



May 19, 2023

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalai Street,  
Mumbai 400001  
**Script Code: 507205**

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block-G,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai-400 051  
**Symbol : TI**

**Sub: Order passed for Scheme of Merger**

Dear Sir/Madam,

In continuation of our letter dated May 17, 2023 we wish to inform you that Hon'ble National Company Law Tribunal (NCLT), Mumbai has uploaded the merger order at its website. Copy of order is attached along with this letter.

The certified true copy of the merger order is awaited.

The above notice is available on the website of the Company [www.tilind.com](http://www.tilind.com).

Kindly acknowledge the receipt and take the same on your record.

Thanking you,

Yours faithfully,

**For Tilaknagar Industries Ltd.**

**Dipti Todkar**  
**Company Secretary and Compliance officer**

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Churchgate, Mumbai, Maharashtra - 400 020, India  
**P** +91 (22) 2283 1716/18 **F** +91 (22) 2204 6904  
**E** [tiliquor@tilind.com](mailto:tiliquor@tilind.com)  
**CIN:** L15420PN1933PLC133303

**Regd. Office:** P.O. Tilaknagar, Tal. Shirampur,  
Dist. Ahmednagar, Maharashtra - 413 720, India  
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**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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**IN**

**C.A. (CAA) / 256 / MB / 2022**

In the matter of the Companies Act, 2013

**AND**

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016

**AND**

In the matter of Scheme of Amalgamation (Merger by Absorption) of Kesarval Springs Distillers Private Limited (“KSDPL” or the “Transferor Company 1” or “the First Petitioner Company”), Mykingdom Ventures Private Limited (“MVPL” or the “Transferor Company 2” or “the Second Petitioner Company”), Srirampur Grains Private Limited (“SGPL” or the “Transferor Company 3” or “the Third Petitioner Company”) and Studd Projects Private Limited (“SPPL” or the “Transferor Company 4” or “the Fourth Petitioner Company”) with and into Tilaknagar Industries Limited (“TI” or the “Transferee Company” or “the Fifth Petitioner Company”) and their respective shareholders (“Scheme” or “this Scheme”)

**Details of the Petitioner Companies:**

**KESARVAL SPRINGS DISTILLERS PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956, having its registered office at P.O. Tilaknagar,



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Tal. Shrirampur, Dist. Ahmednagar, ... **First Petitioner Company**  
Shrirampur, Maharashtra – 413 720, India / **Transferor Company 1**  
[CIN: U15511PN1993PTC140561]

**MYKINGDOM VENTURES PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956, having its registered office at P.O. Tilaknagar, Tal. ... **Second Petitioner Company / Transferor Company 2**  
Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720, India  
[CIN: U74900PN2008PTC143964]

**SRIRAMPUR GRAINS PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956, having its registered office at P.O. Tilaknagar, Tal. Shrirampur, ... **Third Petitioner Company / Transferor Company 3**  
Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720, India  
[CIN: U01300PN2008PTC144177]

**STUDD PROJECTS PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956, having its registered office at P.O. Tilaknagar, Tal. Shrirampur, ... **Fourth Petitioner Company / Transferor Company 4**  
Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720, India  
[CIN: U45202PN2008PTC144178]



**TILAKNAGAR INDUSTRIES LIM-**

**ITED**, a company incorporated under the provisions of the Indian Companies Act, VII of 1913, having its registered office at P.O.

Tilaknagar, Tal. Shrirampur, Dist. Ahmed-

nagar, Shrirampur, Maharashtra – 413 720, ... **Fifth Petitioner Company**

India

**/ Transferee Company**

[CIN: L15420PN1933PLC133303]

**.... Collectively known as Petitioner Companies**

**Order delivered on: 17.05.2023**

**Coram:**

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

Hon'ble Member (Technical) : Ms. Anu Jagmohan Singh

**Appearances (through Videoconferencing):**

For the Petitioner Companies : CA Harsh Ruparelia i/b A R C H  
and Associates, Authorized  
Representatives

For the Regional Director : Ms. Rupa Sutar, Deputy  
Registrar of Companies

**ORDER**

***Per: H.V. Subba Rao, Member (Judicial)***

1. Heard the Authorized Representative for the Petitioner Companies. No objector has come before the Tribunal to oppose the Petition and nor any party has controverted any averments made in the Petition.



2. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act') to the Scheme of Amalgamation (Merger by Absorption) of Kesarval Springs Distillers Private Limited ("KSDPL" or the "Transferor Company 1"), Mykingdom Ventures Private Limited ("MVPL" or the "Transferor Company 2"), Srirampur Grains Private Limited ("SGPL" or the "Transferor Company 3") and Studd Projects Private Limited ("SPPL" or the "Transferor Company 4") with and into Tilaknagar Industries Limited ("TI" or the "Transferee Company") and their respective shareholders ('the Scheme' or 'this Scheme').
3. This Scheme provides for Amalgamation of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferor Company 4 with and into the Transferee Company on a going concern basis.
4. The Authorized Representative for the Applicant Companies submits that First Petitioner Company, Second Petitioner Company, Third Petitioner Company and the Fourth Petitioner Company are presently not carrying out any commercial business operations.
5. The Authorized Representative for the Applicant Companies submits that Fifth Petitioner Company is primarily engaged in the business of manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Group has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.



6. The Authorised Representative for the Petitioner Companies submit that the Board of Directors of the First Petitioner Company, the Second Petitioner Company, the Third Petitioner Company and the Fourth Petitioner Company vide their resolution dated 28<sup>th</sup> May 2022 approved the Scheme and the Board of Directors of the Fifth Petitioner Company vide their resolution dated 30<sup>th</sup> May 2022 approved the Scheme. The Appointed Date of the Scheme is 1<sup>st</sup> April 2022.
7. The Authorized Representative for the Petitioner Companies submits that the companies under this Scheme are part of same group. The First Petitioner Company, Second Petitioner Company, Third Petitioner Company and the Fourth Petitioner Company are wholly owned subsidiaries of the Fifth Petitioner Company. The rationale for the Scheme of Amalgamation is as under:

KSDPL, MVPL, SGPL and SPPL, the Transferor Companies are wholly owned subsidiaries of TI. Integration of the business of KSDPL, MVPL, SGPL and SPPL and TI would, *inter alia*, entail the following benefits:

- i. The amalgamation will enable the Transferee Company to integrate its business operations and provide impetus to its operations. The consolidation of the activities by way of an amalgamation of the Transferor Companies will lead to synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency, competitive advantage and optimal utilization of resources.
- ii. Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company.



- iii. The Scheme will help in elimination of administrative functions and multiple record-keeping, thus reducing overall expenditure.
- iv. It will improve and consolidate internal controls and functional integration at various levels of the organization such as information technology, human resources, finance, legal and general management leading to an efficient organization capable of responding swiftly to volatile and rapidly changing market scenarios.
8. The Authorized Representative for the Petitioner Companies submits that the Company Scheme Petition has been filed in consonance with the order dated 16<sup>th</sup> December 2022, passed by this Hon'ble Tribunal in C.A.(CAA) / 256 / MB / 2022. Further, the meetings of the shareholders and creditors of the Petitioner Companies were dispensed with by the Hon'ble Tribunal vide order dated 16<sup>th</sup> December 2022 in C.A.(CAA) / 256 / MB / 2022.
9. The Authorized Representative for the Petitioner Companies states that the Petitioner Companies have complied with all the requirements as per directions of the Hon'ble Tribunal. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the rules & regulations made thereunder. The said undertaking is accepted.



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10. The Authorized Representative for the Petitioner Companies states that the equity shares of the Fifth Petitioner Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The equity shares of the First Petitioner Company to the Fourth Petitioner Company are not listed on any stock exchange in India. The First Petitioner Company to the Fourth Petitioner Company are wholly-owned subsidiaries of the Fifth Petitioner Company.
11. The Regional Director, Western Region on behalf of the Central Government has filed its Report dated 17<sup>th</sup> April 2023 ('Report') praying that this Hon'ble Tribunal may pass such orders as it thinks fit and proper in the facts and merits of the case. The observations of the Central Government on the Scheme are submitted in paragraph 2 (a) to (i) of the Report. In response to the observation made by the Central Government, the Petitioner Companies have also given necessary undertakings and clarification vide their rejoinder affidavit dated 17<sup>th</sup> April 2023. The observations made by the Central Government and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:

<b>Para No.</b>	<b>Observations as per the report of the Central Government dated 17<sup>th</sup> April 2023</b>	<b>Response of the Petitioner Companies</b>
2 (a)	<i>a) That on examination of the report of the Registrar of Companies, Pune dated 12.04.2023 for Petitioner Companies (Annexed as Annexure A-1) that the Petitioner Companies falls within the jurisdiction of ROC, Pune. It is submitted that no representation regarding the proposed scheme of Amalgamation</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (a) of the report is concerned, the contents thereof are correct factual observations with respect to annual filings and returns, observations of the Statutory Auditor in their report and





<p><i>has been received against the Petitioner Companies. Further, the Petitioner Companies has filed Annual Return up to the financial year ending 31.03.2022 and Balance Sheet for the financial year ending up to 31.03.2022.</i></p> <p><i>The ROC has further submitted that in his report dated 12.04.2023 which are as under :-</i></p> <p><i>1. That the ROC Pune in his report dated 12.04.2023 has stated that Inquiry report against the Transferee Company (Tilaknagar Industries Limited) has been submitted vide letter dated 30.07.2021 and Inspection has been ordered by the Ministry vide its order No. CL-04/68/2022 dated 10.11.2022 ordered Inspection u/s 206(5) of the Companies Act, 2013 into the affairs of the Transferee Company which is under process.</i></p> <p><i>2. ROC, Pune has carried out Inquiry u/s 206 of the Companies Act, 2013 in Tilaknagar Industries Limited (Transferee Company) and submitted its report based on the en-number of auditor qualifications as reported in the financial statements filed by the Company for the year ended 31.03.2018, 31.03.2019 and resignation of statutory auditor Mr. Kishor M. Parikh in mid-term, being a listed company. That too the net worth of the Company has been eroded and the lenders have appointed Edelwise to recover their</i></p>	<p>hence, does not require further response. The Transferee Company undertakes to take appropriate actions in accordance with provisions of the law to comply with observations of the Statutory Auditors, if required under the law. Further, The Transferee Company i.e., Fifth Petitioner Company had received order under Section 206(1) of the Companies Act, 2013 from the Registrar of Companies, Maharashtra at Pune for inquiry into books of accounts and other related information(s) of the Transferee Company.</p> <p>The Transferee Company has duly complied with and submitted the documents &amp; information(s) required by the Registrar of Companies, Maharashtra at Pune, post which it has not received any communication on the said documents.</p> <p>Without prejudice to the above, the Fifth Petitioner Company states that it shall continue to remain in existence and the comments are not in any way connected with the Present Scheme. Further, to the best of the knowledge and belief of the Fifth Petitioner Company, the sanctioning of the Scheme by this Hon'ble Tribunal shall not in any way cause prejudice of any nature with respect to any of the ongoing proceedings and shall not abate as a result of the Present Scheme. The Fifth Petitioner Company, Directors, KMP and any other</p>
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<p><i>loans from the company. The Company is in huge accumulated losses amounting to Rs. 148.87 Crores as on 31.03.2019 and has failed to repay loans to various financial institutions/Bankers almost Rs. 92,160.55 Lakhs and drastically reduced to Rs. 513.40 Crores as lenders has appointed Edelweiss Asset Reconstruction Company Limited (the "EARC") which has become the secured lender acting in its capacity as Trustee of EARC Trust and in terms of Master Restructuring Agreement entered with the Company, the total loans were to be repaid have been restructured and the total dues of Rs. 523.32 Crores were segregated into Restructured debt of Rs. 344.47 Crores at 9% interest per annum payable as per the agreed repayment schedule in installments by 31<sup>st</sup> March, 2024 and the balance debt of Rs. 144.98 Crores will be waived of on the repayment of the Restructured Debt to the Lender and the Balance Debt of Rs. 33.68 Crores to be converted into Equity Shares as per the Agreement. That too, the company has incurred net cash loss during the year ended 31<sup>st</sup> March, 2019 and provided doubtful advances/inventory of Rs. 113.02 Crores as on 31.03.2018 and Rs. 53.35 Crores as on 31.03.2019 are doubtful of recovery, as reported elsewhere in the report. These sticky advanced without any sign of recovery for the past several years, apart from costing heavily the stakeholders and the com-</i></p>	<p>connected persons shall comply with notice/order, prosecutions, adjudications, which may be taken by the Ministry of Corporate Affairs as per law on submission of inspection report in the matter of subject company, subject to relief/remedies available to the Fifth Petitioner Company in accordance with applicable provisions of the law.</p>
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<p><i>pany was put into huge losses warranting immediate corrective measures. Though the company's debt has drastically reduced due an agreement with lenders still an amount of Rs. 344.47 Crores along with interest has to be repaid by 31, March, 2024, but no logical conclusion can be drawn in the normal inquiry, a detailed examination of accounts and records of the company is required to draw any meaningful conclusion keeping in view of the issues qualified by the statutory auditor and reported Inquiry report. Therefore, Inspection into books of accounts under provisions of Section 206(5) of the Companies Act, 2013 has been recommended.</i></p> <p><i>Based on the recommendation, the Ministry vide its order No. CL-04/68/2022 dated 10.11.2022 ordered Inspection u/s 206(5) of the Companies Act, 2013 into the affairs of the Company. The said Inspection under process.</i></p> <p><i>As per the financial statement submitted by the company for the year 2021-22 following auditor qualifications were observed;</i></p> <p><i>I. The Holding Company has not carried out impairment assessment of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to</i></p>	
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<p><i>note no. 6 of the consolidated annual financial results.</i></p> <p><i>II. The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 28, 2022 issued on the Financial Statements of Prag Distillery (P) Ltd (“Prag”), a subsidiary company of the Holding Company issued by an Independent Firm of Chartered Accountants, is reproduced as under:</i></p> <ul style="list-style-type: none"><li><i>• We draw attention to note no. 34 of the Statement which stated that the Company has incurred capital expenditure of 10,021.69 lakhs as at March 31, 2022 on expansion project (the Project) grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the Building, Plant &amp; Equipment of the Company has remained idle due to Plant shutdown. The Company has not tested the said Project, Building, Plant and equipment (Tangible Assets) for impairment loss as per Indian Accounting Standard (Ind AS 36) ‘Impairment of Assets’. In absence of sufficient appropriate audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible Assets.</i></li></ul>	
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- *We draw attention to note no. 35 of the statement which states that there are unsecured overdue trade receivables of 586.55 lakhs and deposits of 182.05 from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of 210.99 lakhs which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivable, deposits and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables deposits and advances.*

*Further it is observed that similar observations made by the statutory auditor in previous financial years also and the Ministry of Corporate Affairs has ordered the inspection of books of account u/s 206(5) of Companies Act, 2013 vide order dated 10.11.2022 against Tilaknagar Industries Limited, since inspection is under process by the IO appointed in this matter, the Petitioner companies, Directors, KMP and any other connected persons may be directed to undertake to comply with notice/order, prosecutions, adjudications which may be taken by the Ministry of Corporate Affairs as per*



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	<p><i>law on submission of inspection report in the matter of subject company.</i></p> <p><i>3. Matter may be decided on merits.</i></p> <p><i>Hence, the Petitioner Companies shall undertake to submit detail reply against observations mentioned above.</i></p>	
2 (b)	<p><i>b) 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>Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (b) of the report is concerned, the Petitioner Companies submits that the setting off of fees paid by the Transferor Companies on its Authorised Share Capital shall be accordance with provisions of section 232(3)(i) of the Companies Act, 2013 for payment of differential RoC fees, if any on the increased authorised share capital. The aggregate authorised share capital of the Transferee Company shall automatically stand increased to that effect by simply filing the requisite e-form INC-28 with the relevant Registrar of Companies without any further act, instrument or deed on the part of Transferee Company. Further, in the event of any increase in the authorised share capital of Transferor Companies and/ or Transferee Company before the Effective Date, such increase shall be given effect</p>



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		to while aggregating the authorised share capital of the Transferee Company.
2 (c)	<i>c) 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 connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc.</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (c) of the report is concerned, the Petitioner Companies undertakes that in addition to compliance of AS-14 (IND AS-103) and generally accepted accounting principles, the Petitioner Companies undertakes to pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8), etc., if applicable for accounting of the Scheme.
2 (d)	<i>d) 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>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (d) of the Report is concerned, the Petitioner Companies undertakes that the Scheme enclosed to the Company Scheme Application and the Company Scheme Petition are one and the same, there is no discrepancy or deviation and no changes are carried out by the Petitioner Companies.
2 (e)	<i>e) 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</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (e) is concerned, the Petitioner Companies confirm that they have served notices to regulatory authorities pursuant to the order of the Hon'ble NCLT dated



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	<p><i>deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i></p>	<p>16<sup>th</sup> December 2022. The affidavit of service of notice was submitted with the Hon’ble NCLT. Further, the Petitioner Companies affirm that the approval of the Scheme by the Hon’ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. The Petitioner Companies affirm that the decisions of such authorities shall be binding on the Petitioner Companies.</p>
<p>2 (f)</p>	<p><i>f) As per Definition of the Scheme, “Appointed Date” for the purpose of the Scheme means 1st April 2022 or such other date as may be approved by the Hon’ble NCLT.</i></p> <p><i>“Effective Date” means the date on which last of the conditionalities specified in Clause 21 of the Scheme is fulfilled. Any reference in this Scheme to the date “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall mean the Effective Date, as defined in this Clause;</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>	<p>Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (f) of the Report is concerned, the Petitioner Companies undertakes that the Appointed Date was fixed as 1<sup>st</sup> April 2022 for the Scheme, as mentioned in Definitions of the Scheme, which is in compliance with Section 232(6) of the Companies Act, 2013 and the same shall be deemed to be effective from such Appointed Date. The same therefore, meets the requirements clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs. Further, the Petitioner Companies undertakes to comply with the requirements clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>





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2 (g)	<i>g) Petitioner Companies shall undertake to comply with the directions of the concerned sectoral Regulatory, if so required.</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (g) of the Report is concerned, the Petitioner Companies hereby confirm that none of the Petitioner Companies are governed by any Sectoral Regulators and therefore, this observation is not applicable upon the Petitioner Companies.
2 (h)	<i>h) Petitioner Companies shall undertake to comply with the directions of Income tax department, if any.</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (h) of the Report is concerned, the Petitioner Companies hereby affirm that they had served notice along with copy of the Company Scheme Application and annexures thereto on the concerned Income Tax Authorities of the Petitioner Companies. However, the Income Tax Authorities have neither submitted any representations nor given any directions to any of the Petitioner Companies. Further, the Petitioner Companies affirm that they would comply with directions of the Income Tax Authorities, if any, in the future.
2 (i)	<i>i) The petitioner Transferee company being a Listed Company. In this regard it is submitted that whether approval of SEBI/Stock</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (h) of the Report is concerned, the Fifth Petitioner Company, being a company listed on stock exchanges submits that the



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<p><i>Exchange is required or not, as if required then the company shall obtain before approval of scheme.</i></p>	<p>Fifth Petitioner Company in accordance with the applicable SEBI Regulations and Listing Agreements have disclosed the Scheme to the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). The copy of the letters filed with BSE and NSE are annexed as <b>Exhibit 'K1' and 'K2'</b> to the Company Scheme Petition. The Scheme provides for amalgamation of a wholly-owned subsidiary with its Holding Company, hence, the Fifth Petitioner Company has made all adequate disclosures in accordance with SEBI Regulations read with applicable Circulars framed in this regard. Without prejudice to the above, the Fifth Petitioner Company has also served notices upon BSE, NSE and SEBI, under Section 230(5) of the Companies Act, 2013. The Fifth Petitioner Company undertakes to comply with directions of BSE and NSE, if issued and applicable in this regard.</p>
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12. The observations made by the Regional Director, Western Region on behalf of the Central Government are enlisted herein in Para 11 above along with response of the Petitioner Companies on the observations of the Regional Director, Western Region filed vide affidavit of the Petitioner Companies dated 17<sup>th</sup> April 2023. The clarifications and undertakings given by the Petitioner Companies in Para 11 above are accepted by this Tribunal. Ms. Rupa Sutar Representative of the Regional Director during the course of final hearing has submitted that the explanations and clarifications given by the petitioner companies are found satisfactory and that they have no objection to the Scheme.
13. The Official Liquidator, High Court, Bombay has filed its report dated 17<sup>th</sup> April 2023, inter alia, stating therein certain observations, which comprise of Summary of Findings and other factual details, which do not require any response. The clarifications and undertaking of the Petitioner Companies in response to the observations of the Official Liquidator, High Court, Bombay in Para 9 and 10 are as summarized hereinbelow:

<b>Para No.</b>	<b>Observations as per the report of the Official Liquidator, High Court, Bombay dated 17<sup>th</sup> April 2023</b>	<b>Response of the Petitioner Companies</b>
9.	<i>With reference to clause Nos. 12.1 of the scheme it is stated that such clause overrides the provision of the Companies Act, 2013 namely Section 232(3)(i), which inter alia provided that, 'if a company is dissolved the fee paid by such company on its Authorised Capital shall be set-off against any fees payable by</i>	Apropos the observation of the Official Liquidator, High Court, Bombay, as stated in paragraph 9 of the report is concerned, the Petitioner Companies submits that the setting off of fees paid by the Transferor Companies on its Authorised Share Capital shall be accordance with provisions of section 232(3)(i) of the Companies



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	<p><i>the Transferee Company on its Authorised Share Capital. Accordingly, clause Nos. 12.1 may be modified. However, vide reply of the Petitioner Companies dated 24.03.2023, the Transferee Company undertook to pay differential fees for aggregation of Authorised Share Capital. The Hon'ble Tribunal may require the Transferee Company comply with the undertaking given vide above mentioned letter.</i></p>	<p>Act, 2013 for payment of differential RoC fees, if any, on the increased authorised share capital. The aggregate authorised share capital of the Transferee Company shall automatically stand increased to that effect by simply filing the requisite e-form INC-28 with the relevant Registrar of Companies without any further act, instrument or deed on the part of Transferee Company. Further, in the event of any increase in the authorised share capital of Transferor Companies and/ or Transferee Company before the Effective Date, such increase shall be given effect to while aggregating the authorised share capital of the Transferee Company. The Transferee Company shall comply with the undertaking provided with respect to compliance with provisions of Section 232(3)(i) of the Companies Act, 2013.</p>
<p>10.</p>	<p><i>It is observed from the Financial Statements of the Transferor Companies that the companies are not carrying out any business operations. These companies are having business losses and its net-worth has been fully eroded and the net-worth showing negative. However, the financial statements are prepared on going-concern. The Hon'ble Tribunal may require the companies explain how the rationale of the Scheme will be achieved.</i></p>	<p>Apropos the observation of the Official Liquidator, High Court, Bombay, as stated in paragraph 10 of the report is concerned, the Transferor Companies have been exploring suitable business opportunities over a period of time. The Transferor Companies are the wholly-owned subsidiaries of the Transferee Company and have financial support from its Holding Company i.e., Transferee Company from time to time. The present Scheme provides for amalgamation of wholly-owned subsidiaries with its Holding Com-</p>



		pany, which shall help in achieving reduction in administrative overheads and compliance costs, reduce compliance burden, avoiding duplication of support and other related functions for the Transferor Companies, thus leading to rationalization of costs, operational synergies for the Transferee Company. Thus, the Scheme will be beneficial for the interest of the Petitioner Companies and their respective stakeholders.
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14. The observations made by the Official Liquidator, High Court, Bombay are enlisted herein in Para 13 above along with response of the Petitioner Companies. The clarifications and undertakings given by the Petitioner Companies in Para 13 above are accepted by this Tribunal.
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. The Authorized Representative for the Petitioner Companies submits that the entire issued, subscribed and paid-up share capital of the First Petitioner Company, Second Petitioner Company, Third Petitioner Company and the Fourth Petitioner Company is held by the Fifth Petitioner Company (along with its Nominees). Accordingly, pursuant to this Scheme, no shares of the Fifth Petitioner Company shall be issued



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and allotted in respect of shares held by it in the First Petitioner Company to the Fourth Petitioner Company. Upon the Scheme becoming effective, the entire share capital of the First Petitioner Company to the Fourth Petitioner Company shall be cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.

17. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA) / 20 / MB / 2023 connected with C.A. (CAA) / 256 / MB / 2022 filed by the Petitioner Companies is made absolute in terms of prayer clauses of the said Company Scheme Petition.
18. The Scheme annexed at **Exhibit 'G'** to the Company Scheme Petition is hereby sanctioned, and the Appointed Date of the Scheme for Amalgamation of the First Petitioner Company, Second Petitioner Company, Third Petitioner Company and the Fourth Petitioner Company with the Fifth Petitioner Company is 1<sup>st</sup> April 2022. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors, Employees and/or any other stakeholders concerned.
19. The Petitioner Companies are directed to file a certified copy of this Order along with the copy of Scheme with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 days or an extended timeline with payment of additional fees, as may be applicable



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from the date of receipt of order, duly certified by the designated registrar of this Tribunal. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.

20. The Petitioner Companies shall lodge a copy of this Order along with the Scheme duly certified by designated registrar of this Tribunal, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within a period of 60 working days from the date of the receipt of the certified copy of the Order from the Registry of this Tribunal.
21. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Designated Registrar of this Tribunal.
22. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.
23. Any concerned authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
24. Ordered accordingly. Thus, the Company Scheme Petition with C.P. (CAA) / 20 / MB / 2023 in C.A. (CAA) / 256 / MB / 2022 shall stand to be disposed-off.

**Sd/-**

**ANU JAGMOHAN SINGH**  
**Member (Technical)**  
17.05.2023  
SAM

**Sd/-**

**H. V. SUBBA RAO**  
**Member (Judicial)**