



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT II**

C.A.(CAA)/ 230 / MB /2024

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

AND

In the matter of Sections 230 to 232 and other
applicable provisions of the Companies Act, 2013
and Rules framed there under as in force from time
to time;

AND

In the matter of Scheme of Arrangement between
Nurture Agtech Limited (Demerged Company
/First Applicant Company) having CIN
U01100MH2019PLC335151 and UPL Sustainable
Agri Solutions Limited (Resulting Company
/Second Applicant Company) having CIN
U01403MH2010PLC312849 and their respective
shareholders.

Nurture Agtech Limited (CIN:)

U01100MH2019PLC335151), a company)

incorporated under the Companies Act, 2013)

having its registered office at Uniphos House)

C.D Marg, 11th Road, Khar west, Maharashtra)

- 400052.

) ... First Applicant Company /
Transferor Company

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UPL Sustainable Agri Solutions Limited (CIN:)
U01403MH2010PLC312849), a company)
incorporated under the Companies Act, 1956)
having its registered office Uniphos House)
C.D Marg, 11th Road, Khar west, Maharashtra) ... Second Applicant Company /
- 400052. Transferee Company

Coram:

ANIL RAJ CHELLAN

K. R. SAJI KUMAR

HON'BLE MEMBER (TECHNICAL)

HON'BLE MEMBER (JUDICIAL)

Order Pronounced: 24.04.2025

Appearance: Hybrid

For the Applicant Companies : Adv. Hemant Sethi a/w Adv. Tanaya Sethi

ORDER

Per: Coram

1. This is an Application under Section 230-232 of the Companies, 2013 (Act) read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (CCAA Rules), for approval of Scheme of Arrangement (Scheme) between Nurture Agtech Limited (Demerged Company/First Applicant Company/Transferor Company) and UPL Sustainable Agri Solutions Limited (Resulting Company/Second Applicant Company/Transferee Company) and their respective shareholders, collectively referred to as the "Applicant Companies".

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2. The Ld. Counsel for the Applicant Companies submits that the First Applicant Company/Transferor Company is a wholly owned subsidiary of the Second Applicant Company/Transferee Company wherein the entire paid-up share capital is held by the Second Applicant Company/Transferee Company along with its nominees. Accordingly, no consideration is envisaged for the merger which is between wholly owned subsidiary and its parent company.
3. The Ld. Counsel for the Applicant Companies further submits that the First Applicant Company is primarily engaged in the business of providing sustainable farming, crop management solutions and marketplace for agricultural and other allied inputs through the use of digital technology. The Second Applicant Company is primarily engaged in the business of manufacturing and sale of agri-solutions such as formulated crop protection, crop treatment, bio-solutions and seed treatment within India.
4. The Ld. Counsel for the Applicant Companies states that the Board of Directors of the Applicant Companies in their respective meetings held on 08.08.2024 have approved the Scheme.
5. The Ld. Counsel for the Applicant Companies submits that Appointed Date for Demerged Undertaking (as defined hereinafter) from the Demerged Company into the Resulting Company is **1st April, 2024**.
6. The Ld. Counsel for the Applicant Companies further submits that the Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Companies as on date of filing of application is as under:

First Applicant Company/Transferor Company

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Particulars	Amount (in Rs.)
<u>Authorised Share Capital</u>	
60,00,000 Equity Shares of Rs. 100/- each	60,00,00,000
TOTAL	60,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
50,10,000 Equity Shares of Rs. 100/- each,	50,10,00,000
TOTAL	50,10,00,000

Second Applicant Company/ Transferee Company

Particulars	Amount (in Rs.)
<u>Authorised Share Capital</u>	
1,00,00,000 Equity shares of Rs. 10/- each	10,00,00,000
TOTAL	10,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
56,36,796 Equity Shares of Rs. 10/- each, fully paid-up	5,63,67,960
Total	5,63,67,960

7. The Ld. Counsel for the Applicant Companies further submits that the rationale for the Scheme is as follows:
- (a) *The operations of the Demerged Company are currently divided into two main business verticals which are Farm Business (as defined hereinafter) and Retail Business (as defined hereinafter).*
- (b) *Farm Business offers farmer facing solutions such as mechanization services, insurance services and sustainability related services. Mechanization services*

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comprising of spraying services, exclusively uses the products marketed by the Resulting Company. Further, for undertaking spraying services there is a team of operators and managers of the Farm Business who work on the field for ensuring that the spray machines are present in the right locations to maximize spraying opportunity. In order to optimize spraying services there must be close coordination between farmers, retailers/distributors and the sales team of the Resulting Company to get required information on crop, season, products etc. It also offers insurance services to farmers such as yield insurance, price guarantee, personal accidental insurance through products marketed by the Resulting Company. It also offers two programs under Sugarcane and rice crop for scaling sustainability – which help promote sustainable sugar and paddy production. Farm Business works exclusively with the Resulting Company and its services are available through the farm app.

- (c) Retail Business is an independent B2B marketplace platform for agri inputs like insecticides, herbicides, farm equipment etc. It is a multi-brand platform which ships directly to the retailer and does not exclusively work with the Resulting Company.*
- (d) The nature of risk, competition, challenges, opportunities and business methods for the Farm Business and Retail Business are separate and distinct. Each of the varied businesses carried out by the Demerged Company have significant potential for growth and profitability independently.*
- (e) Considering the above, the management of the Demerged Company and the Resulting Company have examined the strengths of combining the Farm Business and the potential commercial and other synergies of the same under the present Scheme and hence proposed to segregate the Demerged Undertaking (comprising of the Farm Business) to the Resulting Company. The*

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demerger of the Farm Business of the Demerged Company into the Resulting Company will, inter alia, result in the following benefits:

- (i) Would enable consolidation of Farm Business with the Resulting Company and assist in carrying on the same more efficiently and effectively;*
- (ii) Allow the Demerged Undertaking to benefit and scale through better co-ordination between the sales team of the Resulting Company and the operations team of the Demerged Company. As the Demerged Undertaking works exclusively with the Resulting Company, the demerger would create an attractive value proposition offering a distinctive edge over competition to the Resulting Company.*
- (iii) Under a fast changing and highly competitive environment, the demerger shall strengthen the business of the Demerged Undertaking and of the Resulting Company, by pooling up resources for common purpose;*
- (iv) Rationalization of the management structure leading to streamlining of the operations structure of the Demerged Undertaking and the Resulting Company to achieve better economies of scale on account of efficiencies in operations and management of the businesses resulting in cost savings across various business functions;*
- (v) The demerger will enable the future business activities to be carried on more conveniently and advantageously with enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the Demerged Company and the Resulting Company;*

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- (vi) *Elimination of duplication of administrative expenses; and*
 - (vii) *Provide a higher degree of flexibility to evaluate independent business opportunities as well as attract the right set of investors, strategic partners, lenders and other stakeholders for the businesses of the Demerged Company and the Resulting Company, respectively post coming into effect of the Scheme.*
 - (f) *The proposed demerger shall also benefit all the shareholders, creditors, employees and other stakeholders and shall enable the Demerged Company and the Resulting Company to achieve and fulfill its objectives more efficiently and economically.*
8. The Ld. Counsel for the Applicant Companies submits that as regards the First Applicant Company/Transferor Company, there are 7 (Seven) Equity Shareholders. a list as on 30.06.2024 is annexed as **Annexure H1** at page 306 to the Joint Company Scheme Application.

The entire Equity Share Capital of the First Applicant Company/Transferor Company is held directly and along with the nominee shareholder, by the Second Applicant Company/Transferee Company and accordingly, the First Applicant Company/Transferor Company is a wholly owned subsidiary of the Second Applicant Company/Transferee Company. The Equity Shareholders (along with the nominee shareholders) have provided their consent affidavit(s) to dispense from convening and conducting the Meeting of the Equity Shareholders of the First Applicant Company/Transferor Company as **Annexure I1** at pages 308 to 329 to the Joint Company Scheme Application.

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Accordingly, the Meeting of the Equity Shareholders of the of the First Applicant Company is hereby dispensed with.

9. The Ld. Counsel for the Applicant Companies also submitted that as on 30.06.2024, there are no Secured Creditor in the First Applicant Company and thereby the meeting of Secured Creditors is not required.
10. It is submitted that as on 30.06.2024, there are 217 (Two Hundred and Seventeen) Unsecured Creditors in the First Applicant Company having outstanding value of Rs.9,35,51,69,257/- a list of which is annexed as **Annexure L**” at pages 368 to 372 to the Joint Company Scheme Application. The Counsel for the Applicant Companies further submitted that the Scheme is between the Applicant Companies and shareholders of the Applicant Companies as contemplated under Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Act as there is no compromise and/or arrangement with unsecured creditors, and that the unsecured creditors of the First Applicant Company and Second Applicant Company are being paid in the normal course of business and as per the agreed terms and are not called upon to make any sacrifices, hence their interests are not getting affected in any way and are also secured. The present Scheme is in no manner prejudicial to the interests of the Unsecured Creditors of First Applicant Company. The First Applicant Company has obtained consent affidavits from its Unsecured Creditors representing 94.69% in value of the Unsecured Creditors of the First Applicant Company and are annexed as **Annexure M1 to M2** at pages 379-385 to the Joint Company Scheme Application. The Chartered Accountant’s Certificates verifying the list of Unsecured Creditors of the Applicant Companies as on 30.06.2024, are annexed and marked as **Annexure L2**, respectively, to the Joint Company Scheme Application. In view of the consent affidavits, meetings of Unsecured Creditors of the Applicant Companies are hereby dispensed with.

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11. The Ld. counsel further submits that as regards the Second Applicant Company/Transferee Company there are 9 (Nine) Equity Shareholders, a list of which is annexed as “**Annexure H2**” at page 307 to the Joint Company Scheme Application;

The Equity Shareholders (along with the nominee shareholders) have provided their consent affidavit(s) to dispense from convening and conducting the Meeting of the Equity Shareholders of the First Applicant Company/Transferor Company as **Annexure “I2”** at pages 330 to 361 to the Joint Company Scheme Application.

Accordingly, the Meeting of the Equity Shareholders of the of the Second Applicant Company is hereby dispensed with.

12. The Ld. Counsel for the Applicant Companies submitted that as on 30.06.2024, there are no Secured Creditors in the Second Applicant Company and therefor, the meeting of Secured Creditors is not required.
13. The Ld. Counsel of the Applicant Companies submits that as on 30.06.2024, there are 348 (Three hundred and forty-eight) Unsecured Creditors in the Second Applicant Company/Transferee Company having outstanding value of Rs.9,82,08,61,596/-, a list of which is annexed as “**Annexure N1**” at pages 386 to 391 to the Joint Company Scheme Application.
14. The Ld. Counsel for the Second Applicant Company/Transferee Company further submits that the meeting of unsecured creditors of the Second Applicant Company/Transferee Company be dispensed with basis the following reasons:

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- i. The rights of the creditors of the Second Applicant Company/Transferee Company are not affected since there will be no reduction in their claims and the assets of the Second Applicant Company/Transferee Company, post-merger, will be more than sufficient to discharge their claims;
 - ii. The net worth of the Second Applicant Company/Transferee Company is and will continue to remain highly positive. Further, the net worth of the Second Applicant Company/Transferee Company is highly positive in comparison to the net worth of the First Applicant Company/Transferor Company;
 - iii. No undertaking of the Second Applicant Company/Transferee Company is being parted away or being disposed-of, and hence provisions of Section 180 of the Companies Act, 2013, are also not applicable;
 - iv. Further, under the Scheme, there is no compromise or arrangement with the shareholders or the creditors of the Second Applicant Company/Transferee Company. Therefore, the proposed Scheme is not prejudicial to the interest of the shareholders or the creditors of the Second Applicant Company/Transferee Company.
15. The Ld. Counsel for the Second Applicant Company/Transferee Company further submits that in view of the above, no reconstruction or arrangement is proposed by the Second Applicant Company/Transferee Company either with its Shareholders or with its creditors, and thus, it does not require to hold either shareholders meeting or unsecured creditors meeting for approval of the proposed Scheme. It is also submitted that the Hon'ble Bombay High Court in the case of *Mahaamba Investments Limited Vs. IDI Limited* [(2001) 105 Company Cases page 16 to 18], *inter alia*, observed and held that if the Scheme of Amalgamation provides for no issue of equity shares to the members of the transferor company, being a wholly owned subsidiary of the transferee company and the creditors of the transferee company, are not likely to be affected by the scheme, a separate Petition by the transferee company was not necessary. The Hon'ble National

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Company Law Appellate Tribunal in *DLF Phase-IV Commercial Developers Limited & Ors*, [Company Appeal (AT) No. 180 of 2019]; *Ambuja Cements Limited* [Company Appeal (AT) No. 19 of 2022]; *Patel Engineering Limited* [Company Appeal (AT) No. 137 of 2022]; and in *Eurokids India Private Limited* [CSA No. 911 of 2014], have, in the similar facts, taken similar view. The facts in the present case are similar to the facts of the above cases, therefore, it is prayed that the meeting of Equity Shareholders and Preference Shareholders of the Second Applicant Company/Transferee Company be dispensed with.

16. Additionally, the Resulting Company has also obtained consent letters from its unsecured creditors amounting to approximately Rs.922/- Crore representing 93.70% in value of the unsecured creditors of the Resulting Company as on 30.06.2024. The said consent letters have been further submitted vide an additional affidavit on 06.01.2025 annexed as **Annexure D1 to D3** of the said additional affidavit.
17. Based on the above, this Bench is of the view that the meeting of the Equity Shareholders and Unsecured Creditors of the Second Applicant Company/Transferee Company are hereby dispensed with since the First Applicant Company/Transferor Company is wholly-owned subsidiary of the Second Applicant Company/Transferee Company.
18. The First Applicant Company and Second Applicant Company, are directed to serve notice along with copy of Scheme under the provisions of Section 230(5) of the Act and Rule 8 of the CCAA Rules, upon the-
 - i. Central Government through the office of Regional Director, Western Region, Mumbai;
 - ii. Jurisdictional Registrar of Companies;

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- iii. Jurisdictional Income-Tax Authority within whose jurisdiction the respective Applicant Company's assessment are made;
 - iv. the Nodal Authority in the Income-Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai, Address:- 3 Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020, Phone No. 022-22017654 [E-mail: Mumbai.pccit@incometax.gov.in]; and
 - v. Jurisdictional GST Authority(s) (proper officer), within whose jurisdiction such companies are assessed to tax under GST law.
19. The aforementioned notices shall be served through by Registered Post-AD/ Speed Post and Hand Delivery along with copy of Scheme and state that *“If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities has no objection to the proposed Scheme”*. It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the notice.
20. The Applicant Companies shall host the notices along with a copy of the Scheme on their respective websites, if any.
21. The Applicant Companies to file Affidavit of Service to report to this Tribunal that the direction regarding the issue of notices have been duly complied with in accordance with the CCAA Rules.

**Sd/-
ANIL RAJ CHELLAN
MEMBER (TECHNICAL)**

**Sd/-
K. R. SAJI KUMAR
MEMBER (JUDICIAL)**