IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.307
C.P.(CAA)22/(AHM)2026
in C.A.(CAA)/1(AHM)2026

Under Section 230-232 of Companies Act, 2013

IN THE MATTER OF:
Abhinand Ventures Pvt. Ltd
Essar Power Limited

........Applicants

Order delivered on: 31/08/2026

C O R A M:
MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

Sd/-
SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-
SHAMMI KHAN
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-1, AHMEDABAD

CP(CAA)/22(AHM)2026
In
CA(CAA)/1(AHM)2026

[Company Petition under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016]

In the matter of Scheme of Arrangement (Demerger)

Memo of Parties

Abhinand Ventures Pvt. Ltd.
CIN: U74110GJ2016PTC167903
A private limited company incorporated under the provisions of the Companies Act 2013, having its registered office situated at: 601, 6th floor, Indra Complex, Near Namrata Society, Pratapnagar, Vadodara-390004, Gujarat, ... Petitioner Company No.1/ **Demerged Company**

And

Essar Power Ltd.
CIN: U40100GJ1991PLC064824
A public limited company incorporated under the provisions of the Companies Act, 1956, and existing under the provisions of the Companies Act, 2013, having its registered office situated at: Office No. 14 and 15, Ground Floor, Info Tower-I, Infocity, Airport Road, Near Indroda Circle,

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Indroda, Gandhinagar-382 007, Gujarat ..... Petitioner Company No.2/**Resulting Company**

Order Pronounced on 31.08.2026

C O R A M :

MR. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
MR. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Petitioner Companies	:	Mr. Saurabh Soparkar, Sr. Advocate along with Mr. Yash Dadhich, Advocate.
For the Regional Director	:	Mr. Shiv Pal Singh, Deputy Director
For the Income Tax Dept.	:	Mr. Anand Palodara, Proxy. Advocate.

O R D E R
Per Bench

1. This joint Company Petition viz., **CP(CAA)/22(AHM)2026** in CA(CAA)/1(AHM)/2026, has been filed by the petitioner companies under Sections 230 to 232 and other applicable provisions of the Companies Act and the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 (hereinafter referred to as "Companies (CAA) Rules, 2016"), seeking approval of the proposed Scheme of Arrangement (Scheme) with effect from **01.04.2025,** being the Appointed Date as mentioned in the Scheme. The Scheme is annexed as "Exhibit: C" to the company petition.

2. Joint Affidavit dated 24.04.2026 in support of the Company Petition, was sworn by Kaladhar Patel and Sanjay Shah, the Authorized Signatories of the petitioner companies, duly authorized vide Board Resolutions dated 16.12.2025 and 02.12.2025 of Petitioner Companies. The aforesaid affidavit and board resolutions are placed on record along with the company petition. The Board Resolutions dated 16.12.2025 and 02.12.2025 are annexed at Exhibit-B1 and Exhibit-B2, respectively, to the company petition.

3. **Abhinand Ventures Pvt. Ltd./ Demerged Company**

It is a private limited company incorporated on 28.04.2016 under the provisions of the Companies Act, 2013. Its registered office is situated in the State of Gujarat. As on 31.03.2025, the authorized share capital of the Demerged Company was Rs.1,00,00,000/- and the issued, subscribed and paid-up share capital was Rs.1,30,000/-.

4. **ESSAR Power Ltd./ Resulting Company**

It is a public limited company incorporated on 30.10.1991 under the provisions of the Companies Act, 1956. Its registered office is currently situated in the State of Gujarat. As on 31.03.2025, the authorized share capital of the Resulting Company was Rs.2,00,00,00,00,000 /- and the issued, subscribed and paid-up share capital was Rs.76,72,13,05,868/-. As on the date of filing this company petition, the authorized share capital of the Resulting Company was Rs.2,00,00,00,00,000/- and the issued, subscribed and paid-up share capital was Rs.76,77,55,65,868/-.

5. The Petitioner Companies had filed a joint Company Application before this Tribunal, being CA(CAA)/1(AHM)2026 on 06.01.2026. The said company application was allowed by this Tribunal vide order dated 28.01.2026 and directed to convene and hold meetings of Non-Convertible Debenture Holders and Unsecured Creditors of the Demerged Company as well as directed to convene and hold meetings of Equity Shareholders and Non-Convertible Debenture Holders as well as Unsecured Creditors of the Resulting Company and appointed Mr. Saurabh Pandey, Advocate, as the Chairperson and CS Mr. Kanjaria Kirit Himatla as the Scrutinizer of the aforesaid meetings. Further, directed the applicant companies for issuance of notice to Central Government through the Regional Director, to the Registrar of Companies, Gujarat and to the concerned Income Tax Department and copy to the Principal Chief Commissioner of Income Tax Office as well as other Sectorial Regulators including SEBI, NSE and BSE, if applicable, who may have significant bearing on the operation of the applicant companies.

6. The applicant companies had filed Comp. Appl./6(AHM)2026 seeking modification in the order dated 28.01.2026 passed in CA(CAA)1 of 2026. This Tribunal, vide order dated 09.03.2026 allowed the aforesaid application.

7. In compliance with the order dated 28.01.2026 passed by this Tribunal in CA(CAA)/1(AHM)2026 read with order dated 09.03.2026 passed in Comp. Appl./6(AHM)2026, the Applicant Companies have filed affidavit of service of notice on 19.03.2026, vide Inward No. D2517 as well as on 13.04.2026, vide inward no. D3230, regarding service of notice upon the Statutory/Regulatory Authorities as well as upon the aforesaid stakeholders of the applicant companies, along with proof of paper publications. Further, the Chairperson of the aforesaid meetings has filed an affidavit of service on 07.04.2026, vide inward no. D3070, regarding service of notice upon the aforesaid stakeholders of the applicant companies along with proof of paper publications. Again, the applicant companies have filed another Com. Appl./16(AHM)2026, seeking modification of the order dated 28.01.2026 passed in CA(CAA)1(AHM)2026, which was allowed by this Tribunal vide order dated 09.04.2026.

8. The meetings were held on 18.04.2026 and 19.04.2026. The Chairperson of the meetings filed his reports on 20.04.2026, vide inward nos. D3449, D3450, D3451, 3452 and D3453.

9. RATIONALE OF THE SCHEME:

The Application states the following regarding the rational of the Scheme:

(i) Upon the Scheme becoming effective, and with effect from the Appointed Date, the Resulting Company proposes reduction and conversion of CCPS into unsecured loan in the manner provided in Clause 7 of Part III.

(ii) The reduction of the capital of the Resulting Company as proposed in Part III of the Scheme would, inter alia:

(a) Assist in rationalising the corporate structure and reduction of shareholding tiers.

(b) Realign share capital of Resulting Company to reflect the commercial intention between the Resulting Company and the Demerged Company.

(c) Enable improved representation of the financial position of the Resulting Company. This would facilitate the Resulting Company to expand and smoothen the business activity and in turn enhancement of its shareholder's value.

(d) Have a positive impact on equity shareholders by preventing dilution of ownership and voting rights, thereby preserving control.

(e) Support earnings per share by limiting future share conversion, reduce fixed dividend obligations to improve profitability, and strengthen overall valuation through lower dilution risk.

(f) Simplify the capital structure, making future fund-raising and compliance easier.

(iii) The Part III of the Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability of the Resulting Company to meet its obligations / commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Resulting Company.

(iv) There is no likelihood that interests of any shareholder(s) or creditor(s) of the respective Companies would be prejudiced as a result of the Scheme. The Scheme does not affect the rights of the creditors of the respective Companies.

<u>Rationale of proposed Demerger as proposed in Part V of the Scheme:</u>

(i) Essar Power Ltd (EPOL) is the flagship company of Essar in power sector. EPOL currently houses a solar power plant of 1MW and is a holding company to its energy assets. Presently, EPOL holds 100%

stake in Essar Power Gujarat Limited (EPGL) which has installed thermal capacity of 1200 MW and currently proposes to expand its thermal capacity by a further 1600 MW. EPOL also holds 100% stake in Essar Renewables Ltd. (ERL) which has won bids to set up aggregate renewable capacity of 900 MW. ERL is solely dedicated to the development, operation, and expansion of renewable energy capacities with plans to set up significant renewable power generation infrastructure over the next 3 to 5 years. EPOL is also entering into the engineering procurement and construction space for the various assets housed within it.

(ii) Abhinand Ventures Private Limited owns, operates and manages the brand business. It is involved in business of licensing the brand along with enhancement as well as protection of the brand in India. It has approximately 150 Essar brand / Green Energy / Renewable variants registered with Trade Marks Department of Central Government. Such business shall be collectively referred to as "Brand Undertaking" or "Demerged Undertaking". Refer Annexure 1 - List of Brands owned by AVPL.

(iii) With increasing focus on Power and Energy sector in India and to achieve the objectives mentioned in Clause 2.9, the parties have decided to demerge the Brand Undertaking of AVPL and vest it with EPOL. This demerger will create a centralised brand-owning platform within EPOL, which will, along with its power business, own and license the "Essar" brand and related intellectual property to entities within the group in accordance with applicable law.

(iv) This business structure is globally recognized, with the Holding Company (Holdco) offering both financial and technical support to its subsidiaries, which operate power generation facilities across multiple locations.

(v) The proposed demerger is sought to be effected, inter-alia, with the following objectives:

(a) Leverage combined assets and investments to increase availability of funds for the continuous expansion of the capital-intensive power business and to build a stronger sustainable business.

(b) Better revenues and profitability for EPOL and thus improve financial strength of EPOL by virtue of additional brand licensing income, through existing as well as future brand licensing agreements.

(c) Reduce dependency on AVPL for future availability of brand for its subsidiaries

(d) Safeguard cash flows of EPOL for future operations

(e) Reduce costs through shared resources, shared overhead costs (such as staff, technology or facility) and streamlined processes.

(f) Achieve stronger balance sheet and a larger capital base, which can be used to greater access to capital, finance business expansion and growth.

(g) Consolidate the financial resources.

(h) Optimize utilization of resources for strong market presence and stronger revenues

(i) Reduce business risk etc. and help in surviving intense competition by pooling resources and market presence.

(j) Reduce managerial overlap and duplication of administrative functions

(k) Fully leverage stronger capabilities, experience, expertise, technology and infrastructure of the companies

(l) Attract and retain top talent, leading to improved management and decision making

(m) Gain better negotiation leverage with suppliers, customers, and financial institutions due to increased and stable source of revenue

(n) yield better returns for shareholders of both the companies

(v) No shareholder or creditor or employee, if any, of the Demerged Company, and Resulting Company would be prejudiced as a result of the Scheme. The Scheme is in the interest of the shareholders, creditors and all other stakeholders of the Companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large. The Scheme will neither impose any additional burden on the shareholders of the Demerged Company and Resulting Company, nor will it adversely affect the interest of any of the creditors of the Demerged Company and Resulting Company.

(vi) Following the divestment of significant assets in recent years, EPOL currently has limited business operations. The proposed demerger of the Demerged Undertaking into EPOL is expected to substantially enhance its operational scale and financial performance. Strengthened operations will also improve EPOL's ability to generate sustainable growth.

(vii) Further, the proposed demerger is designed to enable AVPL's shareholders to directly obtain an equity interest in EPOL. This structure will provide AVPL shareholders with greater exposure to, and potential value enhancement from, both the power business and the brand business operated by EPOL. Such direct participation is expected to better align the interests of AVPL's shareholders with the long-term growth trajectory and value-creation potential of these businesses.

(viii) The management of Demerged Company and Resulting Company have decided to make requisite application(s) and/or petition(s) before the appropriate National Company Law Tribunal ("NCLT") under Sections 230 to 232 read with Sections 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 for the sanction of this Scheme.

(ix) This Scheme has been drawn up to comply with the conditions relating to "demerger" as specified under section 2(19AA) respectively of the Income-tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the said provisions, including resulting from an amendment of law or for any other reason whatsoever, the Scheme may be modified in the manner provided in this Scheme to the extent determined necessary to comply with section 2(19AA) of the Income-tax Act, 1961 or any statutory amendment thereto. Such modification will however not affect other parts of the Scheme. The Demerged Company and the Resulting Company shall use their reasonable endeavours to ensure that all conditions specified in section 2(19AA) of the Income-tax Act, 1961 in relation to demerger, including transfer of all assets and liabilities of the Demerged Undertaking at book values (subject to adjustments permitted under applicable Accounting Standards and issue of shares to the shareholders of the Demerged Company in consideration of such transfer, are satisfied, to the extent such conditions apply to them under law.

10. After complying with all the directions given in the order dated order dated 28.01.2026 passed in CA(CAA)/1(AHM)2026 read with order dated 09.03.2026 passed in Comp. Appl./6 (AHM)2026 and order dated 09.04.2026 passed in Comp. Appl./16(AHM)2026, by this Tribunal, the Second Motion Petition i.e. CP(CAA)/22(AHM)2026, was filed by the Petitioner Companies on 27.04.2026 vide Inward Diary No. E1241, e-filed on 24.04.2026, seeking sanction of the proposed Scheme.

11. This Tribunal vide order dated 07.05.2026, passed in CP(CAA)/22(AHM)2026, directed the petitioner companies for issuance of notice to the Statutory/Regulatory Authorities namely (i) Central Government through the Regional Director (North-Western Region), (ii) Registrar of Companies, Gujarat, (iii) SEBI, NSE and BSE; and (iv) to the concerned Income Tax Authorities and copy to the Principal Chief Commissioner of Income Tax at Ahmedabad, as well as to the concerned Statutory Regulators / Sectorial Regulators, if applicable. Further, directed to publish the notice in "Times of India" in English and Gujarati translation thereof in "Gujarat Samachar".

12. In compliance with the order dated 07.05.2026 passed in CP(CAA)/22(AHM)2026 read with order dated 11.06.2026 passed in Com. A/24(AHM)2026, the petitioner companies have filed; (i) an affidavit of service dated 16.05.2026, which was filed on the same day vide inward no. D4236, along with proof of publications in the newspapers; and (ii) an Affidavit of service dated 28.05.2026, which was filed on 29.05.2026, vide inward no. D4326, along with proof of publications in the newspapers.

13. The petitioner companies have filed Com. Appl./24(AHM)2026, seeking modification of the order dated 07.05.2026 passed in CP(CAA)/22(AHM)2026, which was allowed by Tribunal vide order dated 11.06.2026.

13.1 Further, in compliance with the order dated 11.06.2026, the petitioner companies have filed affidavit of service dated 18.06.2026, which was filed on 19.06.2026, vide inward no. D5034.

14. Pursuant to the service of notice upon the statutory/ regulatory authorities, following authorities have responded: -

STATUTORY/REGULATORY AUTHORITIES OBSERVATION & RESPONSE THEREOF

A. Regional Director and ROC

In response to the notice served upon the Regional Director (RD), a representation/report was filed by the RD, North-Western Region, on 08.06.2026, vide Inward Diary No. R350, along with report of the Registrar of Companies (RoC) dated 12.05.2026. They have made some observations in their reports. The petitioner companies have filed an affidavit in reply on 11.06.2026 vide inward no. D4704 in response to the representation/reports of RD and RoC.

RD's Observation

i) Paragraph 7(i), it is mentioned that at para 7.1 and 7.2 of the scheme which are as under:-

7.1 "50,00,00,000 **Compulsory Convertible Cumulative Preference Shares** (CCPS) having face value of INR 20 each shall be converted to and be recorded as an outstanding unsecured loan at fair value of CCPS as on the Appointed Date amounting to INR 875,00,00,000; thereby cancelling and extinguishing the CCPS capital. Upon such conversion and recording of the unsecured loan, the CCPS capital of the Resulting Company shall stand reduced, cancelled and extinguished to that extent."

7.2 The difference between the fair value of the unsecured loan /CCPS as on the Appointed Date (i.e. INR 875,00,00,000) and the aggregate face value of CCPS capital i.e. INR 1,000,00,00,000 shall be recognized to the credit of capital reserve amounting to INR 125,00,00,000. Such credit balance of capital reserve shall be adjusted against the Retained Earnings as on the Appointed Date (as mentioned under clause 8). "

In this regard, the Petitioner companies are obliged to explain and place on record all the relevant facts of the matter.

Reply of the petitioner companies: It is submitted that the proposed capital reduction of the 50,00,00,000 Compulsorily Convertible Cumulative Preference Shares ("CCPS") having a face value of INR 20 each into an unsecured loan forms an integral part of the Scheme and is being undertaken with the objective of rationalizing and reorganizing the capital structure of the Resulting Company.

It is further submitted that the difference between the aggregate face value of the CCPS capital amounting to INR 1,000,00,00,000 (Rupees One Thousand Crores) and the fair value thereof amounting to INR 875,00,00,000 (Rupees Eight Hundred Seventy-Five Crores), aggregating to INR 125,00,00,000 (Rupees One Hundred Twenty-Five Crores), arises solely on account of the valuation of the instrument, which is annexed as Annexure C. In accordance with the accounting treatment prescribed under the Scheme and the applicable accounting standards, the said amount is proposed to be credited to capital reserve and subsequently adjusted against the retained earnings as on the Appointed Date and is purely accounting in nature and is intended to facilitate an appropriate reorganization of the balance sheet pursuant to the implementation of the Scheme.

(ii) Paragraph-7(ii), it is mentioned at para-9.2 of the scheme which are as under:

9.2 Notwithstanding anything else contained in the Scheme, upon the Scheme becoming effective, and with effect from the Appointed Date, Demerged Company shall account for Capital Reduction provided in clauses 7 in 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, such that:

9.2.1- The book value of investments in CCPS as on Appointed Date amounting to INR 875,00,00,000 shall be substituted by fair value of CCPS as on the Appointed Date i.e. INR 875,00,00,000 and recorded as unsecured loan amount receivable.

9.2.2- The difference between such unsecured loan amount receivable and the aggregate book values of investment in CCPS, if any, shall be debited / credited to profit and loss account.

In this regard, it is observed from para 9.2.1 above that book value of investments in CCPS and fair value of CCPS as on the Appointed Date is same i.e. INR 875,00,00,000 and no difference. Therefore, at para 9.2.2 above, debited / credited to profit and loss account is not required. The Petitioner companies is obliged to disclose the difference of book value of investments in CCPS and fair value of CCPS as on the Appointed Date and place on record all the relevant facts of the matter.

Reply of the petitioner companies: It is submitted that as on the Appointed Date in the books of accounts of Demerged Company, the book value of investment in CCPS and the fair value of CCPS are both INR 875,00,00,000 and, accordingly, no difference presently exists.

Therefore, there will be no adjustment in profit & loss account of Demerged Company.

(iii) Para-7(iii), this Tribunal vide order dated 09.03.2026 passed in Company Application No. 6(AHM) in CA(CAA)/1(AHM)2026, following direction issued at para-10 of the said order:-

"As the issue of conversion of CCPS to CRPS has been noted in the First Motion order. The Regional Director may look into whether the same required compliance with section 66 of the Companies Act, 2013 and submit observations, if any. It is clarified that the said conversion occurred during FY 2023-2024 and is not part of the present Scheme".

In this regards, it submitted that on perusal of record of the company, it is found that the Essar Power Limited, Resulting Company had outstanding 1,39,87,97,788 Compulsorily Convertible Preference Shares ('CCPS') as on 31 March 2023. Out of these, the terms of 89,87,97,788 CCPS were varied to Compulsorily Redeemable Preference Shares ('CRPS') during FY 2023-24 by passed Board Resolution dated 21.11.2023 as well as Special Resolution dated 29.12.2023 under section 48 of the Companies Act, 2013.

The Section 48 (1) of the Companies Act,2013 reproduced as under:

"(1) Where a share capital of the company is divided into different classes of shares, the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class, (a) if provision with respect to such variation is contained in the memorandum or articles of the company; or (b) in the absence of any such provision in the memorandum or articles, if such variation is not prohibited by the terms of issue of the shares of that class:"

In view of above, it is submitted that the terms of 89,87,97,788 CCPS were varied to CRPS during FY 2023-24 by the Essar Power Limited, Resulting Company and any variation of shareholder's rights attached to the shares of any class falls under Section 48 and may not be attracted under Section 66 of the Companies Act, 2013.

<u>Reply of the petitioner companies</u>: It is submitted that it is self-explanatory and does not require any comments.

(iv) Paragraph-7(iv), the Auditor of the Resulting Company have Reported for the Financial Year 2024-25 that:-

"the Company has received a letter from the Reserve Bank of India dated 6th June, 2025, stating that it has met the Principal Business Criteria (PBC) during

FY 2023-24 in terms of RBI press release. It is further clarified in the email that the Company cannot be granted exemption from registration as an NBFC for FY 2022-2023 and 2023-24. The RBI letter has provided the Company with three options to regularize the violation of Section 45-1A of the RBI Act, 1934, as mentioned in Note 46. Meanwhile, the Company meets the PBC criteria as per the financial statements of FY 2024-25 also. The Company is in the process of filing a detailed plan enumerating the measures to be taken for winding up the NBFI activities, and hopes for a positive reply from the RBI. However, the decision is at the discretion of the RBI. The present financial statements are prepared as an electricity company and not an NBFC since the Company believes it will comply with the mitigation requirements of the RBI as stated in the note".

In this regard, auditor also stated that the Company is in the process of filing a detailed plan enumerating the measures to be taken for winding up the NBFI activities. Therefore, Resulting Company may place on record present status of detailed plan enumerating the measures to be taken for winding up the NBFI activities.

Reply of the petitioner companies: It is submitted that it pertains to the auditor's remark in the

Auditor's Report of the Resulting Company for FY 2024-25 regarding NBFC registration requirements. The said qualification and the circumstances giving rise thereto have already been adequately explained in paragraph 3(a)(ii) of the response to the RoC and the same may be read as part and parcel of the present response.

For the sake of convenience, paragraph-3(a)(ii) of the aforesaid response is reproduced hereinbelow:

"ii. With respect to the Resulting Company, ROC has reproduced the auditor's remark provided in the auditor's report for FY 2024-25. In this regard, it may be noted that the Resulting Company had received a letter dated June 6, 2025, from the Reserve Bank of India ("RBI"), wherein the Resulting Company has been asked by the RBI to regularise the activities that may lead to non-banking activities. Pursuant thereto, the Resulting Company has responded to the RBI vide letter dated December 4, 2025, explaining its business plan to regularise its non-banking activities. It is further submitted that the RBI has taken on record the submissions and representations made by the Resulting Company and is satisfied by the same and, vide email dated December 24, 2025, has requested the Resulting Company to furnish its

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audited financial statements for the financial year ended March 31, 2026, upon completion of the audit process. The Resulting Company is in the process of finalizing its audit and undertakes to submit the said audited financial statements to the RBI.

As the RBI has only sought audited financial statements of FY 2025-26 and has not communicated any adverse observations, it is understood that the matter stands concluded. The Resulting Company shall, however, comply with any further directions, instructions, or requirements that may be issued by the RBI, in this regard".

(v) Paragraph-7(v), the Petitioner companies is obliged to place on record calculated Assets and Liabilities relates to Demerged undertaking of Demerged Company to be transferred to Resulting Company as on appointed date before Hon'ble NCLT.

Reply of the petitioner companies: It is submitted that the statement of Assets and Liabilities pertaining to the Demerged Undertaking proposed to be transferred from the Demerged Company to the Resulting Company as on the Appointed Date, is annexed as Annexure-D.

(vi) Paragraph-7(vi), this Tribunal may be pleased to direct the petitioner companies to undertake the compliance of all applicable provisions of Income Tax Act and Rules thereunder including Section 2 (19AA) of the Income Tax Act in the matter, since this is a scheme of demerger.

Reply of the petitioner companies: The petitioner companies undertake to comply with all applicable provisions of the Income Tax Act, 1961 and the Rules made thereunder, to the extent applicable to the Scheme.

(vii) Paragrpha-7(vii), this 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.

Reply of the petitioner companies: The petitioner companies undertake that Scheme enclosed to the Company Application and Company Petition is one and same and there is no discrepancy or no change in the same.

(viii) Paragraph-7(viii), this Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that no CIRP proceedings under IBC and/ or winding up petition against applicant companies are pending.

Reply of the petitioner companies: The petitioner companies undertake that no corporate insolvency resolution process proceedings under the Insolvency and Bankruptcy Code, 2016 and/or winding-up proceedings have been initiated or are pending against any of the petitioner companies as on date.

The RD in the representation further submitted that this Tribunal may be pleased to direct the Petitioner Companies;

(i) To preserve its books of accounts, papers and records and shall not be disposed of without prior permission of Central Government as per the provisions of Section 239 of the Companies Act, 2013.

(ii) To ensure statutory compliance of all applicable laws and on sanctioning of the present scheme, the petitioner companies shall not be absolved from any of its statutory liabilities, in any manner.

(iii) Necessary Stamp Duty on transfer of property/assets, if any, is to be paid to the respective authorities before implementation of the Scheme.

(iv) The petitioner companies involved in the Scheme to comply with the provisions of Section 232(5) of the Companies Act, 2013 with respect to filing of the certified copy of the order sanctioning the scheme with Registrar of Companies within 30 days from the date of passing order.

(v) The petitioner companies shall undertake to comply with the Income Tax/GST law and any demand/taxes payable on implementation of the said scheme as per law.

Reply of the petitioner companies: The petitioner companies have undertaken to comply with the all the requirements and contained in paragraph-8 of the Regional Director's Report.

RoC's Observation

i) Paragraph-14(3), the office of the RoC has received a communication from the office of the Income Tax Department vide letter dated 10.04.2026 wherein the Income Tax Department has intimated that a demand amounting to Rs.19,23,79,670/- is outstanding against Abhinand Ventures Pvt. Ltd., the Demerged Company, and that the same may be pursued by the Directorate in the instance case.

Reply of the petitioner companies: It is submitted that the demand of INR 19,23,79,670 pertains to FY 2021-22 (AY 2022-23), which had arisen on account of non-grant of credit of taxes paid by the Demerged Company while processing the return of income. The same has been rectified by the Income tax Department vide rectification order dated April 21, 2026. A copy of the rectification order and notice of demand is enclosed as Annexure-B. Pursuant to this rectification, there is no outstanding demand.

ii) Paragraph-14(5), it is observed that an application was filed before the Hon'ble NCLT, Bench Ahmedabad in the matter of scheme of Amalgamation of Thakkars Investment Private Limited And Edwell Park Properties and Networks Private Limited and Ajitesh Estates Private Limited and Kartik Estates Pvt Ltd and Bhargava Estates Private Limited and Nirmit Estate Pvt Ltd and Essar Steel Metal Trading limited and Essar Advisory Services Limited and Ultra Green Gas Limited and Essar Exploration & Production India Limited and Girishan Investment Private Limited with Abhinand Ventures Private Limited and respective shareholders and creditors bearing C.A. (CAA) 30/AHM/2024 wherein the Applicant Demerged company is one of the non-Applicant company i.e. Transferee Company No.2 and the said matter is sub-judice before the NCLT, Bench, Ahmedabad.

<u>Reply of the petitioner companies</u>: It is submitted that the present composite scheme of arrangement is independent of the amalgamation scheme as referred to by the RoC and both the schemes have been proposed for distinct commercial objectives and business purposes. It is further clarified that, under the present composite scheme of arrangement, only

the brand business undertaking of Demerged Company is proposed to be demerged which already forms part of Demerged Company and remains unaffected by the pending amalgamation scheme, Accordingly, the implementation of the one scheme is neither contingent upon nor dependent on the implementation of the other. Both schemes shall be considered and implemented in accordance with such orders and directions as may be passed by this Tribunal in the respective proceedings.

iii), Paragraph-14(6), Clause 7 of Part III of the proposed scheme provide the provisions for reduction of 0.01% compulsory convertible cumulative preference shares (CCPS) of the Resulting company and be recorded as an outstanding unsecured loan by cancelling and extinguishing the CCPS capital. Upon such conversion and recording of the unsecured loan, the CCPS capital of the Resulting company shall stand reduced cancelled and extinguished to that extent.

In this regard, the Registrar of companies submitted that "The provisions of Section 55 specifically provides for Redemption of Preference Share Capital. The present Scheme is nothing but redemption of Preference Share by way of unsecured loan against each preference shares. The Petitioner Company to place on record as to why the company has not filed application in compliance of Section 55 (3) of the

Companies Act, 2013 for conversion of 0.01% compulsory convertible cumulative preference shares (CCPS) to Loan.

Reply of the petitioner companies: It is submitted that the proposed capital reduction of 0.01% of Compulsory Convertible Cumulative Preference Shares (CCPS) into an unsecured loan is an integral and inseverable part of the present Composite Scheme and has been proposed to give effect to the overall capital restructuring contemplating thereunder. The Petitioner Companies have invoked Sections 230 to 232 of the Companies Act, 2013, which constitute a self-contained and comprehensive code governing all forms of compromise, arrangement and reorganisation of share capital, including the substitution and reclassification of securities. The said provisions operate as a single-window mechanism, and the proposed capital reduction shall take effect only upon sanction by this Tribunal, after due compliance with the procedural and substantive safeguards prescribed thereunder, including approval by the requisite majority of the affected class of shareholders.

Further, it is submitted that Section 55(3) of the Companies Act, 2013 has no application to the proposed transaction. Section 55, read with Rule 9 of the Companies (Share Capital and Debentures)

Rules, 2014, governs the issuance and redemption of redeemable preference shares; sub-section (3) deals only with the limited situation in which a company is unable to redeem its existing preference shares and proposes to issue further redeemable preference shares in lieu thereof. The CCPS in the instant case are not redeemable instruments; by their very terms, they are compulsorily convertible and do not carry any redemption right or any entitlement to a return of capital. The proposed transaction does not involve any redemption, repayment or return of share capital to the CCPS holders; it effects, through the Composite Scheme, a substitution of the CCPS with an unsecured loan obligation of equivalent fair value. Such substitution falls squarely within the ambit of Sections 230 to 232 of the Companies Act, 2013 and does not attract the requirements of Section 55(3). To the extent that the said substitution involves any consequential reorganisation of the Resulting Company's capital structure, the same is being effected as an integral component of the Composite Scheme, a recognised mode of capital restructuring under the Act, and the rights and interests of the affected class of shareholders are duly safeguarded through the class meeting and approval mechanism prescribed under Section 230.

iv) Paragraph-14(7), according to para 7 & 19B(iii) of the order dated 28.01.2026 passed in CA(CAA)/1(AHM)

2026 by the Hon'ble NCLT, "As on 30.09.2025, there are no Secured Creditors in the Resulting Company". Whereas, as per the Index of Charge available under the MCAV3 BO portal, there are 4 (Four) open secured Charge IDs in favour of 03 (Three) Secured charge holders in the records of the Resulting Company as on the date and all the aforesaid charges were created prior to 30.09.2025. It appears that there are discrepancies between the Index of charges available on MCA's records vis-à-vis, application filed before the Hon'ble NCLT. The details of aforesaid open charge ID are as under:-

Sr. No.	SRN	Charge ID	Charge Holder Name	Date of Creation	Date of Modification	Amount (in Rs.)
1	AB9339226	100976725	POWER FINANCE CORPORATION LIMITED	19/09/2024	18/11/2025	11000000000
2	AA0184031	100607453	AXIS BANK LIMITED	05/09/2022		360000000
3	C21094842	10520498	IDBI TRUSTEESHIP SERVICES LIMITED	05/08/2014		44650000000
4	C64889199	10521278	IDBI TRUSTEESHIP SERVICES LIMITED	24/09/2014	05/02/2015	57040000000

It is submitted that this Tribunal may kindly issue suitable directions to the Resulting Company to place on record all the relevant facts in the matter and comply with the provisions of Section 82 read with Rule 8 of the Companies (register of Charges) Rules, 2014.

<u>Reply of the petitioner companies</u>:- It is submitted that the details about the charges are as follows:-

Charge ID	Remarks
100976725	This pertains to the loan taken by the wholly owned subsidiary of the Resulting Company. In relation to this loan, a corporate guarantee has been provided by Resulting Company, and a collateral has been created on the securities of wholly owned subsidiary held by the Resulting Company in addition to the primary charge created on assets of the wholly owned subsidiary. Therefore, there is no secured creditor in the books of Resulting Company.
100607453	This charge pertains to a bank guarantee facility availed from Axis Bank by the Resulting Company for the performance of erstwhile subsidiary under the subsidiary's contract with Power Grid Corporation of India Limited ("PGCIL"). As the charge is being created for the purpose of obligation of subsidiary, there is no secured creditor in the books of Resulting Company.
10520498 & 10521278	The loan liability for which these charges were created is not outstanding as on date. Accordingly, the Resulting Company is taking necessary steps to file Form CHG-4 to get these charges

The petitioner companies submitted that the resulting company has no secured creditors as reflected in its books of account and financial statements. In support of the same, the company has placed on record a certificate issued by Chartered Accountant certifying that the company had Nil secured creditors as on the relevant date, which certificate was duly filed along with the Scheme application.

iii) The other observations of the Registrar of Companies have already been incorporated in the representation/ report filed by the Regional Director.

15. Income Tax Department

15.1 Pursuant to the notice served upon the Income Tax Department, a Report dated 10.04.2026 of Income Tax Department, Central Circle 8(2), Mumbai, was filed by the counsel for the Income Tax Department on 09.07.2026 vide inward no. D425. In the said report, at paragraphs-4,5,6 and 7, the Income Tax Department has submitted as follows:-

"4. This office has considered the Scheme and the comments in respect to Petition for above company viz. **Abhinand Ventures Private Limited (Demerged Company/ First Application Company)** are as follow:-

(i) At the moment this scheme is not being examined with reference to the taxation aspect vis-à-vis other such schemes if any. In future, if it is discovered that this scheme or similar such schemes are in any way acting as a device for tax avoidance then the Income Tax Department will be at liberty to initiate the appropriate course of action as per law.

(ii) The Income Tax Department will be free to examine the aspect of any tax payable as a result of the Scheme and in case it is found that the scheme of amalgamation ultimately results in tax avoidance or is not in accordance to the amalgamation/merger/demerger provisions of the Income Tax Act then the Income Tax Department will be at liberty to initiate the appropriate course of action as per law.

(iii) It is further requested that the rights of the Income Tax Department should remain intact to take out appropriate proceedings regarding raising of any tax demand against the Transferor & Transferee Company at any further date and these rights should not be adversely affected in view of the sanction of the scheme.

5. It is reiterated that any sanction to the Scheme of amalgamation should not adversely impact the rights of the Income Tax Department for any present or future proceedings. The department should be at liberty to take appropriate action as per law in case of an event of any tax-avoidance or violation of Income Tax Law or any other similar issue.

6. It is further requested that both the entities may be asked to give undertaking stating that any tax liability or any proceedings under the Income Tax Act, 1961 or Income Tax Act, 2025, whether existing or arising in future will be adhered to by any of the entities in case other entity is unable to fulfill the same.

7. It is to mention that as on date, following demand is outstanding against **Abhinand Ventures Private Limited (Demerged Company / First Application**

Company) as per the Recovery module of ITBA Portal of Income Tax Department:-

Sr. No.	AY	Demand u/s.	Date of order	Demand Outstanding (Rs.)
1	2024-25	154	05.08.2025	1,70,070
2	2022-23	143a1	29.07.2023	19,22,09,600
Total				**19,23,79,670**

15.2 The petitioner companies have filed their reply on 01.07.2026, vide inward no. D5419, wherein they have furnished their response at paragraph-6 to paragraphs-4,5,6 and 7 of the Report filed by the Income Tax Department. The response of the petitioner companies to the observations contained in paragraphs-4,5,6 and 7 of the Income Tax Department's Report is as follows:-

a. Paragraphs-4 and 5 of the report, it is submitted that the proposed Scheme of Arrangement is a bona fide business restructuring and the sanction of the Scheme will not restrict or adversely impact the statutory powers of the Income Tax Department.

b. Paragaph-6 of the report, it is submitted that the companies will strictly abide by the due process of law and will take all necessary actions, as and when required in accordance with the applicable statutory provisions and legal frameworks.

c. Paragraph-7 of the report, it is submitted that the demand of INR 19,22,09,600 pertaining to FY 2021-22 (AY 2022-23) and INR 1,70,070 pertaining to FY 2023-24 (AY 2024-25). It is further submitted that demand for FY 2021-22 had arisen on account of non-grant of credit of taxes paid by the Demerged Company while processing the return of income. The same has been rectified by the Income Tax Department vide ratification order dated 21.04.2026. Pursuant to this rectification, there is no outstanding demand. A copy of rectification order is annexed as Annexure-B. It is further submitted that with respect to nominal demand of FY 2023-24, the Demerged Company is in the process of taking the necessary action.

15.3 The petitioner companies have also filed an additional response on 24.07.2026, vide in ward no. D6128, to the Report dated 17.07.2026 of the Income Tax Department in respect of the Resulting Company, Essar Power Ltd.

15.4 In the said response, the petitioner companies have submitted that the demand of INR 3,42,90,74,596 pertaining to FY 2022-23 (AY 2023-24) is presently under dispute and an appeal against the assessment order is pending before the Commissioner of Income Tax (Appeals). It is further submitted that the said demand is subject to the outcome of the said appellate proceedings.

16. No other representations or reports have been received from any other statutory/regulatory authorities.

17. The equity shares of the petitioner companies are not listed on any stock exchanges.

18. Valuation Report

Copy of Valuation Report dated 29.12.2025 of M/s. Kakode Associates Consulting Pvt. Ltd., Registered Valuer, Registration No. IBBI/RV/07/2020/13066, recommending the share exchange ratio for the proposed Scheme of Arrangement, is annexed to the company petition as ***Exhibit -D*** (Pg.361-372).

19. Accounting Treatment

The petitioner companies submitted that the accounting treatment specified in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

The Statutory Auditors have confirmed that the accounting treatment contained in the composite scheme, is in compliance with the applicable Indian Accounting Standards under Section 133 of the

Companies Act, 2013 and with other generally accepted accounting principles in India. Copy of the certificates dated 18.12.2025 and 02.12.2025 issued by the Statutory Auditors, are placed on record as ***Exhibit E1 and Exhibit E2.***

20. The petitioner companies submitted that no investigation or proceedings against the Petitioner Companies under Chapter XIV of the Act or under the corresponding provisions of Sections 210 to 226 of the Companies Act, 2013 or the alike provisions are pending. Further, no ongoing adjudication and recovery proceedings, prosecution initiated and enforcement action taken against the Company, its promoters and directors.

21. We have heard the Ld. Counsel for the Petitioner Companies, Ld. Deputy Director for the Regional Director, the Ld. Counsel for Income Tax Department and perused the record.

22. OBSERVATIONS OF THIS TRIBUNAL

22.1 Before adverting to the reports of the Regional Director, Registrar of Companies and the Income Tax Department, we consider it is necessary to summarise the progress of the case before this Tribunal after application was filed seeking approval of the Scheme.

	Company Application/ Company	Notice issued on (L)/ Listed	Service Affidavit	Report/ Response	Reserved on	Order pronounced	Meetings held on

	Petition Filed on	on (L)	filed on	received/ filed on		on	
First Motion Application	06.01.2026	28.01.2026 09.03.2026 (modification order) 09.04.2026	19.03.2026 13.04.2026 07.04.2026		21.01.2026	28.01.2026	Meetings of Secured Non-Convertible Debenture Holders and Unsecured Creditors of the Demerged Company were held on 18.04.2026 **and** Meetings of Equity Shareholders and Secured Non-Convertible Debenture Holders and Unsecured Creditors of the Resulting Company were held on 19.04.2026
Chairman's Report				20.04.2026			
2nd Motion Petition	27.04.2026	07.05.2026(N) 11.06.2026 (modification order) 02.07.2026(L)	16.05.2026 29.05.2026		30.07.2026	31.08.2026	
RD Office Report/RoC				08.06.2026			
And Petitioner companies' response				11.06.2026			
OL Office Report (s)				NA			
And Petitioner companies' response				—			
Income Tax Report(s)				09.07.2026			

And Petitioner companies' response				01.07.2026				

22.2 The Appointed Date of the Scheme is **01.04.2025**

23. Companies involved in the Scheme

(i) In the Scheme presented in the company petition, Abhinand Ventures Pvt. Ltd. has been designated as Demerged Company. The company had revenue from operations of Rs.610.81 Crores, other income of Rs.132.77 Crores and Profit Before Tax of (Rs.173.29 Crores) during the F.Y 2024-2025 (Pg.103).

(ii) In the Scheme presented in the company petition, ESSAR Power Ltd. has been designated as Resulting Company. The company had revenue from operations of Rs.0.31 Crores, other income of Rs.192.34 Crores and Profit/Loss for the period of Rs.425.51 Crores during the F.Y 2024-2025 (Pg.250).

24. Consideration/Issue of Shares

Paragraph 11 (Pg.18-19) of the Scheme deals with the Consideration of transfer and vesting of the "Brand Undertaking" of the Demerged Company into the Resulting Company. Exhibit-D(Pg. 361-372) contains copy of share exchange ratio report issued by M/s.

Kakode Associates Consulting Pvt. Ltd. recommending share exchange ratio for the proposed scheme of Arrangement. The valuation date is 29.12.2025.

25. We have considered the Company Petition, the Scheme of Arrangement, the report/representation of the Regional Director, the report of the Registrar of Companies, the report/communication of the Income Tax Department and the respective replies and affidavits filed by the Petitioner Companies thereto. We have also considered the reports of the Chairperson and the material placed on record in compliance with the orders passed by this Tribunal from time to time

26. Upon consideration of the aforesaid reports and responses, this Tribunal finds that the observations raised by the statutory/regulatory authorities have been duly considered and addressed by the Petitioner Companies to the extent necessary for consideration of the Scheme. The sanction of the Scheme shall, however, not prejudice or affect the statutory powers, rights or remedies of the Registrar of Companies, Regional Director, Income Tax Department or any other competent authority in respect of any independent statutory or regulatory issue.

27. This Tribunal, vide order dated 28.01.2026 passed in CA(CAA)/1(AHM)2026 read with the order dated 09.03.2026 passed in Com. Appl. No. 6(AHM)2026, had directed the Petitioner Companies to annex the documents specified therein along with the notices to the statutory authorities and with the Second Motion Petition. The Petitioner Companies have complied with the said directions. The subsequent directions passed by this Tribunal from time to time have also been complied with, as reflected from the affidavits and documents placed on record.

28. The On perusal of the reports of the Chairperson, it is seen that the Scheme has been approved by the respective classes of members/creditors in the requisite statutory manner. The approval so accorded by the concerned stakeholders is entitled to due weight in considering the commercial aspects of the Scheme.

29. During the hearing held on 02.07.2026, the learned Deputy Director appearing for the office of the Regional Director submitted that, in view of the response affidavit filed by the Petitioner Companies on 11.06.2026 in reply to the report of the Regional Director, the matter may be considered. The submissions made on behalf of the Regional Director have been duly taken into consideration.

30. Having considered the Company Petition, the Scheme, the reports/representations of the Regional Director, Registrar of Companies and Income Tax Department, the replies/affidavits filed by the Petitioner Companies, the reports of the Chairperson and the material placed on record, this Tribunal is satisfied that the statutory procedure prescribed for consideration of the Scheme has been complied with and that the Scheme, as a whole, is fair, reasonable and not prejudicial to the interests of the shareholders, creditors or other stakeholders. The commercial wisdom of the concerned stakeholders, who have approved the Scheme in the requisite manner, is entitled to due weight in terms of the principles laid down by the Hon'ble Supreme Court in ***Miheer H. Mafatlal v. Mafatlal Industries Ltd.***, (1997) 1 SCC 579. The observations made by the statutory/regulatory authorities have been duly considered and are dealt with by the directions contained herein. Subject thereto, the Scheme, inter alia, provides for transfer and vesting of the **Brand Undertaking** of Abhinand Ventures Pvt. Ltd. (the Demerged Company) in Essar Power Ltd. (the Resulting Company), restructuring of the 0.01% Compulsory Convertible Cumulative Preference Shares ("CCPS") of the Resulting Company and reorganisation of its reserves, and merits sanction.

30A. The Scheme also provides for cancellation and extinguishment of the 0.01% Compulsory Convertible Cumulative Preference Shares ("CCPS") of the Resulting Company and recording of the corresponding amount as an unsecured loan, as an integral part of the composite Scheme. The objection of the Registrar of Companies regarding applicability of Section 55 of the Companies

Act, 2013 and the response of the Petitioner Companies thereto have been considered. Having regard to the terms of the Scheme, the nature of the proposed restructuring and the approvals obtained from the concerned stakeholders, this Tribunal is of the view that the said restructuring forms an integral part of the composite arrangement and may be given effect to pursuant to sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013, subject to compliance with all applicable provisions of law, including applicable accounting, tax and regulatory requirements. The sanction granted herein shall not be construed as determination of any tax liability or as granting any exemption, concession or immunity otherwise than in accordance with law.

31. The earned Counsel for the Petitioner Companies submitted that no investigation proceedings are pending against the Petitioner Companies under the Companies Act, 1956 or the Companies Act, 2013 and that no proceedings for oppression or mismanagement have been filed before this Tribunal or the erstwhile Company Law Board. The said submission has been taken on record. The liabilities, obligations, contracts, proceedings and statutory compliances relatable to the Demerged Undertaking shall stand transferred to and be enforceable against the Resulting Company only to the extent provided under the Scheme and applicable law. Nothing contained herein shall absolve any company, officer, director or other concerned person from any statutory liability arising from any act, omission or non-compliance.

32. Sanction of the Scheme shall not preclude or prevent any competent statutory or regulatory authority from examining any act, omission, deficiency or violation relatable to either of the Petitioner Companies or the Demerged Undertaking and from taking such action as may be permissible in accordance with law against the concerned company, director, officer or other person liable therefor.

33. It is clarified that sanction of the Scheme shall not be construed as granting exemption from payment of any stamp duty, tax, fee, cess, charge or other statutory levy payable under applicable law, nor as granting exemption from any permission, approval, registration or compliance otherwise required under any applicable statute, rule or regulation. The competent authorities shall remain at liberty to determine and recover any such amount or to take such action as may be permissible in accordance with law.

34. So far as the Income Tax Department is concerned, sanction of the Scheme shall not preclude the Department from examining the tax consequences arising from or connected with the Scheme and from determining any tax liability in accordance with the Income-tax Act,

1961. Nothing contained in this order shall be construed as determining the tax liability of any person or as granting any tax exemption, concession, deduction, credit or other benefit otherwise than in accordance with law. The rights and statutory powers of the Income Tax Department in respect of any past, present or future proceedings or liability shall remain unaffected by this order.

35. Further, it becomes relevant to discuss that in Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi has made the following observations with regard to the right of the Income Tax Department in the Scheme of Amalgamation:

"taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision ***in re Vodafone Essar Gujarat Limited v. Department of Income Tax (2013) 353 ITR 222 (Guj)*** *and the same being also affirmed by the Hon'ble Supreme Court and as reported in* ***(2016) 66 taxmann.com374 (SC)*** *from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15,2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the Petitioner or transferee or any other person who is liable for payment of such tax dules, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned.*

36. This Tribunal Do Further Order

i) The Scheme of Arrangement annexed as **"Exhibit C"** to the Company Petition is hereby sanctioned and shall be binding upon the Petitioner Companies, their respective members, creditors and all persons concerned and affected thereby, subject to the terms of the Scheme and the directions contained in this order and subject to applicable law.

ii) The Appointed Date for the Scheme shall be **01.04.2025.**

iii) All the properties, assets, rights, interests, powers, benefits and privileges forming part of the Demerged Undertaking of the Demerged Company shall, pursuant to Sections 230 and 232 of the Companies Act, 2013 and upon the Scheme becoming effective, stand transferred to and vest in the Resulting Company without any further act or deed, subject to all subsisting charges, encumbrances and statutory requirements, if any, affecting the same.

iv) The All licences, permissions, permits, approvals, certificates, clearances, authorities, leases, tenancy rights, assignments, claims, liberties, special status, benefits, privileges and powers of attorney relating to the Demerged Undertaking and capable of being transferred under applicable law shall, to the extent provided in the Scheme, stand transferred to and vested in the Resulting Company without any further act or deed. The Resulting Company shall comply with the terms and conditions attached thereto.

v) All liabilities, debts, duties and obligations forming part of or attributable to the Demerged Undertaking shall, upon the Scheme becoming effective, stand transferred to and become the liabilities, debts, duties and obligations of the Resulting Company in accordance with the Scheme and applicable law.

vi) All contracts, agreements, arrangements, insurance policies, bonds and other instruments relating to the Demerged Undertaking shall, to the extent provided under the Scheme and permitted by applicable law, stand transferred to and be enforceable by or against the Resulting Company as if the Resulting Company had been a party thereto.

vii) All legal or other proceedings pending by or against the Demerged Undertaking shall, to the extent provided under the Scheme and applicable law, be continued by or against the Resulting Company without the necessity of substitution or addition of the Resulting Company as a party, subject to the orders of the concerned forum.

viii) All employees/workmen forming part of the Demerged Undertaking and identified under the Scheme shall, from the Effective Date, become employees/workmen of the Resulting Company without interruption in service and on terms and conditions no less favourable than those applicable to them immediately before the transfer, in accordance with the Scheme, Section 232(3)(g) of the Companies Act, 2013 and applicable labour laws.

ix) All tax liabilities, benefits, credits, incentives and other statutory benefits attributable to the Demerged Undertaking shall be dealt with in accordance with the Scheme and applicable law, including the Income-tax Act, 1961. Nothing contained herein shall be construed as granting any tax benefit or exemption otherwise than in accordance with law. Any proceedings concerning tax liabilities attributable to the Demerged Undertaking shall remain subject to determination by the competent tax authority in accordance with law.

x) The Petitioner Companies shall comply with the observations of the Regional Director and Registrar of Companies to the extent directed herein and as otherwise required under applicable law. The books of account, papers and records of the Petitioner Companies shall be preserved and dealt with in accordance with Section 239 of the Companies Act, 2013 and other applicable provisions of law.

xi) The Resulting Company shall pay the differential fees, if any, payable on account of any increase in its authorised share capital pursuant to the Scheme, after giving credit for the fees already paid by the Demerged Company, to the extent permissible under Section 232(3)(i) of the Companies Act, 2013 and applicable law.

xii) **Consideration for Arrangement (Part-V, Paragraph 11 of the Scheme):**

(a). Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot the Scheme Shares, credited as fully paid-up, to the eligible shareholders of the Demerged Company whose names appear in the Register of Members as on the Record Date, in the manner provided in the Scheme.

(b). Accordingly, **61,98,19,330 fully paid-up equity shares having face value of INR 4 each** of the Resulting Company shall be issued and allotted to the eligible shareholders of the Demerged Company holding equity shares of INR 10 each, in proportion to their respective shareholding, in accordance with the Scheme.

xiii) The Petitioner Companies shall file a certified copy of this order together with the Scheme with the concerned Registrar of Companies, electronically through the prescribed e-form, including **e-Form INC-28**, in addition to any physical filing required under applicable law, within the period prescribed under Section 232(5) of the Companies Act, 2013.

xiv) Upon compliance with the statutory requirements and filing of this order and the Scheme with the concerned Registrar of Companies, the Scheme shall take effect in accordance with its terms and Sections 230 to 232 of the Companies Act, 2013. The Registrar of Companies shall take on record and place the documents in the respective records of the Petitioner Companies in accordance with law.

xv) All concerned authorities shall act upon the certified copy of this order together with the Scheme annexed as **"Exhibit C"** to the Company Petition. The Registry shall issue the certified copy of this order in accordance with the applicable procedure.

xvi) The Petitioner Companies shall lodge a copy of this order and the approved Scheme, duly certified by the Registry of this Tribunal, with the concerned Superintendent of Stamps for adjudication of stamp duty, if any, payable under the Gujarat Stamp Act, 1958, within 30 days from the date of this order, and shall pay the stamp duty, if any, as adjudicated, within the period prescribed by applicable law.

xvii) The legal fees and expenses of the office of the Regional Director are quantified at **Rs.50,000/-**, to be borne and paid by the Resulting Company.

xviii) The Petitioner Companies shall give effect to the accounting treatment contemplated under the Scheme only in accordance with Section 133 of the Companies Act, 2013 and the applicable Accounting Standards/Ind AS. The statutory auditors shall deal with the accounting treatment and report thereon in accordance with law, including with reference to the certificate dated 16.12.2025 placed on record.

xix) Nothing contained in this order shall prejudice or affect the statutory rights and powers of the Income Tax Department under the Income-tax Act, 1961 or any other applicable law. The Department shall remain at liberty to examine the tax consequences of the Scheme and to initiate, continue or take such proceedings as may be permissible in accordance with law, including in relation to any tax liability arising from or connected with the Scheme.

xx) Any person aggrieved by or affected by the Scheme shall be at liberty to approach this Tribunal for appropriate directions in accordance with law.

37. Accordingly, Company Petition i.e. **CP(CAA)/22(AHM)2026** in CA(CAA)/1(AHM)2026, stands **allowed** and **disposed of.** The Scheme of Arrangement annexed as **"Exhibit C"** to the Company Petition is hereby sanctioned, subject to the terms, conditions and directions contained in this order.

38. The Registry is directed to communicate a copy of this order to the Regional Director, Registrar of Companies and the concerned Income Tax authorities within seven days from the date of this order through e-mail and place proof of such communication on the record.

sd/-	sd/-
SANJEEV SHARMA	**SHAMMI KHAN**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

Sudha/PS