

NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT III

7. C.P.(CAA)/125/MB/2023
IN
C.A.(CAA)/57/MB/2023
CORAM: SH. H.V. SUBBA RAO, MEMBER (J)
MS. MADHU SINHA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL
COMPANY LAW TRIBUNAL ON **28.06.2023**

NAME OF THE PARTIES: Reliance Industries Limited
SECTION 230-232, 234 OF COMPANIES ACT, 2013

ORDER

Senior counsel Mr. Gaurav Joshi a/w Mr. Mehul Shah, Mr. Aman Yagnik, Mr. Haabil Vahanvaty, Mr. Rushabh Gala and Ms. Diya Bharna i/b Khaitan & Co., Advocates for the Petitioner companies and Adv. Manoj Shirsat a/w Adv. Surekha Yadav, for Income Tax Department and Ms. Rupa Sutar, representative of Regional Director are present.

C.P.(CAA)/125/MB/2023

Heard the counsels appearing in this matter and the above petition is
allowed. Detail order would follow:

Sd/-
MADHU SINHA
Member (Technical)
Shubham

Sd/-
H.V. SUBBA RAO
Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT- III**

C.P. (CAA)/125/MB/2023

CONNECTED WITH

C.A.(CAA)/57/MB/2023

IN THE MATTER OF SECTIONS 230
TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES
ACT, 2013

AND

IN THE MATTER OF THE SCHEME OF
ARRANGEMENT BETWEEN
RELIANCE INDUSTRIES LIMITED
AND ITS SHAREHOLDERS AND
CREDITORS & RELIANCE
STRATEGIC INVESTMENTS LIMITED
AND ITS SHAREHOLDERS AND
CREDITORS



LEGALERA
BY THE PEOPLE. FOR THE PEOPLE. OF THE PEOPLE

Reliance Industries Limited, a)
company incorporated under)
provisions of the Companies Act,)
1956, having Corporate Identity)
Number)
L17110MH1973PLC019786 and)
its registered office at 3rd Floor,)
Maker Chambers IV, 222,)
Nariman Point, Mumbai - 400)
021, Maharashtra, India)

**...First Petitioner
Company / Demerged
Company / RIL**

**Reliance Strategic Investments
Limited**, a company incorporated)
under the provisions of the)
Companies Act, 1956, having)
Corporate Identity Number)

U65990MH1999PLC120918 and)
its registered office at 9th floor,)
Maker Chambers IV, 222,) **...Second Petitioner Compan**
Nariman Point, Mumbai - 400 **Resulting Company / RSIL**
021, Maharashtra, India.

**...Collectively referred to
as Petitioner Companies**

Order Date 28.06.2023

Coram:

Sh. H.V. Subba Rao: Hon'ble Member (Judicial)

Ms. Madhu Sinha: Hon'ble Member (Technical)

Appearances:

For the Petitioner Companies: Mr Gaurav Joshi, Senior Advocate a/w
Mr Mehul Shah, Mr Peshwan Jehangir, Mr
Aman Yagnik, Mr Haabil Vahanvaty, Mr
Rushabh Gala, Ms. Diya Bharna and Ms.
Dhruvi Dharia i/b Khaitan & Co, Advocates for
the Petitioner Companies

ORDER

1. Heard Learned Counsel for the Petitioner Companies. No objector has come before the Hon'ble Tribunal to oppose the Company Scheme Petition nor has any party controverted any averments made in the Company Scheme Petition.
2. The sanction of this Hon'ble Tribunal has been sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") to the Scheme of Arrangement between Reliance Industries Limited and its shareholders and creditors & Reliance Strategic Investments Limited and its shareholders and creditors ("**Scheme**").

3. The First Petitioner Company *inter alia* has multiple undertakings viz., digital services, retail, financial services, advanced materials and composites, renewables (solar and hydrogen), exploration & production and oil to chemicals. The Second Petitioner Company is a registered non-banking financial company (NBFC) (systemically important non-deposit taking non-banking financial company).
4. The Learned Counsel for the Petitioner Companies submits that the rationale mentioned in the Scheme is as under:

- (i) *“The Demerged Company is India’s biggest conglomerate with interests in multiple businesses. One amongst the multiple businesses carried on by the Demerged Company is the Financial Services Business (as defined hereinafter) which is carried on by the Demerged Company directly and through its subsidiaries and joint ventures.*
- (ii) *Further growth and expansion of the Financial Services Business would require differentiated strategy aligned to its industry specific risks, market dynamics and growth trajectory.*
- (iii) *The nature and competition involved in the financial services business is distinct from the other businesses and it is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.*
- (iv) *The following benefits shall accrue on demerger of the Financial Services Business:*
 - (a) *creation of an independent company focusing exclusively on financial services and exploring opportunities in the said sector;*
 - (b) *the independent company can attract different sets of investors, strategic partners, lenders and other stakeholders having a specific interest in the financial services business;*
 - (c) *a financial services company can have a higher leverage (as compared to the Demerged Company) for its growth; and*
 - (d) *unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company.*

The Scheme is in the interests of all stakeholders of the Demerged

Company and the Resulting Company.”

5. Learned Counsel for the Petitioner Companies submits that the Company Scheme Petition No. C.P.(CAA)/125/MB/2023 was filed in terms of the Order dated March 27, 2023 passed by this Hon'ble Tribunal in the Company Scheme Application No. C.A.(CAA)/57/MB/2023 (“**Application Order**”).
6. Learned Counsel for the Petitioner Companies submits that as directed by this Hon'ble Tribunal *vide* the Application Order, the meetings of the secured creditors, the unsecured creditors and the equity shareholders of the First Petitioner Company were duly convened and held on Tuesday, May 2, 2023, at 10:45 a.m. (IST), 11:45 a.m. (IST) and 2:00 p.m. (IST) respectively, through video conferencing/ other audio visual means, for the purpose of considering and if thought fit, approving the Scheme. The Chairperson appointed for the said meetings of the secured creditors, the unsecured creditors and the equity shareholders of the First Petitioner Company has filed his report dated May 4, 2023 showing the conduct and results of the said meetings, which is annexed as Exhibit “A-15” to the captioned Company Scheme Petition.
7. Learned Counsel for the Petitioner Companies submits that as the First Petitioner Company did not have any preference shareholders, therefore, the question of convening and holding the meeting of the preference shareholders of the First Petitioner Company did not arise.
8. Learned Counsel for the Petitioner Companies submits that this Hon'ble Tribunal *vide* the Application Order, dispensed with the meetings of the equity shareholders, sole preference shareholder and sole unsecured creditor of the Second Petitioner Company.
9. Learned Counsel for the Petitioner Companies submits that, as the Second Petitioner Company did not have any secured creditor,

therefore, the question of convening and holding the meeting of the secured creditors of the Second Petitioner Company did not arise.

10. Learned Counsel for the Petitioner Companies submits that the Hon'ble Tribunal admitted the Company Scheme Petition on May 12, 2023 and fixed June 22, 2023 as the date for hearing and final disposal of the Company Scheme Petition. The Petitioner Companies were directed to publish the notice of hearing of the Company Scheme Petition, at least 10 (ten) days before the date fixed for final hearing in 'Business Standard' in English language and 'Loksatta' in Marathi language. Learned Counsel for the Petitioner Companies states that the Petitioner Companies have published the notice of hearing and final disposal of the Company Scheme Petition in the said newspapers on June 2, 2023.
11. Learned Counsel for the Petitioner Companies submits that the Petitioner Companies have also served notice of hearing and final disposal of Company Scheme Petition upon: (i) the Central Government through the Regional Director, Western Region, Ministry of Corporate Affairs; (ii) the Registrar of Companies, Maharashtra, Ministry of Corporate Affairs at Mumbai; (iii) the Income Tax Authorities concerned addressed to Deputy Commissioner of Income Tax Circle 3(4), Mumbai by the First Petitioner Company and addressed to Deputy Commissioner of Income Tax ward 3(3)(1) by the Second Petitioner Company; (iv) the Goods & Services Tax Authority concerned addressed to the Commissioner of Central Goods & Services Tax, Belapur Commissionerate, 1st Floor, CGO Complex, CBD Belapur, Navi Mumbai – 400 614 by the First Petitioner Company and addressed to the Department of Goods and Service Tax, Division - MUMBAI- LTU- 4, Charge - MUMBAI-LTU-545, GST Bhavan, Mazgaon, Mumbai – 400 010 by the Second Petitioner Company; (v) the Reserve Bank of India at the Office of Department of Non-Banking

Supervision, Mumbai by the Second Petitioner Company; and (vi) BSE Limited by the First Petitioner Company.

12. The Petitioner Companies have filed an Affidavit dated June 8, 2023 confirming, *inter alia*, the publication of newspaper advertisements and service of notice upon the abovementioned regulatory authorities.
13. Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all the requirements as per the directions of this Hon'ble Tribunal.
14. The Central Government through the Regional Director, Western Region, Ministry of Corporate Affairs ("**Regional Director**") has filed its report dated May 30, 2023 ("**Report**") and has presented certain information derived from the records of the case and has prayed for kind consideration and disposal of the case as the Hon'ble Tribunal may deem fit and proper. The observations of the Regional Director and the reply of the Petitioner Companies are set out in the tabular format below:

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
|--|--|--|
| a) | <i>That on examination of the report of the Registrar of Companies, Mumbai dated 09.05.2023 for Petitioner Companies (Annexed as Annexure A-1) that the Petitioner Companies fall within the jurisdiction of</i> | As far as the observations in paragraph 2(a) of the Report are concerned, the same are factual observations. |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
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| | <p><i>ROC, Mumbai. It is submitted that no representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the Petitioner Companies has filed Financial Statements up to 31.03.2022.</i></p> | |
| | <p><i>The ROC has further submitted that in his report dated 09.05.2023 which are as under: -</i></p> <p><i>i. That the ROC Mumbai in his report dated 09.05.2023 has also stated that no Inquiry, Inspection, Investigations, Prosecutions, Technical Scrutiny, and complaints under CA, 2013 have been pending against the Petitioner Companies.</i></p> | <p>As far as the observation in paragraph 2(a)(i) of the Report is concerned, the same is a factual observation.</p> |
| | <p><i>ii. Further ROC has mentioned as follows:</i></p> | <p>As far as the observation made in Paragraph 2(a)(ii)(i) of the Report is concerned, the Demerged Company</p> |

| <p>Sr. No. of Parag raph 2</p> | <p>Observations in Report filed by the Regional Director</p> | <p>Reply of Petitioner Companies</p> | | | | | | | | | | | | | | | | |
|--|--|---|-------------|---------------|---------------|----------------|--|---|--------------------|----------------|--|---|-------------|---------------|---------------|----------------|--|-----------|
| | <p>i. The authorised and paid-up share capital of Demerged Company doesn't match with the scheme and Master data record.</p> <p>ii. The Resulting company is NBFC, NOC form RBI is not enclosed.</p> <p>iii. Demerged company is listed company, NOC from BSE, NSE and SEBI is not enclosed.</p> <p>iv. Complaints are pending against Petitioner Companies.</p> <p>v. Interest of creditors should be protected.</p> <p>Hence, the Petitioner Companies shall undertake to provide detail reply against observations mentioned above.</p> | <p>states that the details of share capital in the Scheme are as of October 21, 2022 whereas the Master data shows the current position of the share capital basis the filings made by the Demerged Company. The reconciliation between the authorised share capital and the paid up share capital as per Scheme and as per Master data is as below:-</p> <p><u>Authorised Share Capital</u></p> <table border="1" data-bbox="842 1182 1422 1469"> <thead> <tr> <th>Particulars</th> <th>Amount in Rs.</th> </tr> </thead> <tbody> <tr> <td>As per Scheme</td> <td align="right">15000,00,00,00</td> </tr> <tr> <td></td> <td align="right">0</td> </tr> <tr> <td>As per Master data</td> <td align="right">15000,00,00,00</td> </tr> <tr> <td></td> <td align="right">0</td> </tr> </tbody> </table> <p><u>Paid up Share Capital</u></p> <table border="1" data-bbox="842 1637 1422 2024"> <thead> <tr> <th>Particulars</th> <th>Amount in Rs.</th> </tr> </thead> <tbody> <tr> <td>As per Scheme</td> <td align="right">6765,37,31,110</td> </tr> <tr> <td>Add: Allotment of 1,15,000 equity shares of Rs. 10 each under the</td> <td align="right">11,50,000</td> </tr> </tbody> </table> | Particulars | Amount in Rs. | As per Scheme | 15000,00,00,00 | | 0 | As per Master data | 15000,00,00,00 | | 0 | Particulars | Amount in Rs. | As per Scheme | 6765,37,31,110 | Add: Allotment of 1,15,000 equity shares of Rs. 10 each under the | 11,50,000 |
| Particulars | Amount in Rs. | | | | | | | | | | | | | | | | | |
| As per Scheme | 15000,00,00,00 | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | |
| As per Master data | 15000,00,00,00 | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | |
| Particulars | Amount in Rs. | | | | | | | | | | | | | | | | | |
| As per Scheme | 6765,37,31,110 | | | | | | | | | | | | | | | | | |
| Add: Allotment of 1,15,000 equity shares of Rs. 10 each under the | 11,50,000 | | | | | | | | | | | | | | | | | |

| <p>Sr. No. of Parag raph 2</p> | <p>Observations in Report filed by the Regional Director</p> | <p>Reply of Petitioner Companies</p> | |
|---|---|---|--|
| | | <p>Employees Stock Option Scheme on March 27, 2023 and April 26, 2023</p> | |
| | | <p><u>Add: Receipt of call money</u> on various dates after October 21, 2022 from the shareholders on the equity shares allotted to them on rights basis</p> | <p align="right">7,32,052.50</p> |
| | | <p>As per Master data</p> | <p align="right">6765,78,64,58 7.5</p> |
| | | <p>As far as the observation made in Paragraph 2(a)(ii)(ii) of the Report is concerned, the No-objection certificate (NOC) received from the Reserve Bank of India (RBI) had been submitted to the Regional Director vide letter dated May 30, 2023. A copy of the said NOC</p> | |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
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| | | <p>issued by the RBI is annexed to the Company Scheme Petition at Exhibit "A-16".</p> <p>As far as the observation made in Paragraph 2(a)(ii)(iii) of the Report is concerned, the Demerged Company has received observation letters from BSE and NSE (including comments of SEBI) dated February 27, 2023 and February 28, 2023, respectively and the same had been submitted to the Regional Director vide letter dated May 30, 2023. Copy of the said observation letters issued by BSE and NSE are annexed to the Company Scheme Petition at Exhibit "A-8" and Exhibit "A-9" respectively.</p> <p>As far as the observation made in Paragraph 2(a)(ii)(iv) of the Report is concerned, the Petitioner Companies will not be dissolved pursuant to the Scheme and the complaints pending against the Petitioner Companies will be dealt with in ordinary course. The approval to the Scheme by this</p> |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
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| | | <p>Hon'ble Tribunal will not affect such pending complaints.</p> <p>As far as the observation made in Paragraph 2(a)(ii)(v) of the Report is concerned, the Petitioner Companies affirm that the interests of the creditors have been protected under the Scheme.</p> |
| b) | <p><i>Transferee Company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 through appropriate affirmation in respect of fees payable by Transferee Company for increase of share capital on account of merger of transfer of companies.</i></p> | <p>The aforesaid Scheme does not provide for combination of authorised share capital. Thus, the provisions of Section 232(3)(i) of the Act are not applicable. The Resulting Company undertakes to pay the necessary stamp duty and the fees for increase of its authorised share capital pursuant to the Scheme.</p> |
| c) | <p><i>In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the resultant company shall pass such accounting entries which are necessary in</i></p> | <p>The Resulting Company undertakes that it will pass necessary accounting entries as specified in the Scheme and comply with the accounting principles as prescribed under generally accepted accounting practices in</p> |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
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| | <i>connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc.</i> | India, provisions of the Act and accounting standards as notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. |
| d) | <i>The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i> | The Petitioner Companies confirm that the Scheme enclosed to the Company Scheme Application and Company Scheme Petition are one and the same and there is no discrepancy / change made. |
| e) | <i>The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising</i> | The Petitioner Companies state that notices have been issued to the concerned authorities under Section 230(5) of the Companies Act, 2013. Necessary Affidavit of Service cum Compliance Report dated April 7, 2023 has been filed before this Hon'ble Tribunal in that regard. The Petitioner Companies confirm that the sanction of the Scheme will not prevent the authorities from dealing with any |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
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| | <i>after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i> | issues arising after giving effect to the Scheme, as per applicable law. |
| f) | <i>As per Definition of the Scheme, “Appointed Date” means closing business hours of March 31, 2023 or such other date as may be approved by the Boards of the Demerged Company and the Resulting Company; “Effective Date” means the day on which all conditions precedent set forth in Clause 18 (Conditions Precedent) are fulfilled or the Appointed Date, whichever is later; References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date;</i> | The Petitioner Companies submit that the present Scheme is in compliance with the requirements of circular no. F.No.7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs. |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
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| | <p><i>"Record Date" means the date to be fixed by the Board of the Resulting Company in consultation with the Board of the Demerged Company for the purpose of determining the shareholders of the Demerged Company for issue of the Resulting Company New Equity Shares;</i></p> <p><i>It is submitted that the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p> | |
| g) | <p><i>Petitioner Companies shall undertake to comply with the directions of concerned sectoral Regulatory, if so required.</i></p> | <p>The Petitioner Companies undertake to comply with the directions, if any of the concerned sectoral regulators to whom notice has been issued under Section 230(5) of the Act, if so required, in accordance with law.</p> |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
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| h) | <i>Petitioner Companies shall undertake to comply with the directions of Income tax department, if any.</i> | The Petitioner Companies undertake to comply with the directions of the Income tax department, if any, in accordance with applicable law. |
| i) | <i>Petitioner Companies has foreign shareholders hence Petitioner Companies shall undertake to comply with the RBI, FEMA, FERA guidelines.</i> | The Petitioner Companies undertake that they will ensure necessary compliance under the FEMA Regulations and RBI Guidelines, to the extent applicable. |
| j) | <i>Petitioner Resulting Company shall undertake to obtain NOC from RBI as it is NBFC / Core Investment Company.</i> | The Resulting Company states that it has received the NOC from RBI. |
| k) | <i>Demerged company is listed company with stock exchange; hence Petitioner Company shall undertake to obtain NOC form BSE, NSE and SEBI also comply with the observation of stock exchanges under SEBI LODR Regulations, 2016 and requirement of Singapore Exchanges Limited,</i> | The Demerged Company submits that it has complied with the observation letters received from BSE Limited and National Stock Exchange of India Limited dated February 27, 2023 and February 28, 2023, respectively. Further, the Demerged Company submits that it has filed complaint report with BSE Limited and National Stock Exchange of India Limited dated |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | Reply of Petitioner Companies |
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| | <i>Luxembourg Stock Exchange and Indian International Exchanges (IFSC) Limited where the instruments of First Applicant Company are also registered.</i> | December 13, 2022 and December 26, 2022, respectively, which states that there are NIL complaints in connection with the Scheme. Further, the Demerged Company shall comply with the requirements, if any of Singapore Exchange Limited, Luxembourg Stock Exchange and Indian International Exchanges (IFSC) Limited, as per applicable law. |
| l) | <i>Some Complaints are pending against Petitioner Companies (Enclosed as Annexure A-2), Petitioner Companies shall undertake co-operate with ROC, Mumbai for disposal for pending complaints.</i> | The Petitioner Companies will not be dissolved pursuant to the Scheme and the complaints pending against the Petitioner Companies will be dealt with in ordinary course. The approval to the Scheme by this Hon'ble Tribunal will not affect such pending complaints. |
| m) | <i>It is observed from financial statements as on 31.03.2022 of Petitioner Companies has issued shares at Security Premium and collected total premium as follows:-</i> | The security premium of Rs. 88,117 Lakhs appearing in the financial statement of RSIL as on 31st March, 2022 represents security premium collected by RSIL (Resulting Company) on issuance and allotment of Non- |

| <p>Sr. No. of Paragraph 2</p> | <p>Observations in Report filed by the Regional Director</p> | <p>Reply of Petitioner Companies</p> | | | | | | | | | | | | | | |
|--------------------------------------|--|---|-------------------------------------|---|---|--|-----------|---|--------------|--|--------------------------------------|-------------------------------------|------------------------------------|-----------|-------|--------|
| | <table border="1" data-bbox="368 566 802 1301"> <thead> <tr> <th data-bbox="368 566 432 958">S r. No.</th> <th data-bbox="432 566 592 958">Name of the Company</th> <th data-bbox="592 566 802 958">Total Amount of Securities Premium Collected (Rs. in Lakhs)</th> </tr> </thead> <tbody> <tr> <td data-bbox="368 958 432 1301">1</td> <td data-bbox="432 958 592 1301">Reliance Strategic Investments Limited</td> <td data-bbox="592 958 802 1301">Rs. 88117</td> </tr> </tbody> </table> <p data-bbox="368 1357 826 2011"> <i>But Form 2 or PAS 3 is not appearing in MCA-21 Portal. Therefore, the company may clarify the status of filing of return of allotment. Hence, the Petitioner Companies shall also satisfy the Hon'ble Bench about assessment of share capital u/s. 68 of the Income Tax Act, 1961, for issue of shares at fair value in order to</i> </p> | S r. No. | Name of the Company | Total Amount of Securities Premium Collected (Rs. in Lakhs) | 1 | Reliance Strategic Investments Limited | Rs. 88117 | <p data-bbox="842 510 1445 768">Cumulative Compulsory Convertible Preference Shares ("CCPS") as under and RSIL has made requisite filings and SRNs are provided in the table below:</p> <table border="1" data-bbox="842 902 1417 1868"> <thead> <tr> <th data-bbox="842 902 991 1485">Date and SRN</th> <th data-bbox="991 902 1171 1485">No. of 9% CCPS of face value Re 1 each</th> <th data-bbox="1171 902 1286 1485">Securities premium per CCPS (in Rs.)</th> <th data-bbox="1286 902 1417 1485">Total securities premium (in lakhs)</th> </tr> </thead> <tbody> <tr> <td data-bbox="842 1485 991 1868">January 06, 2010 SRN: A77587657</td> <td data-bbox="991 1485 1171 1868">16,45,355</td> <td data-bbox="1171 1485 1286 1868">2,799</td> <td data-bbox="1286 1485 1417 1868">46,053</td> </tr> </tbody> </table> | Date and SRN | No. of 9% CCPS of face value Re 1 each | Securities premium per CCPS (in Rs.) | Total securities premium (in lakhs) | January 06, 2010 SRN: A77587657 | 16,45,355 | 2,799 | 46,053 |
| S r. No. | Name of the Company | Total Amount of Securities Premium Collected (Rs. in Lakhs) | | | | | | | | | | | | | | |
| 1 | Reliance Strategic Investments Limited | Rs. 88117 | | | | | | | | | | | | | | |
| Date and SRN | No. of 9% CCPS of face value Re 1 each | Securities premium per CCPS (in Rs.) | Total securities premium (in lakhs) | | | | | | | | | | | | | |
| January 06, 2010 SRN: A77587657 | 16,45,355 | 2,799 | 46,053 | | | | | | | | | | | | | |

| <p>Sr. No. of Parag raph 2</p> | <p>Observations in Report filed by the Regional Director</p> | <p>Reply of Petitioner Companies</p> | | | |
|---|---|--|-------------------------|---------------|----------------------|
| | <p><i>confirm the compliance of Income Tax Act, 1961 including payment of applicable income tax, if any.</i></p> <p><i>It is submitted that CBDT vide circular dated 17.03.2023 (copy enclosed) appointed following nodal officer for Income Tax Department for the region of Mumbai & Goa which is as follows:-</i></p> <p><i>Pr. CCIT, Mumbai</i></p> <p><i>Address :- 3rd Floor, Aayakar Bhawan, Maharishi Karve Road, Mumbai – 400020</i></p> <p><i>Phone No. – 022 – 22017654</i></p> <p><i>Email:</i> <u>Mumbai.pccit@incometax.gov.in</u></p> <p><i>Hence, Hon’ble NCLT may seek the comments of Income tax department, if any on this issue.</i></p> | <p>January 13, 2010</p> <p>SRN: A7827 5484</p> | <p>11,00,000</p> | <p>2,799</p> | <p>30,789</p> |
| | <p>March 31, 2010</p> <p>SRN: A8370 8529</p> | <p>4,02,800</p> | <p>2,799</p> | <p>11,274</p> | |
| | | <p>Total</p> | <p>31,48,155</p> | | <p>88,117</p> |
| | | <p>The Petitioner Companies state that no order or a notice u/s 68 r/w other applicable provisions of the Income Tax Act, 1961 has been issued to either Demerged Company or the Resulting Company in preceding three financial years.</p> | | | |

| Sr. No. of Parag raph 2 | Observations in Report filed by the Regional Director | | | | | Reply of Petitioner Companies |
|-------------------------------------|---|---|---|---|---|--|
| n) | As per shareholding pattern as on 31.03.2022 submitted by the Petitioner company, details of shareholding is as follows:- | | | | | The Demerged Company submits that it is a listed entity and it has on January 13, 2021 filed form BEN-2 vide SRN 84377076 in compliance with Section 90 of the Companies Act, 2013 read with Rule 8 of the Companies (Significant Beneficial Owners) Rules, 2018 as amended. |
| | S r . N o y . | Petiti oner Com pan y . | Na me of Sh are hol der | % of s h ar es hel d | Remark s | The Resulting Company submits that it is a wholly owned subsidiary of the Demerged Company and has, on December 18, 2019, filed Form BEN-2 vide SRN R24639536 in compliance with Section 90 of the Companies Act, 2013 read with Rule 8 of the Companies (Significant Beneficial Owners) Rules, 2018 as amended. |
| | 1 | Relia nce Strat egic Inve stme nts Limit ed | Rel ian ce Ind ust rie s Li mit ed | 1 0 0 % % | No Form BEN-2 has been filed by any of the Petition er Compa nies as per | |

| <p>Sr. No. of Parag raph 2</p> | <p>Observations in Report filed by the Regional Director</p> | <p>Reply of Petitioner Companies</p> | | | | | | | | | |
|---|--|---|--|--|--|--|--|---|--|---|--|
| | <table border="1" data-bbox="360 506 821 792"> <tr> <td data-bbox="360 506 411 792"></td> <td data-bbox="411 506 462 792"></td> <td data-bbox="462 506 513 792"></td> <td data-bbox="513 506 564 792"></td> <td data-bbox="564 506 616 792"></td> <td data-bbox="616 506 667 792"></td> <td data-bbox="667 506 718 792"></td> <td data-bbox="718 506 769 792"></td> <td data-bbox="769 506 821 792"> <p><i>records availabl e at MCA 21 Portal</i></p> </td> </tr> </table> <p data-bbox="360 792 821 1688"><i>No Form BEN-2 has been filed by any of the Petitioner Companies as per records available at MCA 21 Portal, hence Petitioner Companies shall undertake to comply with the provisions of Section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment Rules, 2019, thereunder and to file Form BEN-2 for declaring name of the significant beneficial owner with concerned ROC.</i></p> | | | | | | | | | <p><i>records availabl e at MCA 21 Portal</i></p> | |
| | | | | | | | | <p><i>records availabl e at MCA 21 Portal</i></p> | | | |

15. The Regional Director has raised only the above observations and has not raised any objections to the Scheme. Ms. Rupa Sutar, the Authorized Representative of the Regional Director, MCA (WR), Mumbai is present at the time of hearing and submitted that the explanation and clarifications given by the Petitioner Companies are

found satisfactory and stated that they have no serious objections for approving the scheme by the Tribunal.

16. Learned Counsel for the Petitioner Companies states that vide letters dated: (i) April 27, 2023 and supplementary report issued thereafter by the Deputy Commissioner of Income Tax for the First Petitioner Company; and (ii) May 9, 2023 issued by the Deputy Commissioner of Income Tax for the Second Petitioner Company, to this Hon'ble Tribunal, copies of which were also served upon the Petitioner Companies, the Income Tax department has made certain observations in connection with the proposed Scheme. The Learned Counsel for the Petitioner Companies submit that the Petitioner Companies have filed their response dated June 16, 2023, with this Hon'ble Tribunal in this regard. In the said response, the Petitioner Companies, *inter alia*, have submitted that:
- a. The terms, the Demerged Undertaking as well as the Financial Services Business have been extensively and exhaustively defined in the Scheme.
 - b. With regard to the observation that specific break-up of details of assets and liabilities constituting the Demerged Undertaking are not provided in the Scheme, the Hon'ble Tribunal may note that it is a well-established and consistent practice to define the demerged undertaking in the Scheme and the specific break-up of assets and liabilities along with amounts are not mentioned in the Scheme. Further, since the Appointed Date for the Scheme is subsequent to the date of filing of the Scheme, it is not possible to give break-up of the assets and liabilities with the amounts in the Scheme which are going to be part of the Demerged Undertaking.
 - c. the Scheme would not adversely affect the rights of the Income Tax department for any present and future proceedings and the Income Tax department shall have the liberty to take appropriate action as per applicable law in case of an event of any tax

avoidance or violation of the Income Tax Act, 1961 or any other similar issue. The Petitioner Companies have submitted that if there are any outstanding demands and/or any pending proceedings of the Petitioner Companies, the same shall be dealt with in accordance with applicable law.

17. In view of the response dated June 16, 2023, the Learned Counsel for the Petitioner Companies states the right of the Income Tax Department to initiate or continue appropriate proceedings regarding recovery of any tax shall not be affected if the Scheme is sanctioned. Further, pursuant to the request made by the Income Tax Department, the Petitioner Companies *vide* their Affidavit dated June 27, 2023, have undertaken that, upon the Board of Directors of both the Petitioner Companies considering and approving their respective financial statements after giving effect to the Scheme, the Second Petitioner Company will provide its audited financial statement for the financial year ended March 31, 2023, including the details of assets and liabilities of the Demerged Undertaking to the Income Tax Department.
18. From the material on record, the Scheme annexed as Exhibit "A-1" to the Company Scheme Petition appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
19. Since all the requisite statutory compliances have been fulfilled, the said Company Scheme Petition is made absolute in terms of the prayer clauses 33 (a) to 33 (f) thereof.
20. The Scheme is hereby sanctioned, with the Appointed Date fixed as closing business hours of March 31, 2023 or such other date as may be approved by the Board of the First Petitioner Company and the Second Petitioner Company.
21. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of

Companies, electronically in E-form INC 28 within 30 days from the date of receipt of the certified copy of this Order by the Petitioner Companies.

22. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated/certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified order from the Registry of this Hon'ble Tribunal.
23. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
24. Any person interested is at liberty to apply to this Hon'ble Tribunal in the above matters for any directions that may be necessary.
25. Any concerned Authorities are at liberty to approach this Hon'ble Tribunal for any further clarification as may be necessary.
26. Ordered accordingly. File to be consigned to records.

Sd/-
MADHU SINHA
Member (Technical)

Sd/-
H.V. SUBBA RAO
Member (Judicial)