

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT - 2



ITEM No.301

C.P.(CAA)/1(AHM)2026 in CA(CAA)/50(AHM)2025

Proceedings under Section 230 - 232 of Co.Act,2013

IN THE MATTER OF:

Suzlon Energy Limited

.....Applicant

.....Respondent

Order delivered on: 29/04/2026

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)

Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in open court vide separate sheet.

sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)



**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH - COURT-2**

CP(CAA)1/(AHM)2026

in

CA(CAA)50(AHM)/2025

[Application under Sections 230-232 and with other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016].

Memo of Parties

SUZLON ENERGY LIMITED

(CIN: L40100GJ1995PLC025447)

A company incorporated under the Provisions of Companies Act, 1956

Having its registered office at

“Suzlon”5, Shrimali Society,

Near Shri Krishna Complex,

Navrangpura, Ahmedabad-

3800090-Gujarat

.....Petitioner No.1/
Applicant Company

Order Pronounced on 29.04.2026

Coram:

MRS. CHITRA HANKARE

HON'BLE MEMBER (JUDICIAL)

MR. VELAMUR G VENKATA CHALAPATHY

HON'BLE MEMBER (TECHNICAL)

Appearance:

For the Petitioner Company : Ms. Swati Soparkar, Adv.

For the Regional Director : Mr. Shiv Pal Singh

For the Income Tax Dept. : Mr. Aman Mir, Adv.

For the Registrar of
Companies :

JUDGMENT

sdl-


sd/-



1. The present joint Company Petition is filed by the Petitioner Companies under Sections 230 to 232 read with Section 52 and 66 and Rule 3 of the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016, and other applicable provisions of the Companies Act, 2013 by the applicant company, viz Suzlon Energy Limited for the proposed scheme of Arrangement in the nature of Reorganization and Reclassification of Reserves of Suzlon Energy Limited. The appointed date is stated to be 30.09.2024.
2. It is represented that the registered office of the applicant company i.e. Suzlon Energy Limited (SEL) is situated within the territorial jurisdiction of Registrar of Companies, Ahmedabad, Gujarat, which is falling under the jurisdiction of this Tribunal.
3. The Board of Directors of both Applicant Company has approved the Scheme through their respective Board Resolutions dated 28.10.2024 passed in their respective Board Meeting.
4. Petitioner Companies had filed a joint Company Application before this Tribunal bearing CA(CAA) No.50 of 2025. By an order dated 30.10.2025, this Tribunal had allowed the aforesaid company application. This Tribunal had directed to convene the meetings of the equity shareholders and Unsecured Creditors of the company.

Sd/-

Sd/-



The meeting of the Secured creditors of the applicant company was dispensed with in view of their consent affidavits.

5. In response to the order dated 30.10.2025, the Chairman filed an affidavit dated 15.12.2025 placing on record the report of the meeting of the equity shareholders and the unsecured creditors conducted through VC/OAVM on 12.12.2025. Vide said Chairman's report dated 15.12.2025, it is seen that the requisite majority of the Equity shareholders (representing 96.6019% in numbers and 99.9966% in value) and Unsecured Creditors (representing 97.1154% in numbers and 98.1638% in value) of the Applicant Company have approved the proposed Scheme.
6. In compliance of order dated 09.01.2026, petitioner companies published notice of hearing of the petition in 'Indian Express' in English and 'Sandesh' in Gujarati edition and served the notices to the Regional Director, Registrar of Companies, Jurisdictional Income Tax Authority along with Principal Chief Commissioner of Income Tax.
7. In response to the notice served upon the Regional Director (RD), a representation/report dated 18.03.2026 was filed by the RD North-Western Region, along with the report of the Registrar of Companies (RoC) dated 28.11.2025. The petitioner companies have filed an

Sd/-

Sd/-



affidavit dated 19.03.2026 in response to the reports of RD and RoC. Following are the observations of RD and ROC and response of the petitioner companies:

RD's Observations

- a. That the appointed date opted by the companies either closing of the financial year or opening of the financial year. However, in the present scheme, the appointed date selected is 30.09.2024. Hence, the petitioner company to clarify the reason for selection of appointed date as 30.09.2024.
- The petitioner company states that the scheme of amalgamation of Suzlon Global Services Limited (SGSL) with and into Suzlon Energy Limited (SEL) with appointed date of 15.08.2024 was filed before NCLT, Ahmedabad bench on 14.05.2024. The petition company then decided to file a scheme for re-organization and re-classification of its Reserves. The petitioner company was directed by this bench to amend the appointed date to a date which is not a prospective date. Since this bench does not allow a prospective date, the latest half year ended limited review date(i.e. 30.09.2024)which is before the date of submission of Scheme application to BSE, NSE and SEBI(i.e. 19.11.2024) was selected as

Sd/-

Sd/-




appointed date. The said appointed date was duly evaluated and recommended by the Independent directors and the audit committee of the company and thereafter placed before the Board of Directors for their approval.

- b. That on perusal of Clause No. 5.1 of the scheme, it is observed that the company is adjusting debit balance of the Retained earnings account of the company against the credit balance in Capital Reserve, Capital Contribution, Capital Redemption Reserve, Securities Premium and Balance (if any) against General Reserves. The company has also furnished the details of built-up of reserves of the company which are getting utilized under the subject scheme of arrangement. It is observed that Capital reserves arises from scheme of arrangement and restructuring undertaken by the company, Capital Contribution Reserve arises from redemption of preference shares as per the provisions of the Companies Act, 1956 and Capital Contribution Reserve arises from resolution plan, Framework Restructuring Agreement and scheme of arrangement and restructuring which are considered as capital receipt in the hands of the company. Hence, Capital Reserve, Capital Contribution Reserve and Capital Redemption Reserve cannot be freely used to offset accumulated losses (i.e. debit

Sd/-

Sd/-



balance of retained earnings) due to the nature of the reserve, i.e. capital.

- It is stated by the applicant company that the Reserves being set-off are not notional or unrealized. A CA certificate certifying the same is annexed as Annex-A. It is further stated that the built-up of the reserves under the consideration along with details of the same are enclosed as Annex B. The Companies Act, 2013, the Act does not specifically allow nor restrict the utilization of the Reserves in the manner prescribed in the Scheme. A CA certificate certifying the reasons of utilization and applicable law for proposed utilization of reserves as contemplated in scheme are enclosed as Annexure C. It is further stated that the scheme has been duly considered and accepted by BSE and NSE while granting their observations letters. There is no pending liability or obligation on the Petitioner Company against the Reserves being set-off. They further relied upon the judgement of this Bench in the matter of Mafatlal Industries Limited (CP(CAA)/09(AHM)2024 in CA(CAA)61(AHM)2023) and Hon'ble NCLT,

Sd/-

Sd/-



Mumbai Bench in the scheme of arrangement in the case of Prime Securities (CP(CAA)1084(MB)2020 in CA(CAA)/1058(MB)2020) in which accumulated losses were set-off against various reserves including capital reserves.

- c. That as per clause 6.1 of the scheme, upon scheme becoming effective, the entire amount standing to the credit of the General Reserve of the company as on the Appointed Date shall be reclassified and Credited to the Retained Earnings of the company, but the company failed to mention the purpose for which the amount is going to be transfer from General Reserve to Retained Earnings of the company. The petitioner company to place the fact of the case justifying the reason for transferring the amount from General Reserve to Retained Earnings even if there was neither any requirement nor any compulsion to do so. The purposes for which general reserve could be utilized do not envisage transfer of the general reserve to retained earnings or Profit & Loss Account for unfettered and unrestricted use. That the funds which were meant for restrictive use as part of general reserve, would now be available for any purpose, including distribution as dividend, after transfer to Profit & Loss Account, which does not have any apparent

Sd/-

Sd/-

restrictions on its use.

That, the Petitioner Company has wrongly interpreted the proviso under Section 123 of the Companies Act, 2013. That in terms of Section 205(2A) of the erstwhile Companies Act. 1956, wherein it was mandatory for the companies to transfer a certain percentage of profits i.e. not exceeding ten percent to the reserves, which would be beneficial to both company as well as shareholders, as such reserves would be available to the company for ploughing them back for expansion or would be available for declaration of dividends in a lean year but now, in the present scenario even though such transfer is not mandatory but the language of the relevant provisos under Section 123(1) of the Companies Act, 2013 provides that:-

"123. Declaration of dividend. Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserve of the company. Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf. Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves."

Consequently, the limited freedom given to companies through the Companies Act, 2013, is

Sd/-

Sd/-



with respect to whether or not profits may be transferred to reserves, and not an untrammelled right to utilize the already existing compulsorily transferred reserves in total disregard to the restrictions on usage as contained in the Companies (Declaration and Payment of Dividend) Rules, 2014.

- The petitioner company states that it has build up the General Reserves through transfer of revenue profits to the General Reserves on account of dividend that were declared in past in accordance with provisions. As per the Section 123(1) of the Companies Act, 2013, the transfer of profits to reserves is now discretionary rather than mandatory, thereby granting companies the flexibility to determine whether and to what extent, profits should be transferred to reserves prior to the declaration of dividends. Further, as per clause E of the scheme, the rationale thereof and accurately captures the factual background and necessity of the arrangement contemplated in the Scheme. It further states that over a period of time, the company has accumulated a significant balance in its General Reserve in accordance with the provisions of the

Sd/-

Sd/-



Companies Act, 1956.

- Further, that the General Reserve has been historically made by transferring amount from retained earnings and is also included in the definition of “free reserves”. The amount lying in the General Reserves are nothing but a part of the post-tax profits of the company which was transferred on account of provisions of the Companies Act, 1956. Such reserves are presently unutilized and are not subject to any specific lien, charge or obligation.
- It is further stated that clause 6.4 does not in any manner prejudice the discretion of the Board of Directors of the company in declaring the dividend in accordance with applicable provisions of the law nor does it operate as a condition precedent or prohibition in relation thereto. The company has incorporated the said clarification only to ensure that the proposed transfer of amount from General Reserve to retained earnings pursuant to the Scheme is not deemed by itself to result in any automatic obligation for declaration or distribution of dividend under the Act.

Sd/-

Sd/-



- It is further stated that the word “arrangement” as provided for in Sections 391 to 394 of the 1954 Act and Sections 230 to 232 of the Act are to be given a wide import. The word “arrangement” contemplates all arrangements and not only reorganization of share capital. The word “arrangement” though not specifically defined under either the 1956 Act or 2013 Act, has a wide range and ambit. The petitioner company relied upon the judgment of NCLT Ahmedabad bench, in the case of *Sun Pharma Limited (CP(CAA)/13(AHM) 2025 in CA(CAA) 48(AHM)2024)* in which general reserves were reclassified into retained earning.
- d. That on one side the company has submitted that the accounting treatment is in accordance with the Indian Accounting Standards ("IND AS") notified under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015 while on the other side it is mentioned that accounting treatment is not specifically addressed by the accounting standards (Indian Accounting Standards) as prescribed under Section 133 of the Act.
- The petitioner company has placed reliance on paragraphs 10 to 12 of Indian

Sd/-

Sd/-



Accounting Standard (Ind AS) 8- Accounting Policies, changes in accounting estimates and errors, which provide that in the absence of a specific Indian Accounting Standard that applies to a particular transaction or event, management shall use its judgement in developing and applying an appropriate accounting policy that results in information that is relevant and reliable. Further, management is required to refer to requirements in Indian Accounting Standards dealing with similar and related issues and may also consider accepted industry practices.

- Accordingly, the proposed accounting treatment for reduction and reorganization of reserves and reclassification of General Reserve, though not specifically prescribed under any notified Ind AS, has been determined in accordance with the principles laid down under Ind AS and other generally accepted accounting principles, and therefore remains compliant with the provisions of Section 133 of the Companies Act, 2013.
- The petitioner company has relied upon the judgements, wherein the similar

Sd/-

Sd/-



accounting treatment involving the reduction and reorganization of reserves and/or reclassification of General Reserves to retained earnings pursuant to schemes of arrangement has been adopted by various listed companies and approved by the Hon'ble NCLT as follows:

a) *Mafatlal Industries Ltd* in
CP(CAA)/09(AHM)2024 in
CA(CAA)/619(AHM)2023), NCLT,
Ahmedabad Bench.

b) *Prime Securities Ltd* in
CP(CAA)/1084(MB)2020 in
CA(CAA)/1058(MB)2020. NCLT,
Mumbai Bench

c) *Sun Pharmaceutical Industries Ltd* in
CP(CAA)/13(AHM)2025 in
CA(CAA)/48(AHM)2024, NCLT,
Ahmedabad Bench.

d) *Reliance Infrastructure Limited* in
CP(CAA)/111(MB)2025
C.A.(CAA)/68(MB)2025, NCLT, Mumbai
Bench.

- e. That the comments given by the BSE & NSE in the aforementioned letter about the draft scheme of arrangement are also required to be taken into consideration before approving the scheme.

Sd/-

Sd/-



- The petitioner company states that the petitioner company has duly complied with the terms of the observation letters issued by both the NSE and BSE, to the extent applicable and has submitted all requisite documents to NSE and BSE from time to time. Further that NSE and BSE have not sought any further clarifications or additional information from the Petitioner company.
- f. That, on perusal of the Balance Sheet filed by the company, it is observed that the company is having Retained Earnings amounting to Rs. (18,910.54) Crore as on 31.03.2024 and Rs. (16,799.86) Crore as on 31.03.2025 while as per submission made by the company in its reply dated 25.02.2026, the company is going to set off accumulated loss amounting to Rs. (18,418.44) Crore i.e. as on 30.09.2024. The company has already set off accumulated loss amounting to Rs. 1618.58 Crore from 30.09.2024 to 31.03.2025. Hence, the remaining accumulated loss of the company at present is only Rs. (16,799.86) Crore which is required to be set off.
- The petitioner company states that it shall account for reduction and reorganization of reserve and subsequent reclassification of general reserves pursuant to the scheme in

Sd/-

Sd/-



its books of account in accordance with Indian Accounting Standards (“IND AS”) notified under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time and other accounting principles generally accepted in India from the Appointed Date.


g. That, in compliance with Para No. 17 (xii) of the Order 30.10.2025 passed by the Hon'ble NCLT, Bench at Ahmedabad, the company has already served a notice to ROC, RD and Income Tax Department and a copy of service has also been furnished to this Directorate by the company in its reply dated 25.02.2026 filed by the company. However, a copy of notice served to RBI and other sectorial regulatory authorities who may govern the working of the applicant company has not been furnished.

- The petitioner company states that it has served a copy of the Scheme upon the Reserve Bank of India pursuant to the directions of this Bench as per order dated 30.10.2024 and that there are no sectoral regulators for the petitioner company.

h. That the Petitioner Company to clarify the matter

Sd/-

Sd/-



with reference to one reference from SEBI through the office of DGCoA's letter No. CL-II-07/99/2022-O/o DGCoAMCA dated 27.04.2023 in respect of the Petitioner Company, wherein the ROC has already submitted a report dated 12.07.2023 to this Directorate which was submitted to the office of DGCoA by this Directorate vide letter dated 18.07.2023 and no further instruction received from DGCOA/Ministry till date and undertake to comply with the direction, if any passed by ROC/ Regional Director/Ministry (DGCoA) in the matter.

- The petitioner company states that the company had submitted its response on 1.09.2022, post which the company has not been in receipt of any communication from any of the offices of the Ministry of Corporate Affairs.
- i. The Petitioner Companies are required 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 change made. Also the petitioner Companies are required to file an affidavit to the extent that no CIRP proceedings under IBC and/or winding up petition against the applicant companies are pending.

Sd/-

Sd/-



- The Petitioner Companies have enclosed the Scheme with the Company Application and Company Petition are one and the same and there is no discrepancy or change in the Scheme. Also there is no CIRP proceedings under the IBC or winding up petition against the Applicant Transferor or Transferee Company.

RoC's observations

- a. The RoC in its report submitted that both the companies are not registered as NBFC's. The petitioner company has filed Balance Sheet for the year 31.03.2023, 31.03.2024, 31.03.2025 as well as relevant Annual Return for the Financial year ended 31.03.2022, 31.03.2023 and 31.03.2024. It is further submitted that no show cause notice has been issued to both the companies, no court case is pending, no technical scrutiny/inquiry is pending, as per the MCA portal record no complaint received and no inspection / investigation proceedings under Section 209A/206(5) of the Companies Act, 1956/2013 is pending against the companies.
- b. That the equity share of the applicant company are listed on the BSE and NSE. As such, the Company shall comply with the directive issued by SEBI and respective stock exchanges from time to time.

Sd/-


Sd/-



- The petitioner company undertakes to comply with the directive issued by SEBI and respective stock exchanges from time to time.
- c. That a public company so long as remained as public company shall ensure that such statutory requirements of law are duly complied with at relevant time in prescribed manner. Therefore, onus of the due compliance of the applicable provisions of the Companies Act, 2013 is vested with the Applicant Public Company and its KMP/BoDs.
- The petitioner company states that it is in compliance with applicable provisions of the Companies Act, 2013 with regards to the status as Public Company and its KMP/BoDs and undertakes to comply with the same from time to time.
- d. The RoC submitted that the petitioner company to preserve its books of accounts, papers and record and shall not be disposed of without prior permission of Central Government as per Section 239 of the Companies Act, 2013. It is further submitted that petitioner companies to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme, the Transferor Company shall not be absolved from any

Sd/-

Sd/-



of its statutory liabilities, necessary stamp duty on transfer of property/assets, if any, to the respective authorities before implementation of the Scheme and to comply with the provisions of Section 232(5) of the Companies Act with respect to file certified copy of order sanctioning the Scheme with Registrar of Companies within 30 days from the date of passing order.

- The petitioner company undertakes to comply with all statutory compliances of applicable laws and on sanctioning of the Scheme and the companies will not absolve from any of its statutory liabilities, in any manner and further declare that no Corporate Insolvency Resolution Proceedings under Insolvency and Bankruptcy Code, 2016 and/or winding up petition are pending against the Petitioner Companies.

8. In response to the notice of hearing served upon the Income Tax Department, it has filed report vide letters dated 16.03.2026. It is stated that in respect of petitioner company, there is an outstanding demand of Rs. 1,01,60,818/- for the A.Y. 2017-2018 is pending as on the date. It is further stated that there is pending proceedings u/s 147 against the demerged company. It is further stated that the scheme of arrangement in the nature of

Sd/-

Sd/-




Reorganization and Reclassification of Reserves of Suzlon Energy Limited be subject to the compliance of the relevant provisions of the Income Tax Act, 1961. It has also been stated that the Income-tax Department reserves its right to invoke the provisions of Income-tax Act,1961, in any proceedings subsequent to the reorganization and reclassification of reserves of Suzlon Energy Ltd, if happens, for which response is sought and to bring to tax any income arising as a result of the said Scheme of arrangement in the above-mentioned company and its respective Shareholders and creditors, if any.

9. The petitioner company has filed its affidavit in reply on 17.03.2026 stating that the Hon'ble Gujarat High court vide its order dated 25/11/2025 quashed the original penalty order passed and remanded the matter to Assessing Officer. Pursuant to the directions of the Hon'ble Gujarat High court, National Faceless Assessment Center ('NFAC) passed a fresh penalty order on 16/02/2026 and dropped the penalty levied u/s 270A. Hence, there is no demand outstanding in case of a Petitioner. It has also been pointed out that there are pending Appellate proceedings for the Assessment 2018-19 and 2019-20 under Section 147. It is respectfully submitted that the Petitioner Company shall fulfill its liabilities as and when the above referred proceedings are finally adjudicated. The petitioner company further states that Scheme of Arrangement is an internal

Sd/-

Sd/-



accounting reorganization and no immediate adverse tax implication has been observed. It is further submitted that the Petitioner Company hereby undertakes to comply with all applicable provisions of the Companies Act as well as Income Tax Act. The accounting entries shall be in compliance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The Petitioner Company further submits that under the present Scheme of Arrangement, no absolution is sought from the compliance of the applicable provisions of law. Right of the Income Tax Department to take appropriate action under the applicable Provisions of the Act, with respect to the examination of taxability, if any, arising out of the implementation of the Scheme will remain open, and the Department shall continue to have the liberty to take recourse to appropriate action as per law in case of an event of any tax avoidance or violation of Income Tax law.

10. Despite service of notice and paper publication, no representation from any other sectorial/regulatory authorities has been received.
11. Petitioner companies submitted that there are no proceedings/ investigation pending against both the petitioner companies under Sections 210-217, 219, 220,

Sd/-

Sd/-



223, 224, 225, 226 & 227 of the Companies Act, 2013. It is further submitted that the Scheme does not provide for any capital reduction as well as does not provide for any corporate debt restructuring. It is further submitted that there are no winding up petition pending against the petitioner companies under the provisions of the Act. The Statutory Auditors have certified that the accounting treatment specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act.


12. We heard the Counsel for the petitioner companies and representative of the Office of the Regional Director, counsel for Income Tax Department and Registrar of Companies and also gone through the material available on record.

13. Observations & Conclusions:

The Petitioner who has proposed the scheme of arrangement under the provisions of Sec 230 and 231 read with Sec 52 and Sec 66 of the Companies Act 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules 2016 has explained the rationale of the scheme which intends on a turnaround of the company and its business operations resulting in profit on a stand alone basis for the financial years 2022-23, 2023-24 and for the period ended 30 June 2024, to reduce its

Sd/-
|

Sd/-




accumulated losses due to negative accumulated retained earnings proposes to use its unutilized balances in various reserves which are not earmarked for any specific purpose nor any lien attached. This helps the petitioner to reflect a better financial health of the company as it reorganizes its reserves and off set the negative balance in retained earnings. The proposal to set off by using the Capital reserve, Capital Contribution, Capital redemption reserve, Securities Premium and Balance if any in General Reserve, which as per submissions does not alter the share holding pattern of the company. Also a compliance is provided post resizing of the balance sheet by this proposal as per applicable law and in compliance with Indian Accounting Standard (“IND AS”) notified under Sec 133 of the Act under the Companies (Indian Accounting Standard) Rules 2015 and other accounting principles accepted, which is approved by the Board of Directors in the meeting held on 28 Oct 2024. Necessary certifications of the statutory auditor, approval of the Audit Committee and report of Independent Directors have been submitted.

14. The necessary meetings as directed by this tribunal was obtained on 12.12.2025 from the equity share holders and unsecured creditors of the petitioner companies in the meeting held and notices were issued. It is submitted that the resolution carrying the scheme was passed by the requisite majority of the equity holders of the petitioner company and relevant regulatory provisions are complied.

Sd/-

Sd/-



The Meeting convened of the unsecured creditors approved the scheme by a majority of 97.1154% in numbers and 98.1638% in value. The scheme has also been approved by BSE and NSE as per the observation letters, being a listed company and the necessary compliance to regulatory circulars and instructions of SEBI have been provided.

15. We have perused the report of the RD/ROC and Income tax department and the compliance affidavit filed by the petitioners on 20 March 2026. The RD and Income tax department appearing on 09.04.2026 did not raise any further objections to the scheme.
16. This being a scheme of arrangement proposed by the petitioner, has cited the judgment in the matter of Mafatlal Industries Limited (CP(CAA)09(AHM) 2024 in CA(CAA)/61 (AHM 2023 and certain other judgments. We also rely upon the judgment in the matter CP(CAA)No.90/230/232/ND 2022 (2nd motion) in Nestle India Limited of NCLT ND.
17. We observe that the scheme is in the interest of the Petitioner company and its share holders and the future growth of the company and there is no restriction on the mode proposed for the reorganisation and reclassification of reserves of the petitioner company which has complied with the necessary provisions of the Companies Act and there is no impediment in approving the proposed scheme. The sanction of the scheme is subject to compliance of all the relevant provisions of the Companies Act including

Sd/-

Sd/-



applicable regulatory and other considerations including of the payment of taxes due and payable as envisaged in the proposed scheme.

18. Hence we pass the following order:

ORDER

- I. Accordingly, Company Petition i.e. C.P. (C.A.A.) / 1 (AHM) of 2026 in C.A.(C.A.A.)/50 of 2025, is allowed.
- II. The approval to scheme of arrangement under Section 230 to 232 of the Companies Act 2013 is accorded with the following directions which is binding on all the equity share holders, secured creditors and unsecured creditors of the petitioner company:
 - a) The 'appointed date' as fixed in the Scheme is 30.09.2024.
 - b) Since the Scheme involves reclassification and transfer of Capital reserve, Capital Contribution, Capital redemption reserve, Securities Premium and Balance if any in General Reserve of the Applicant Company to retained earnings of the Applicant Company and no new shares are to be issued by the Applicant Company pursuant to the Scheme, the Shareholding Pattern of the Applicant Company shall not undergo any change due to the proposed Scheme of Arrangement.
 - c) Any pay out, other than as dividend to the existing shareholders shall require prior approval by the

Sd/-

Sd/-



Shareholders through Annual General meeting/Extra-ordinary General Meeting, and will be subject to payment of all applicable taxes including Income Tax Dept and ROC.

- d) The Petitioners shall however remain bound to comply with the statutory requirements in accordance with all applicable law.
- e) Notwithstanding the above, if there is any deficiency found or, violation committed, qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal to the scheme will not come in the way of action being taken in accordance with the law, against the concerned persons, directors and officials of the petitioners.
- f) While approving the Scheme as above, we further clarify that this order should not be construed as an order in any way granting exemption from taxes or any other charges if any, and payment in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.
- g) To comply with all applicable Tax legislations and has to pay taxes consequent to the sanction of the Scheme of Arrangement.
- h) To comply with the applicable and relevant accounting standards and regulations pursuant to the proposed scheme of arrangement.

Sd/-

Sd/-



- i) Further, the petitioner company shall within thirty days of the date of the receipt of this order, submit a certified copy of this order along with the sanctioned scheme of arrangement to the Registrar of Companies for registration along with Form INC-28.

Accordingly, Company Petition i.e. C.P. (C.A.A.) / 1 (AHM) of 2026 in C.A.(C.A.A.)/50 of 2025, is allowed and disposed of.

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)