IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 512 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 527 OF 2016

RELIANCE MONEY EXPRESS LIMITED

....Petitioner/Transferor Company

AND

COMPANY SCHEME PETITION NO 513 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 528 OF 2016

RELIANCE SECURITIES LIMITED

....Petitioner/Transferee Company

In the matter of the Companies Act, 1956 (1 of 1956);

AND

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

AND

In the matter of Scheme of Amalgamation

of

Reliance Money Express Limited ('RMEL' or 'Transferor Company')

with

Reliance Securities Limited ('RSL' or 'Transferee Company')

and

Their respective shareholders

Called for hearing

Mr. Rajesh Shah i/b Rajesh Shah & Co., Advocate for the Petitioners in the Petition.

Mr. Chirag J Shah i/b, Mr. Pankaj Kapoor for Regional Director

Mr. Vinod Sharma, Official Liquidator, present

CORAM: S. C. Gupte, J.

DATE: 9th December, 2016

1. Heard Learned Counsel for the parties. No objector has come before the court to oppose the Scheme and nor any party has controverted any averments made in the Petition.

2. The sanction of the Court is sought under Sections 391 to 394 and other relevant provision of the Companies Act, 1956, to the Scheme of Amalgamation of Reliance Money Express Limited ("RMEL" or "Transferor Company") with Reliance Securities Limited ("RSL" or "Transferee Company") and their respective shareholders ("the Scheme").

3. The Learned Counsel for the Petitioners states that the Transferor Company was primarily engaged into providing foreign-exchange money-changing services in India. However, currently the company is not carrying on any significant business activities. The Transferee Company is the broking arm of Reliance Capital Limited which provides customers with access to equities, derivatives, currency, IPOs, mutual funds, bonds, and

corporate FDs. The rationale for the Scheme is greater integration of operations and greater financial strength and flexibility resulting in operational synergy of the combined entity, greater efficiency in management of resources of RSL and access to resources of RMEL may be deployed more efficiently in the combined entity, reducing administrative, operative and marketing costs and both RMEL and RSL are wholly owned subsidiaries of RCap. Therefore, amalgamation of RMEL with RSL would lead to simplification of the group structure and elimination of multiple entities

4. Learned Counsel for the Petitioners further states that the Board of Directors of the Petitioner Companies had approved the said Scheme by passing Board Resolutions, which are annexed to the respective Company Scheme Petitions.

5. The Learned Counsel for the Petitioners further states that, 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 Company Summons for Directions.

6. The Learned Counsel appearing on behalf of the Petitioners has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements if any, as required under the Companies Act, 1956 / 2013 and

Rules made there under whichever are applicable. The said undertaking is accepted.

7. The Official Liquidator has filed his report on 7th day of December, 2016 in Company Scheme Petition No. 512, interalia, stating 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 without winding up.

8. The Regional Director has filed an Affidavit on 17th November, 2016, stating therein that save and except as stated in paragraph 6 of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the affidavit it is stated that:

"6 That the Deponent further submits that,

i. 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.

ii. 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'bte High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the

Petitioner companies after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the Petitioner Companies.

9. As far as observations made in paragraph 6(i) of the Affidavit of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that in addition to compliance with AS-14, the Petitioner Companies shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable Accounting Standards.

10. As far as observations made in paragraph 6(ii) of the Affidavit of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that they will 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 Learned Counsel for Regional Director on instructions of Mr. R. K. Dalmia, Deputy Director in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertaking given by the Petitioner Companies. The said undertakings of the Petitioner Companies are accepted.

12. From the material on record, the Scheme appears to be fair and reasonable and is not violate of any provisions of law and is not contrary to public policy.

13. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 512 of 2016 is made absolute in terms of prayer clauses (a), (c) and (d) and the Company Scheme Petition No. 513 of 2016 is made absolute in terms of prayer clauses (a) and (c).

14. The Petitioner Companies to file an authenticated copy of this order and the Scheme 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.

15. The Petitioner Companies are directed to file an authenticated copy of 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.

16. The Petitioner Company in both the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner in Company Scheme Petition No. 512 of 2016 to pay costs of Rs.10,000/- to the Official Liquidator, High Court, Bombay. Cost to be paid within four weeks from the date of this Order.

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

18. All concerned regulatory authorities to act on an authenticated copy of this order along with Scheme.

(S.C.Gupte J.)

CERTIFICATE

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

Uploaded by: Shankar Gawde, Stenographer