IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI
COURT-IV

CA(CAA)-115/MB/2026

In the matter of
Sections 230 to 232 of the Companies Act, 2013

and

In the matter of
Scheme of Merger by Absorption

between

CIE Aluminium Casting India Limited
(Transferor Company/Applicant Company-1)

and

CIE Automotive India Limited
(Transferee Company/Applicant Company-2)

(and their respective Shareholders)

CIE Aluminium Casting India Limited ….Applicant Company-1/
[CIN: U31909PN1985PLC037539] Transferor Company

CIE Automotive India Limited ….Applicant Company-2/
[CIN: L27100PN1999PLC245720] Transferee Company

Pronounced: 24.09.2026

CORAM:

SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)

SHRI K.R. SAJI KUMAR
HON'BLE MEMBER (JUDICIAL)

Appearance : *Hybrid*

For the Applicants : Adv. Hemant Sethi a/w Adv. Tanaya Sethi.

O R D E R

1. This is an Application filed under Sections 230 to 232 of the Companies Act, 2013, seeking necessary directions of this Tribunal for notices and convening meetings/dispensation of meetings with respect to the Scheme of Merger by Absorption between CIE Aluminium Casting India Limited (Transferor Company)

and CIE Automotive India Limited (Transferee Company) and their respective shareholders (Scheme).

2. The Applicant Companies stated that the Board of Directors of the Applicant Companies, in their respective meetings held on 23.04.2026, have approved the Scheme. The relevant copy of the resolutions is part of the Application. The Appointed Date for the Scheme is fixed as 01.04.2026.

3. The Applicant Companies stated that the Transferor Company is a wholly owned subsidiary of the Transferee Company. The shares of the Transferee Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) In compliance with the SEBI Master Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated 20.06.2023, the Second Applicant Company, *vide* its letter dated 23.04.2026, forwarded copies of the Scheme, along with the resolution passed by the Board of Directors, to BSE and NSE.

4. ***Nature of Business***: It is submitted by the Applicant Companies that –

(i) The Transferor Company is engaged in the business of manufacturing automobiles components which includes aluminium die casting components and caters to both international and domestic markets.

(ii) The Transferee Company is a multi-locational and multi-technology business with engineering capabilities and manufacturing facilities of its own and of its subsidiaries in India and in Spain, Lithuania, Italy and Mexico. The Company has an established presence in each of these locations and supply automotive components to its customers based there and exports its products to customers based in other countries as well.

5. ***Rationale of the Scheme***: The Applicant Companies stated as following:

In April 2019, the Transferee Company completed strategic acquisition of the entire shares of the Transferor Company. The acquisition was intended to significantly strengthen the Transferee Company's market position and capability of delivering innovative solutions in the market. The acquisition of the Transferor

Company was made not only for its tangible business properties but to leverage on its market presence and its share as a supplier in aluminium die-casting portfolio.

OEMs globally were increasing aluminium usage per vehicle to reduce weight and improve efficiency. By acquiring CIEALCAST, CIEINDIA positioned itself structurally closer to OEM sourcing strategies that increasingly favour full-system and lightweight component suppliers.

This Scheme of Merger by Absorption is expected to enable better realisation of potential of the businesses of the Companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, customers, creditors and employees.

The rationale for the proposed Scheme is set out below:

a. <u>Production and Marketing Synergies</u>: Creation of production and marketing synergies by enabling the combined entity to offer a larger and more diversified product portfolio to a broad base of customers. This expanded portfolio will strengthen the Transferee company's ability to provide integrated solutions and introduce newer products to its existing and prospective customers. The merger will facilitate improved leveraging of manufacturing and marketing capacities through coordinated capacity planning, optimisation and load balancing across facilities. Further, the unified structure will allow for direct access and seamless utilisation of operational resources and assets across the merged entities, eliminating inefficiencies arising from inter-company transfer mechanisms.

b. <u>Cross-Selling Across OEM Relationships</u>: The merger is expected to enhance cross-selling opportunities across the OEM relationships of both entities. CIEALCAST contributes strong and deeply embedded set of arrangements with its customers that creates enforceable contractual right and obligation in the two-wheeler and passenger vehicle segments, including near sole-supplier positions for several aluminium die-cast components. Such rights and obligation are also being capable of being enforced for legal reminders by the respective party. Post-merger, the Transferee company will *be positioned to offer multi-technology sourcing bundles to OEMs, enabling customers to consolidate sourcing with a trusted supplier to the customers.*

c. <u>*Organisational and Operating Efficiencies*</u>*: Delivery of substantial organisational synergies through the elimination of managerial overlaps inherent in operating multiple legal entities, resulting in improved decision-making speed and clearer governance structures. Duplication of systems, processes and administrative functions will be reduced, leading to operational efficiencies and cost savings. Functional integration across information technology, human resources, finance, secretarial, legal, compliance and general management functions is expected to improve overall organisational effectiveness. The merger will also simplify the group structure, enhancing transparency, coordination and control across the organisation.*

d. <u>*Stronger financial position*</u>*: In an increasingly competitive global market, the financial strength of a company plays a critical role in its ability to secure large contracts and continue to expand consistently. Moreover, as the business dynamics mainly depend on the market demand and its likeability, the OEMs are more likely to rely on a supplier whose presence can be assured across the lifecycle of the vehicle model. A stronger balance sheet helps build a value proposition for OEMs, making it a key metric to award bigger projects to financially sound organisations. A strong net worth signifies that the company possesses enough financial resources to successfully complete larger projects without negative repercussions. It gives the assurance and confidence to stakeholders about the company's capability to take on, deliver, and succeed in high stakes contracts.*

   Further, unfettered access to cash-flow generated by the combined businesses can be deployed more efficiently to fund organic and inorganic growth opportunities and to maximize shareholders value. It strengthens the dividend paying abilities of the Transferee company.

e. <u>*Elimination of inter-company outstanding/transactions*</u>*: Elimination inter-company payables/loans/other transactions leads to a stronger, more resilient financial position and enhanced business’s creditworthiness. Moreover, the* *freed-up capital can be reallocated to other productive areas, further strengthening the company's financial stability and growth prospects.*

The Scheme does not affect the rights and interests of the shareholders or the creditors of the Transferee/ Transferor Company. The shareholding and other rights of the members of the Transferee Company will remain unaffected as no new shares are proposed to be issued by the Transferee Company and there is no change in the capital structure. Further, the creditors of the Transferee Company/ Transferor Company will not be affected by the Scheme since the combined assets of the Transferee Company are more than its combined liabilities.

In view of the above, the Board of Directors of the Transferor Company as well as Board of Directors of the Transferee Company have considered and proposed the merger of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the Companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Merger by Absorption pursuant to the provisions of Sections 230 to 232 or other applicable provisions of the Companies Act, 2013 as may be applicable and rules framed thereunder.

The merger of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date (as defined hereinafter) and shall be in accordance with the provisions of the Income Tax Act, 2025, and rules framed thereunder or any amendments thereto.

6. The Applicant Companies stated that the Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Companies as on 31.12.2025 are as under:

First Applicant Company:

Particulars	Amount (Rs.)
Authorised Share Capital	
1,94,50,000 Equity Shares of Rs.10/- each	19,45,00,000
1,22,60,000 Preference Shares of Rs.10/- each	12,26,00,000
TOTAL	**31,71,00,000**
Issued, Subscribed and Paid-up Share Capital	
29,40,000 equity shares of Rs.10/- each	2,94,00,000
TOTAL	**2,94,00,000**

Second Applicant Company:

Particulars	Amount (Rs.)
Authorised Share Capital	
51,65,92,621 Equity Shares of Rs. 10/- each	516,59,26,210
5 4% Non-Cumulative Redeemable Non-Convertible Preference Shares of Rs. 31/- each	155
2,50,000 Compulsory Convertible Preference Shares of Rs. 10/- each	25,00,000
TOTAL	**516,84,26,365**
Issued Share Capital	
37,93,63,322 Equity Shares of Rs. 10/- each	379,36,33,220
Subscribed and Paid-up Share Capital	
37,93,62,377 Equity Shares of Rs. 10/- each	379,36,23,770
TOTAL	**379,36,23,770**

7. ***Consideration***: The Ld. Counsel for the Applicant Companies submitted that:

"The Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company and the issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date without any further act, instrument or deed."

8. ***Meetings of Shareholders***

8.1 The Ld. Counsel for the Applicant Companies submitted that the Transferor Company has seven (7) equity shareholders. A Chartered Accountant's certificate certifying the list of the Equity Shareholders of the Transferor Company is part of the Application. All the equity shareholders of the Transferor Company have given their consent in the form of affidavits in favour of the proposed Scheme. The consent affidavits of the equity shareholders are part of the Application. In view of the consent affidavits of all the shareholders, convening and holding meeting of the equity shareholders of the Transferor Company is dispensed with.

8.2 The Ld. Counsel for the Applicant Companies submitted that as on 31.03.2026, there are 1,00,114 Equity Shareholders in the Transferee Company.

8.3 The Ld. Counsel further stated that the Scheme does not entail any compromise or arrangement whatsoever between the Transferee Company and its shareholders and creditors within the meaning of Section 230 to 232 of the Act. Therefore, holding of meetings of shareholders and/or creditors of the Transferee Company for approval of the proposed Scheme is not required in view of Order of Hon'ble National Company Law Appellate Tribunal (NCLAT) in *Reliance Industries Ltd. v. Registrar of* Companies [Company Appeal (AT) No. 109 of 2023] dated 11.05.2023, wherein Hon'ble NCLAT, Principal Bench, New Delhi held that the transfer of demerged undertaking from the wholly owned subsidiary into the parent/transferee company by way of demerger is akin to merger of wholly owned subsidiary with parent company and directed that convening and holding of meetings of Equity Shareholders, Secured and Unsecured Creditors of the Parent Company was dispensed with and it was further held that consent affidavits of 90% of the total value of shareholders and secured creditors and all unsecured creditors will not be necessary at this stage. Further stated that the Hon'ble NCLAT in *DLF Phase-IV Commercial Developers Limited & Ors*, [Company Appeal (AT) No. 180 of 2019]; *Ambuja Cements Limited* [Company Appeal (AT) No. 19 of 2021]; and *Patel Engineering Limited* [Company Appeal

(AT) No. 137 of 2021, has held that Scheme of Arrangement/Amalgamation between subsidiary and Holding Company does not warrant meetings of its shareholders and creditors. The facts of the above referred cases are similar to the present matter. The rights of secured creditors and unsecured creditors of the Second Applicant Company are not affected as there is no compromise or arrangement with them. There is no issue and allotment of shares by the Transferee Company. The present Scheme is an arrangement between the Transferee Company and its shareholders as contemplated under section 230(1)(b) of the Companies Act, 2013, and not in accordance with the provisions of section 230(1)(a) of the Act, as there is no compromise or arrangement with any class of Creditors.

8.4 Based on the above, the meeting of the Equity Shareholders of the Transferee Company is dispensed with since the Transferor Company is a wholly owned subsidiary and there is no re-organisation of share capital of the Transferee Company as no new shares are being issued. However, the Transferee Company is directed to serve notice to its shareholders by way of Email/ RPAD/Speed Post/ Hand Delivery with a direction that they may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal, with a copy of such representations shall simultaneously be served upon the respective Applicant Companies, failing which, it shall be presumed that the shareholders have no representations to make on the proposed Scheme.

9. ***Meetings of Creditors***

Secured Creditors

9.1 The Ld. Counsel for the Applicant Companies submitted that as on 31.03.2026, the Transferor Company does not have any Secured Creditor. In view of the fact that there is no Secured Creditor in the Transferor Company, no meeting of the Secured Creditors of the Transferor Company is required.

9.2 The Ld. Counsel for the Applicant Companies further submitted that as on 31.03.2026, the Transferee Company does not have any Secured Creditor. In view of the fact that there is no Secured Creditor in the Transferee Company, no meeting of the Secured Creditors of the Transferee Company is required.

Unsecured Creditors

9.3 The Ld. Counsel for the Applicant Companies submitted that as on 31.03.2026, the Transferor Company has *688* (Six Hundred and Eighty-Eight) Sundry Creditors amounting to Rs.1,12,05,46,355/- (One hundred Twelve Crore Five Lakh Forty-Six Thousand Three Hundred Fifty-Five Rupees), 31 (thirty-one) capex unsecured creditors amounting to Rs.3,31,73,029/- (Three Crore Thirty-One Lakh Seventy-Three Thousand Twenty-Nine Rupees) and 1 (one) unsecured borrowing amounting to Rs.1,69,00,00,000/- (One Hundred Sixty-Nine Crore Rupees).

9.4 The Ld. Counsel for the Applicant Companies further submitted that the present Scheme is for Merger by Absorption between the Transferor Company, Transferee Company and their respective shareholders as contemplated under Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013, and as there is no compromise and/or arrangement with the creditors, no diminution of labilities of the creditors, no sacrifice is called for and hence, the meeting of the unsecured creditors of the Transferor Company is not required to be convened and the same be therefore dispensed.

9.5 On the basis of the above, the meetings of the Unsecured Creditors of the Transferor Company are dispensed with. However, the Transferor Company is directed to serve notice to its unsecured creditors by way of Email/ RPAD/Speed Post/ Hand Delivery with a direction that they may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal, with a copy of such representations shall simultaneously be served upon the respective Applicant Companies, failing which, it shall be presumed that the unsecured creditors have no representations to make on the Scheme.

9.6 The Ld. Counsel for the Applicant Companies submitted that as on 31.03. 2026, there are 2654 Unsecured Creditors of value of Rs.6,24,51,57,282/- (Six Hundred

Twenty-Four Crore Fifty-One Lakh Fifty-Seven Thousand Two Hundred Eighty-Two Rupees) and 116 Capex Unsecured Creditors of the value Rs.14,99,96,926/- (Fourteen Crore Ninety-Nine Lakh Ninety-Six Thousand Nine Hundred Twenty-Six Rupees) in the Transferee Company.

9.7 The Ld. Counsel for the Applicant Companies further submitted that the pre and post Scheme net worth of the Transferee Company is as follows:

Description	Pre-merger		Post-merger (Provisional)
	CIE Aluminium Casting India Limited	**CIE Automotive India Limited**	**CIE Automotive India Limited**
Paid-up Equity Share Capital	2,94,00,000	3,79,36,23,770	3,79,36,23,770
Securities Premium (free portion, if applicable)	-	15,37,14,76,274	15,37,14,76,274
Other Free Reserves (General Reserve, Retained Earnings)	3,22,89,44,638	24,58,76,89,728	25,52,99,43,366
Less: Accumulated Losses	-	-	-
Less: Misc./Deferred Expenditure	-	-	-
Net Worth (excluding revaluation reserve)	**3,25,83,44,638**	**43,75,27,89,772**	**44,69,50,43,410**

9.8 The rights of the creditors of the Transferee Company are not affected since there is no compromise or arrangement with or diminution of liability of any of the creditors, and all the creditors would be paid off in the ordinary course of business by the Transferee Company. Also, the assets of the Transferee Company, post amalgamation, will be more than sufficient to discharge their claims. Also, the net worth of the Transferee Company continues to remain positive post Scheme.

9.9 The existence of the Second Applicant Company will remain as before without any change either to its shareholding pattern or debt position pursuant to the Scheme.

9.10 Based on the above, the meeting of the Unsecured Creditors of the Transferee Company is dispensed with since the Transferor Company is a wholly owned subsidiary and there is no re-organisation of share capital of the Transferee

Company as no new shares are being issued. However, the Transferee Company is directed to serve notice to its unsecured creditors by way of Email/RPAD/Speed Post/Hand Delivery with a direction that they may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal, with a copy of such representations shall simultaneously be served upon the respective Applicant Companies, failing which, it shall be presumed that the unsecured creditors have no representations to make on the Scheme.

10. The Applicant Companies stated that no investigation proceedings have been instituted and/or are pending against the Applicant Companies under Sections 210 to 227 of the Companies Act, 2013. Further, it is submitted that there are no winding-up petitions or petitions under the Insolvency and Bankruptcy Code, 2016, admitted against the Applicant Company.

11. The Applicant Companies are directed to serve notice along with a copy of the Scheme upon the -

   i. Central Government through the office of the Regional Director, Western Region, Mumbai;
   ii. Jurisdictional Registrar of Companies;
   iii. Jurisdictional Income Tax Authority within whose jurisdiction the Applicant Company's assessment is made, indicating PAN of the Company;
   iv. Concerned Nodal Officer in the Income Tax Department i.e., Pr. CCIT, Mumbai, Address: 3rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020;
   v. Official Liquidator, Mumbai (in respect of Transferor Company);
   vi. BSE, NSE and SEBI (only in respect of Transferee Company);
   vii. Competition Commission of India;
   viii. Concerned Goods and Service Tax Authorities; and
   ix. Any other Sectoral Regulator or Authority to which the Applicant Company is subject as per the laws in force.

12. The above notice shall be served through Speed Post and e-mail pursuant to section 230(5) of the Companies Act, 2013, and rule 8 of the CCAA Rules. The said notice will contain a statement that "*If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme*".

13. The Applicant Company shall host the notice(s) along with a copy of the Scheme on its website, if any.

14. The Applicant Companies to file Affidavit of Service and Compliance Reports within 10 working days after serving notice to all the Regulatory Authorities and the Unsecured Creditors as stated above.

15. With the above directions, **CA(CAA)/115/2026** is **allowed**.

Sd/-	Sd/-
ANIL RAJ CHELLAN	**K. R. SAJI KUMAR**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

/pvs