

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH : C-IV

C.P.(CAA)/113/MB/2024
c/w C.A.(CAA)/03/MB/2024

In the matter of
Sections 230 to 232 of the Companies Act, 2013
and other applicable provisions of the Companies
Act, 2013

AND

In the matter of
Scheme of Arrangement between

Sterlite Power Transmission Limited,
[Demerged Company /
Petitioner Company 1]

And

Sterlite Grid 5 Limited,
[Resulting Company /
Petitioner Company 2]

And

their respective shareholders and creditors.

Sterlite Power Transmission Limited
[CIN: U74120PN2015PLC156643]

... Petitioner Company-1/
Demerged Company

Sterlite Grid 5 Limited
[CIN: U29190PN2016PLC209044]

... Petitioner Company-2/
Resulting Company

(hereinafter collectively referred to as 'the Petitioner Companies')



Order pronounced on: 05.09.2024



Coram:

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

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (videoconferencing):

For the Petitioners

: Mr. Gaurav Joshi, Ld. Senior Counsel
a/w Mr. Mehul Shah, Mr. Peshwan
Jehangir, Mr. Haabil Vahanvaty,
Mr. Aman Yagnik, Mr. Amit Panwar,
Ms. Ishrita Bagchi i/b Khaitan & Co,
Advocates.

For the Income Tax

: Mr. Subit Kumar, Ld. Counsel for
the Income Tax department present.

For the Regional Director

: Mr. Tushar Wagh, Representative
of the Regional Director, MCA(WR),
Mumbai.

ORDER

1. This is a Company Scheme Petition filed under Sections 230 to 232 of the Companies Act, 2013 seeking for sanction of the Scheme of Arrangement between Sterlite Power Transmission Limited (Petitioner Company-1) and Sterlite Grid 5 Limited (Petitioner Company-2) and their respective shareholders and creditors.
2. Heard the Ld. Counsel for the Petitioner Companies, the Representative of the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai and Ld. Counsel for the Income Tax Department. No objector has come before this Tribunal to oppose the Scheme and nor has any



party controverted any averments made in the Petition to the Scheme.

3. The Counsel for the Petitioner Companies submits that the Board of Directors of the First Petitioner Company and the Second Petitioner Company approved the Scheme in their respective Board Meetings held on 28.09.2023 and 03.10.2023 respectively. The appointed date is 01.01.2023.
4. The Counsel for the Petitioner Companies further submits that the present Company Petition has been filed in consonance with the Order dated 28.03.2024 passed in C.A.(CAA)/03/MB/2024 by this Tribunal.
5. *Rationale for the Scheme:* The Counsel for the Petitioner Companies submits that the circumstances, reasons and grounds that have necessitated / justified the Scheme. Some of the major benefits which would accrue from the Scheme are briefly stated below:
 - a) *The Demerged Company and the Resulting Company are part of the same promoter group*
 - b) *The said demerger will enable the Parties to concentrate its resources and managerial bandwidth entirely to such businesses which would enable focused strategy, better coordination and cohesiveness in their working and assist in standardization of its business processes as may be prevalent to the specific businesses. The proposed restructuring pursuant to the said Scheme is expected, inter alia, to result in following benefits for the Parties:*
 - i. *unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company;*
 - ii. *attracting investors and providing better flexibility in accessing capital;*

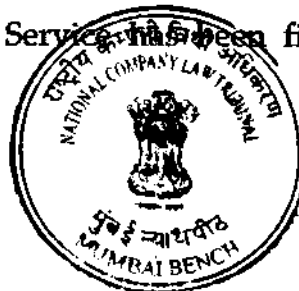




- iii. *segregating different businesses having different risk and return profiles, and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile;*
- iv. *effective utilisation of cash flows of different businesses and limiting restrictions arising out of different terms of different lenders for different businesses;*
- v. *enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business;*
- vi. *greater visibility on performance of each of the businesses;*
- vii. *operational efficiency; and*
- viii. *focused management approach for pursuing the growth in the respective business verticals and de-risk the businesses from each other.*

The Scheme is, therefore, in the interests of the shareholders, creditors and all other stakeholders of each of the Parties.

6. The meetings of the shareholders and the creditors of the Petitioner Company-2 was dispensed with vide Order dated 28.03.2024 passed in C.A.(CAA)/03/MB/2024. However, the meetings of the shareholders and the creditors of the Petitioner Company-1 were conducted and the respective Chairmen submitted their reports stating that the Shareholders and Creditors have approved the Scheme with more than 99% of voting.
7. The Counsel for the Petitioner Companies submits that the Petitioner Companies have complied with all requirements as per directions of this Tribunal vide order dated 25.06.2024 in C.P(CAA)/113/MB/2024 and they have made requisite filings to demonstrate compliance with the order of this Tribunal. The Affidavit of Service has been filed on 25.07.2024.





Moreover, the Petitioner Companies undertake to comply with all statutory / regulatory requirements, if and to the extent applicable, as may be required under the Companies Act, 2013 and the Rules made thereunder to give effect to the Scheme.

8. *Consideration:*

The Petitioners state that the Second Petitioner Company is a wholly owned subsidiary of the First Petitioner Company. As consideration for the Scheme and for the demerger of the Demerged Undertaking (as defined in the Scheme) from the First Petitioner Company into the Second Petitioner Company, the Second Petitioner Company shall issue and allot on a proportionate basis to each shareholder of the First Petitioner Company whose name is recorded in the register of members and records of the depository as members of the First Petitioner Company as on the Record Date as under:

"1 (One) Resulting Company New Equity Shares for every 1 (One) fully paid-up equity share of face value of INR 2 (Indian Rupees Two only) each of the Demerged Company."

9. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed its Report dated 25.07.2024. In response to the observations made by the RD in the said report, the Petitioner Companies have given necessary clarification vide their reply dated 31.07.2024. The observations made by the RD and the clarifications given by the Petitioner Companies are summarized in the table below:-



Sr no	Observation in the RD Report filed by the Regional Director	Reply of Petitioner Companies
a)	<p><i>That on examination of the report of the Registrar of Companies, Pune dated 19.06.2024 (Annexed as Annexure A-1) for Petitioner Companies fall within the Jurisdiction of ROC, Pune. It is submitted that no representation regarding the proposed scheme of Amalgamation/Arrangement has been received against the Petitioner Companies. Further, the Petitioner Companies have filed Financial Statements up to 31.03.2023.</i></p> <p><i>The ROC, Pune has further submitted that in his report dated 19.06.2024 which are as under:</i></p> <p><i>i. That the ROC Pune in his report dated 19.06.2024 has stated that No Inquiry, Inspections, Investigations, Prosecutions & complaints under CA, 2013 have been pending against the Petitioner Companies.</i></p> <p><i>ii. Further ROC, Pune has mentioned as follows:</i></p> <p><i>1. May be decided on its merits.</i></p> <p><i>Hence, the Petitioner Companies shall undertake to submit detailed reply against observations mentioned above.</i></p>	<p><i>As far as the observation made in Paragraph 2(a) of the Report of the Regional Director is concerned, the Petitioner Companies state that the said observation of the Registrar of Companies, Maharashtra, Ministry of Corporate Affairs ("Registrar of Companies"), is factual in nature.</i></p>



Sr no	Observation in the RD Report filed by the Regional Director	Reply of Petitioner Companies
b)	<i>In compliance of Accounting Standard-14 or IND AS - 103, as may be applicable, the Resulting 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>	As far as the observation made in Paragraph 2(b) of the Report of the Regional Director is concerned, the Petitioner Companies undertakes to pass such accounting entries which are necessary in connection with the Scheme to comply with applicable Accounting Standards such as IND AS - 103 and other accounting standards, as may be applicable.
c)	<i>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>	As far as the observation made in Paragraph 2(c) of the Report of the Regional Director is concerned, 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.
d)	<i>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 after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i>	As far as the observation made in Paragraph 2(d) of the Report of the Regional Director is concerned, the Petitioner Companies states that notices have been issued to the concerned authorities under Section 230(5) of the Act through email and Speed Post. The Affidavit of Service dated May 16, 2024 evidencing service of notices upon concerned authorities has been filed before this Hon'ble Tribunal in that regard. The Petitioner Companies confirm that the



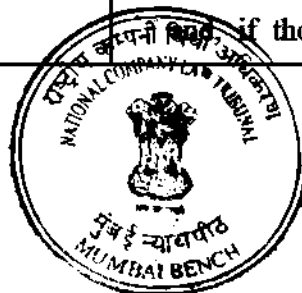
Sr. no	Observation in the RD Report filed by the Regional Director	Reply of Petitioner Companies
		sanction of the Scheme will not prevent the authorities from making any decisions, as per law and any such decision of such authorities if taken, will be dealt with as per law.
e)	<p><i>As per Definitions of the Scheme,</i></p> <p><i>"Appointed Date" means the opening business hours of 1st January, 2023 or such other date as may be decided by the Board of the parties</i></p> <p><i>"Effective Date" means the date on which all conditions precedent set forth in Clause 20 (Conditions Precedent) are fulfilled. Reference 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></p> <p><i>In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its</i></p>	<p>As far as the observation made in Paragraph 2(e) of the Report of the Regional Director is concerned, the Petitioner Companies state that, the Appointed Date as defined in the Scheme means the opening business hours of 1st January, 2023 or such other date as may be agreed between the Parties.</p> <p>The Effective Date means the date on which all conditions precedent set forth in Clause 20 (Conditions Precedent) are fulfilled.</p> <p>In terms of Section 232(6) of the Act, the said Appointed Date has been clearly mentioned in the Scheme.</p> <p>Further, Circular No. F.No.7/12/2019/CL-I dated 21st August 2019 issued by Ministry of Corporate Affairs ("MCA Circular") states that, in terms of Section 232(6) of the Act, the Scheme shall be deemed to be effective from the 'appointed date' and not a date subsequent to the 'appointed date'.</p> <p>Further, the MCA Circular permits the</p>



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	<p><i>inherent powers.</i></p> <p><i>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>Petitioner Companies to decide and agree upon an 'appointed date' from which the Scheme shall come into force and permits the Petitioner Companies to choose and state an 'appointed date' in the Scheme. This appointed date may be a specific calendar date or may be tied to the occurrence of an event. The Petitioner Companies have agreed to choose 1st January, 2023 as the Appointed Date for the Scheme. Therefore, the Petitioner Companies humbly submits that, the Scheme is in compliance with the requirements specified in Section 232(6) of the Act and the MCA Circular.</p>
f)	<p><i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meeting duly held in terms of Section 230(1) read with 7 sub-section (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</i></p>	<p>The Petitioner Companies state that, the captioned Company Scheme Application filed by the Petitioner Companies have been allowed by the Hon'ble Tribunal vide its order dated March 28, 2024 ("said Order").</p> <p>In terms of the said Order, inter alia, the Hon'ble Tribunal directed the following:</p> <ol style="list-style-type: none"> 1. The meeting of equity shareholders, secured creditors and unsecured creditors of the Demerged Company to be convened be convened on or before 20.05.2024, through physical meeting/ video conferencing/ other audio-visual means, for the purpose of considering, if thought fit, approving, with or



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		<p>without modification(s), the proposed Scheme;</p> <p>2. The meetings of equity shareholders of the Resulting Company, for the purpose of approving the proposed Scheme, were dispensed in view of consent affidavits provided by all the equity shareholders of the Resulting Company.</p> <p>3. As the Resulting Company did not have any secured creditors, the question of convening and holding meeting of the secured creditors did not arise.</p> <p>4. The meetings of unsecured creditors of the Resulting Company, for the purpose of approving the proposed Scheme, were dispensed in view of consent affidavit having more than 90% in value of the total outstanding amount, approving the Scheme and directed to serve notice to unsecured creditors whose consent has not been obtained, with a direction that such Unsecured Creditor may submit their representation, if any, to the Tribunal within 30 (thirty days) of receipt of such notice.</p> <p>5. As the Petitioner Companies did not have any preference shareholders, the question of convening and holding meeting of the preference shareholders</p>



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Sr no.	Observation in the RD Report filed by the Regional Director	Reply of Petitioner Companies
		<p>did not arise.</p> <p>In compliance with applicable provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the said Order, the meeting of the secured creditors of the Demerged Company were convened and held on May 16, 2024 at 11:00 a.m., and the meeting of equity shareholders and unsecured creditors were convened and held on May 20, 2024 at 11:00 a.m. and 03.00 p.m., respectively for the purpose of considering, and, if thought fit, approving, with or without modification(s), the proposed Scheme.</p> <p>The Scheme was approved with requisite majority at the said meetings of the equity shareholders, secured creditors and unsecured creditors of the Demerged Company.</p> <p>Copies of the Chairpersons' Report disclosing the results of the said meetings along with scrutinizer's report as filed with the Hon'ble Tribunal is annexed hereto and marked as <u>Exhibit - A</u>.</p>
g)	<p><i>Petitioner Companies shall undertake to comply with the directions of the Income Tax Department and GST Department, if any.</i></p>	<p>As far as the observation made in Paragraph 2(g) of the Report of the Regional Director is concerned, the Petitioner Companies undertake to comply with the directions of the Income Tax and GST Department</p>



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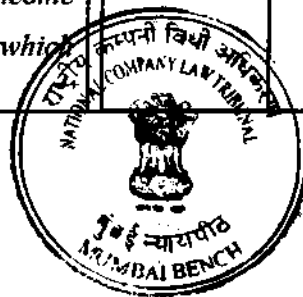
Sr. no.	Observation in the RD Report filed by the Regional Director	Reply of Petitioner Companies
		concerned in accordance with applicable law.
h)	<i>The Petitioner Companies may be directed to undertake that the present Scheme is in compliance with provisions of Section 2(19AA) of the Income Tax Act, 1961.</i>	<p>The Petitioner Companies state that, it is specified in the Scheme that, the Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961 and provides for the demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the First Petitioner Company into the Second Petitioner Company on a going concern basis.</p> <p>The Petitioner Companies further state that, the Scheme is in compliance with all the conditions specified in Section 2(19AA) of the Income Tax Act.</p>
i)	<i>The Hon'ble NCLT may kindly direct the Petitioner Demerged Company to comply the Rules Regulation of FEMA / FERA / RBI as the shares of Petitioner Companies held by foreign shareholders.</i>	As far as the observation made in Paragraph 2(i) of the Report of the Regional Director is concerned, the Petitioner Companies undertake to comply with the Rules / Regulation of FEMA / FERA / RBI with respect to the shares of the Demerged Company held by foreign shareholders, as applicable.
j)	<i>The Hon'ble NCLT may kindly direct the Petitioner Company (Demerged Company)</i>	The Petitioner Companies state that, the



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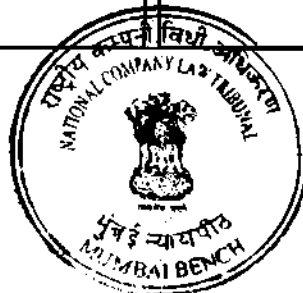
Sr no	Observation in the RD Report filed by the Regional Director	Reply of Petitioner Companies										
	<p>disclose the list of Assets & Liabilities to be transferred to Resulting Company to further comment upon the Scheme. However, interest of creditors may be protected.</p>	<p>indicative details of assets and liabilities of the Demerged Undertaking as on the appointed date i.e. January 01, 2023, is annexed hereto and marked as <u>Exhibit - B</u>.</p> <p>The Petitioner Companies undertake that the amounts outstanding against its respective creditors will be paid in ordinary course of business. Hence, the interest of creditors will be protected.</p>										
k)	<p>It is observed that from financial statements of the Petitioner Demerged Company has issued shares at Security Premium as follows:</p> <table border="1"><tr><td>1.</td><td>31.03.2023</td><td>STERLITE POWER TRANSMISSION LIMITED</td><td>4,536.80 (In Million)</td></tr></table> <p>The Company may clarify the status of filling of return of allotment. Transferee Company shall submit status to the Hon'ble Bench in respect of Income Tax payment on assessment under section 68 of the Income Tax Act, 1961 for the years in which</p>	1.	31.03.2023	STERLITE POWER TRANSMISSION LIMITED	4,536.80 (In Million)	<p>The Balance Sheet of the Demerged Company as on March 31, 2023 has an outstanding balance of INR 4536.80 million against the securities premium account. The Demerged Company states that the securities premium has been built up over the past few years. The details of securities premium account is mentioned below:</p> <table border="1"><thead><tr><th>Financial Year</th><th>Amount (INR million)</th><th>Particulars</th></tr></thead><tbody><tr><td>2016 - 17</td><td>6,748.37</td><td>Pursuant to the erstwhile Scheme of Arrangement between Sterlite Technologies Limited and Sterlite Power Transmission Limited and their respective</td></tr></tbody></table>	Financial Year	Amount (INR million)	Particulars	2016 - 17	6,748.37	Pursuant to the erstwhile Scheme of Arrangement between Sterlite Technologies Limited and Sterlite Power Transmission Limited and their respective
1.	31.03.2023	STERLITE POWER TRANSMISSION LIMITED	4,536.80 (In Million)									
Financial Year	Amount (INR million)	Particulars										
2016 - 17	6,748.37	Pursuant to the erstwhile Scheme of Arrangement between Sterlite Technologies Limited and Sterlite Power Transmission Limited and their respective										



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Sr no	Observation in the RD Report filed by the Regional Director	Reply of Petitioner Companies		
	Securities Premium was collected or comments of Income Tax Department may be offered.			shareholders & creditors, sanctioned by the Hon'ble Bombay High Court vide its Order dated 22 April, 2016. The Demerged Company had issued shares on premium therefore an amount of INR 6,748.37 million was transferred to securities premium account in the financial year 2016-17.
		2017-18	(2,211.57)	The Demerged Company had redeemed Non - Convertible Redeemable Preference Shares during the year and accordingly, a sum of INR 2,211.57 million was adjusted from the securities premium account on account of such redemption.



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Sr no	Observation in the RD Report filed By the Regional Director	Reply of Petitioner Companies							
		2022-23	(86.34)	The Demerged Company had issued a bonus share in the ratio of 1:1. Accordingly, an amount of INR 86.34 million was adjusted from the securities premium account.					
		The Demerged Company submits that the during these years the Company had filed Income tax return, the copies of the income tax return filed are annexed herewith as <u>Exhibit-C</u> . Further, the Demerged Company has filed necessary forms with respect to allotment / redemption of shares with Registrar of Companies, copies of the e-forms filed by the Demerged Company are annexed herewith as <u>Exhibit-D "Colly"</u> .							
1)	<p>As per financial statements as on 31.03.2023 submitted by the Petitioner companies, details of shareholding is as follow:</p> <table border="1" data-bbox="274 1476 854 1886"> <tr> <td data-bbox="274 1649 337 1886">1</td><td data-bbox="337 1649 462 1886">STERLIT E GRID 5 LIMITE D</td><td data-bbox="462 1649 611 1886">Sterlite Power Transmissi on Limited</td><td data-bbox="611 1649 697 1886">100%</td><td data-bbox="697 1649 854 1886">No form BEN - 2 has been filed by any of</td></tr> </table>	1	STERLIT E GRID 5 LIMITE D	Sterlite Power Transmissi on Limited	100%	No form BEN - 2 has been filed by any of	The Demerged Company and the Resulting Company have provided the necessary details of the holding reporting company by reporting in Form BEN - 2 and filed the same with the Registrar of Companies in financial year 2019 vide SRN H93006856 and SRN R25960816, respectively. Further, there is no change in beneficial owner since 2019. The Petitioner Companies undertakes to comply with the provisions of section 90 of Companies Act, 2013 r/w. Companies		
1	STERLIT E GRID 5 LIMITE D	Sterlite Power Transmissi on Limited	100%	No form BEN - 2 has been filed by any of					



Sr. no.	Observation in the RD Report filed by the Regional Director	Reply of Petitioner Companies
	<p>(Resulting Company)</p> <p><i>No Form BEN – 2 has been filed by any of the Petitioner Companies as per records available at MCA21 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, including Rule 8 of said Rules, thereunder and to file Form Ben-2 for declaring name of the significant beneficial owner with concerned ROC.</i></p>	<p>(Significant Beneficial Owners) Amendment Rules, 2019, including Rule 8 of said Rules, as applicable.</p>

10. The observations made by the Regional Director (RD), Western Region, Mumbai are enlisted hereinabove together with response of the Petitioner Company on the observations of the RD, which is also filed vide affidavit of the Petitioner Company dated 31.07.2024. Mr. Tushar Wagh, Ld. Authorised Representative of the Regional Director during the





course of final hearing submitted that they have no further objection to the Scheme.

11. The Petitioner Companies have received representations from various GST authorities which have been placed on record by way of Affidavits dated July 31, 2024 and August 7, 2024 filed by the Petitioner Companies along with the response in relation thereto. The Ld. Counsel of the Petitioner Companies also states that the Petitioner Companies have been served with an Interlocutory Application by the GST Department, Chhattisgarh placing on record their representation to the Scheme. Further, the Income Tax Department concerned for the First Petitioner Company has filed an Application vide Diary No. 2709138061702024 placing on record its representations to the Scheme. In response to the said Applications, the Petitioner Companies have served their Affidavits in reply dated July 31, 2024.

12. Counsel for the Income-tax Department states that the Income-tax Department has pending demands against the First Petitioner Company amounting to approx. INR 53.53 crores and objects to the unnumbered paragraph below Clause 4.2.6.3 of the Scheme reproduced below:

"However, the tax liabilities and tax demands (except pertaining to Income Tax Act) of the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Undertaking shall be transferred as part of the Demerged Undertaking to the Resulting Company."





13. The Ld. Senior Counsel for the Petitioner Companies states that post implementation of the Scheme, the net-worth of the Petitioner Companies will be highly positive. By Affidavit dated August 7, 2024 the Petitioner Companies have placed on record a net-worth certificate issued by an independent chartered accountant certifying the net-worth of the Demerged Company as approx. INR 359.4 crores and that of the Demerged Undertaking (being demerged into the Resulting Company) as approx. INR 1747.8 crores, post sanction of the Scheme. Further, the Petitioner Companies by Affidavit dated August 7, 2024 have placed on record a report from the statutory auditors of the First Petitioner Company on the treatment of tax liabilities and tax demands of the First Petitioner Company pertaining to Income-tax and GST under the Scheme. The Petitioner Companies undertake that all income-tax demands and liabilities under the Income-tax Act, 1961, if any, prior to approval of the Scheme, will be taken up by the First Petitioner Company / Demerged Company, in compliance with applicable law. If said income-tax demands aggregating to approx. INR 53.53 crores become eventually due and the same are not met by the First Petitioner Company, the Resulting Company / Second Petitioner Company, undertakes to meet the same, as per applicable law. Counsel for the Income Tax Department submitted that with this statement of the Counsel for the Petitioner Company the interest of the Income Tax Department is sufficiently protected and hence he has no further objections to the scheme. He also requested that this statement be made





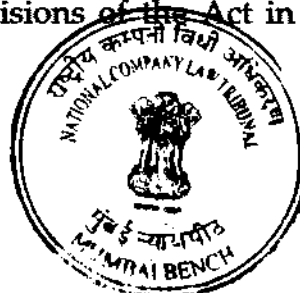
part of the approval of the scheme. Accordingly, the Petitioner companies is directed to ensure that the interest of the Income Tax Department with reference to any outstanding demands/enquiries pending as on the date of the approval of the Scheme shall be protected.

14. The tax liabilities and tax demands under GST pertaining to the Demerged Undertaking would be transferred to the Second Petitioner Company. Hence, the interests of GST authorities and IT Department would not be prejudiced in any manner by the sanction of the Scheme.
15. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this scheme and in case it is found that the scheme ultimately results in tax avoidance under the provisions of Income Tax Act, it shall be open to the income tax authorities to take necessary action as possible under the Income Tax Law.
16. 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.
17. Since all the requisite statutory compliances have been fulfilled, the Petition in C.P.(CAA)/113/MB/2024 filed by Petitioner Companies is made absolute in terms of prayer clauses of the said Company Scheme Petition. Therefore, the Scheme is hereby sanctioned. This Bench further orders that -





- i. The Appointed Date is fixed as 01.01.2023.
- ii. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Shareholders, Creditors and Employees.
- iii. The Petitioner Company-1 shall be Demerged and the business operations shall be transferred to the Petitioner Company-2 which shall become the Resulting company with effect from the Appointed Date.
- iv. The Petitioner Companies are directed to file a certified 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 Order from the Registry.
- v. The Petitioner Companies are directed to file a certified copy of this order and the Scheme duly authenticated by the Deputy / Assistant Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, payable, if any, within 60 clear working days from the date of receipt of certified copy of the Order from the Registry of this Tribunal.
- vi. The Petitioner Companies shall comply with all the undertakings given by them.
- vii. The Petitioner Companies shall take all consequential and statutory steps required under the provisions of the Act in pursuance of the Scheme.





viii. All concerned regulatory authorities shall act on a copy of this Order along with the Scheme duly authenticated by the Registrar of this Tribunal.

ix. Any person or any Authority, whose interest is adversely affected, shall be at liberty to approach appropriate Forum or to take appropriate action as permissible under law.

18. With the above directions, C.P.(CAA)/113/MB/2024 c/w CA(CAA)/03/MB/2024 is allowed and disposed of. File to be consigned to records.

Sd/-

Anu Jagmohan Singh
Member (Technical)

Sd/-

Kishore Vemulapalli
Member (Judicial)

05.09.2023/pvs



Certified True Copy _____
Date of Application 05/9/2024
Number of Pages 21
Fee Paid Rs. 105/-
Applicant called for collection copy on 26/9/24
Copy prepared on 26/09/2024
Copy issued on 26/9/2024


26/09/2024
Deputy Registrar

National Company Law Tribunal, Mumbai Bench