IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH - I

CP (CAA) NO. 3/MB/2026
IN
CA (CAA) NO. 252/MB/2025

In the matter of the Companies Act, 2013;

And

In the matter of Section 230 to Section 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 The scheme of amalgamation Between

Asian Paints (Polymers) Private Limited

("Transferor Company")

And

Asian Paints Limited

("Transferee Company")

And their respective

Shareholders and Creditors.

Asian Paints (Polymers) Private Limited
[CIN: U24222MH2023PTC397471] …. Petitioner Company No. 1

Asian Paints Limited
[CIN: L24220MH1945PLC004598] …. Petitioner Company No. 2

Order pronounced on 10.03.2026

Coram:

Prabhat Kumar — Member (Technical)

Sushil Mahadeorao Kochey — Member (Judicial)

Appearances:

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

ORDER

1) Heard the Ld. Counsel for the Petitioner Companies. Except otherwise stated, neither objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions to the said Scheme.

2) The present scheme is a Scheme of Amalgamation by way of Merger by Absorption of Asian Paints (Polymers) Private Limited ("Transferor Company" or "First Petitioner Company") with Asian Paints Limited ("Transferee Company" or "Second Petitioner Company") and their respective Shareholders and Creditors, under Section 230(1) of the Companies Act, 2013 ("Act") read with Rules 3 and 5 of the Companies (Compromises,

Arrangements and Amalgamations) Rules, 2016.

3) The First Petitioner Company, incorporated under the Companies Act, 2013 on 11th January 2023 is a wholly owned subsidiary of the Transferee Company, has its registered office at 6A & 6B, Shantinagar, Santacruz (East), Mumbai 400055, Maharashtra. carries on the business as manufacturers, dealers, importers, exporters and traders in all kinds of chemicals and chemical compounds, all kinds of plastic materials, emulsions, monomers, vinyl acetate ethylene emulsions ("VAE"), vinyl acetate monomers ("VAM"), styrene, butadiene and similar monomers, ethylene, ethanol and other alcohols. The Authorized Capital of the Transferor Company as on 30th June 2025 is INR 13,00,00,00,000/- (Rupees Thirteen Hundred Crore Only) divided into 130,00,00,000 equity shares of face value of INR 10/- each. The Second Petitioner Company, incorporated under the Companies Act, 1913 on 24th October 1945, has its registered office at 6A & 6B, Shantinagar, Santacruz (East), Mumbai-400055, Maharashtra. The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home decor, bath fittings and providing related services. The Authorized Capital of the Transferee Company is INR 100,00,00,000/- (Rupees Hundred Crore Only) divided into 99,50,00,000 Equity shares of face value INR 1/- each and 50,000 11% Redeemable Cumulative Preference shares of face value INR 100/- each.

4) The shares of the Transferee Company are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges").

5) Learned Counsel for the Petitioner Companies submits that the Scheme has been approved by the Board of the Directors of the Petitioner Companies No. 1 and 2 *vide* board resolution dated 17th July 2025 and 29th July 2025 respectively. The Appointed Date for the Scheme is 1st April 2025.

6) The registered offices of the Petitioner Companies are situated in Maharashtra and are within the territorial jurisdiction of the Tribunal.

7) The Petitioner Companies No. 1 and 2 have filed their Memorandum of Association and Articles of Association, along with their audited financial statements as on 31.03.2025 and 30.09.2025, respectively. The MOA reflects that the Companies are empowered to carry out arrangement between shareholders and creditors by way of merger / demerger.

8) Learned Counsel for the Petitioner Companies further submits that the management of the Petitioner Companies believe that Amalgamation of the First Petitioner Company with Second Petitioner Company would have, inter alia, the following benefits:

a. Strengthening of organizational capabilities around operational and financial areas, driving scale benefits through leveraging resources;

b. Reduction in the multiplicity of legal and regulatory compliances, generate economies in administrative costs and facilitate consolidation to enable effective management;

c. Enhancing organizational capabilities ar1smg from the pooling of talent and human capital with diverse skill sets and experience in areas such as design, sourcing and consumer

insights, providing strength to operate strongly in a highly fragmented market;

d. The other benefits of the proposed amalgamation includes:

i. The amalgamation of the Transferor Company with the Transferee Company will maximize shareholder value of the Transferee Company;

ii. The amalgamation of the Transferor Company with the Transferee Company shall facilitate consolidation to enable effective management and will result in simplification of group structure;

iii. Upon completion of the amalgamation, Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, tax filings, company law compliances, etc. and therefore reduction in administrative costs.

9) Learned Counsel for the Petitioner Companies submits that the Petition has been filed in consonance with the order dated 27th November 2025, passed by this Tribunal in C.A.(CAA)/252/MB/2025. The Counsel submits that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have filed necessary Affidavits of compliance with this Tribunal. Moreover, the Petitioner Companies shall comply with all the statutory requirements, if any, as may be required under the Companies Act, 2013 and the Rules made there under. The said undertaking is accepted by the Petitioner Companies.

10) The Petitioner Companies submit that no investigation proceedings have been instituted and/or are pending against them under Sections 210-217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013. There are no ongoing adjudications and / or recovery proceedings and / or pending litigations and / or prosecutions initiated and / or enforcement actions against First Petitioner Company. The list of pending litigations against Second Petitioner Company is annexed to the Company Scheme Petition. It is also submitted that there is no ongoing adjudication, recovery proceedings, pending litigations, prosecution initiated and / or any other enforcement action against the Promoters and /or Directors of the Petitioner Companies as per the audit report and the Regional Director's (RD) Report.

11) The Statutory Auditors of the Second Petitioner Company (Transferee Company) have examined the Scheme in terms of provisions of Section 230- 232 and certified that the accounting treatment contained in the Scheme is in conformity with the applicable accounting standard specified under section 133 of the Companies Act, 2013.

12) The Learned Counsel for the Petitioner Companies submit that there is no winding up petitions or petitions under the Insolvency and Bankruptcy Code, 2016 admitted against any of the Petitioner Companies.

13) The Petitioner Companies have undertaken/ submitted vide the reply filed to the Report of Regional Director (RD) and RoC that:

a) The Transferee Company shall comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and to pay the differential fee, if any, after setting off the fees already paid by

the Transferor Company on its authorized capital, to the extent applicable.

b) The Petitioner Company has identified an accounting irregularity relating to incorrect classification of certain expenses. An internal audit review confirmed that the expenses, though genuine business expenditures, had been misclassified. There was no evidence of any personal monetary benefit to any employee. Consequential accounting adjustments, including correction of period recognition and payment of applicable tax under Section 194R of the Income-tax Act along with interest, were duly carried out and reflected in the Q2 FY 2024–25 financials. The matter was detected through the Company's internal control framework and addressed by strengthening processes relating to purchase order approvals and invoice validation. Based on recommendations of the Audit Committee, the Board, at its meeting held on 17th December 2024, approved cessation of engagement with the concerned vendor and took appropriate action against the employee involved, who is no longer associated with the Company. In compliance with Section 143(12) of the Companies Act, 2013, the matter was reported to the Statutory Auditors, who have filed the requisite report with the Central Government. It is clarified that approval of the Scheme will not hamper any pending investigation, which shall be decided on its own merits and in accordance with law. In any event, the investigation pertains to the Transferee Company, which will continue to exist post sanctioning of the Scheme.

c) The Petitioner Companies have complied with the said directions for service of notices to all its secured creditors and unsecured creditors.

d) The Petitioner Companies shall pass necessary accounting entries to give effect to the Scheme in accordance with AS-14 and Ind-AS-103, as applicable, and shall comply with other applicable accounting standards. They further submit and confirm that the Scheme enclosed in the Company Application and Company Petition are identical, with no discrepancy or change.

e) The notices under Section 230(5) of the Companies Act, 2013 have been duly served upon the regulatory authorities, as directed by this Tribunal vide orders dated 27th November 2025, 7th January 2026, and 19th January 2026.

f) The Appointed Date of the Scheme is 1st April 2025, and the Scheme shall take effect from the said Appointed Date. The Company Scheme Application was filed on 18th October 2025, and the Petitioners have duly complied with the requirements clarified vide Circular No. 7/12/2019/CL-I dated 21st August 2019 issued by the Ministry of Corporate Affairs.

g) There are no adverse observations issued by the Stock Exchanges, BSE and NSE. The Scheme has been filed as an intimation to them in compliance with applicable SEBI circulars.

h) The Petitioner Companies shall comply with directions, if any, issued by the concerned sectoral regulatory authorities, the Income-tax Department, and the GST Department.

i) The First Petitioner Company has filed the necessary Form BEN-2 in compliance with the provisions of the Companies Act, 2013. The Second Petitioner Company submits that Sattva Holding and Trading Private Limited (holding 5.71%) and Smiti Holding and Trading Private Limited (holding 5.40%), being bodies corporate forming part of the Promoter and Promoter Group of the Company, have been identified as Significant Beneficial Owners (SBOs) and have reported the same to the Company in Form BEN-1, The corresponding Form BEN-2 has been filed by the Company. Life Insurance Corporation of India (LIC) holds 8.29% stake in the Company; hence, LIC is not required to file Form BEN-1 for corresponding filing of Form BEN-2 by the Company.

14) The Official Liquidator, after examining the records, has reported via report dated 18.02.2026, that the affairs of the transferor company have not been conducted in a manner prejudicial to the public interest or interest of creditors.

15) No objections have been received from any other statutory or regulatory authority. Accordingly, the Scheme is deemed to be unopposed.

16) We have perused the submissions made by the Petitioner Companies and the report submitted by the RD, OL as well as Registrar of Companies. The Petitioner Companies will comply with all the undertakings given by them in their reply filed to the ROC / RD.

17) From the material on record, the Scheme annexed 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.

18) Since all the requisite statutory compliances have been fulfilled, the said Company Scheme Petition C.P(CAA)/3/MB/2026 in C.A(CAA)/252/MB/2025 is made absolute in terms of the prayer clauses of the said Company Scheme Petition. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned, including their respective Shareholders, Creditors, Employees and/or any other stakeholders concerned.

19) The Transferor Company be dissolved without winding up.

20) The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this Scheme and it shall be open to the Income Tax Authorities to take necessary action to deal with, in relation to tax or any other kind of obligations of Transferor Company against the Transferee Company, as permissible under the Income Tax Laws.

21) Needless to say, all liabilities accruing in the transferor company shall be transferred to the Transferee Company, however, the liabilities in respect of offences committed under this act by the officers in default, of the transferor company prior to its merger, amalgamation or acquisition shall continue after such merger, amalgamation or acquisition as provided in Section 240 of the Companies Act, 2013.

22) The Petitioner Companies are directed to file a certified copy of this Order along with the Scheme duly authenticated/certified by the Designated Registrar of National Company Law Tribunal, Mumbai Bench, with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 (thirty) days from the

date of receipt of the certified copy of this Order along with the Scheme.

23) This Order should not, in any way, be construed as an Order granting exemption from payment of stamp duty, taxes or other charges, if any, and payment in accordance with law or in respect of any permission or compliance with other requirements which may be specifically required under any law.

24) The Petitioner Companies to lodge a certified copy of this Order and the Scheme duly authenticated by the Designated Registrar of 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 copy of the Order from the Registry.

25) All regulatory authorities concerned to act on a copy of this Order along with Scheme duly certified by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai.

26) Ordered accordingly. Thus, the Company Scheme Petition with *C.P.(CAA)/3/MB/2025 in C.A.(CAA)/252/MB/2025* shall stand to be **disposed of**.

27) File to be consigned to records.

Sd/- Sd/-

Prabhat Kumar **Sushil Mahadeorao Kochey**

Member (Technical) Member (Judicial)

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