of Transferee Company.

13. With respect to Para 6(d) of the Affidavit 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 all tax issues arising out of the Scheme will be met and answered in accordance with law. The Learned Counsel for the Petitioner Companies further undertakes that the Transferee Company shall meet all pending assessment against the Transferor Companies in accordance with law.

14. The Learned Counsel on instructions of Mr. S. Ramakantha, Joint Director Inspection, in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertakings given by the Advocate for the Petitioner Companies. The undertakings given on behalf of the Petitioner Companies 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, Company Scheme Petitions are made absolute in terms of prayer clauses (a) to (e) of CSP Nos. 492 and 494 of 2016, prayer clauses (a) to (g) of CSP Nos. 493 and 495 of 2016 and prayer clauses (a) to (f) of CSP No. 496 of 2016.

17. The Transferee Company to file a copy of this Order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, 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 Arrangement and Amalgamation with the concerned Registrar of Companies, electronically, alongwith E-Form 21/ 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. 10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner Companies in Company Scheme Petition Nos. 492 to 494 of 2016 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 a copy of this Order alongwith Scheme of Arrangement and Amalgamation, duly authenticated by the Company Registrar, High Court (O.S.).

(A. K. Menon, J.)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed Order.

Uploaded by: Shankar Gawde,
Stenographer