IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.08
CP(CAA) No. 55/BB/2025

IN THE MATTER OF:

Crossdomain Solutions Pvt Ltd … Petitioner

Petition under Sec 230-232 of CA 2013

Order delivered on: 30.10.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner : Shri. Rahul Agarwal, PCS
For the IT : Adv. Ganesh Ghale

ORDER

CP (CAA) No.55/BB/2025 is Dismissed vide separate order.

The Petitioner is directed to pay the cost of Rs. 50,000/- (Rupees Fifty Thousand Only) to Prime Minister National Relief Fund and submit the receipt.

File be consigned to Record room.

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

Jones

IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
(Through Physical Hearing/VC Mode (Hybrid))

C.P. (CAA) No.55/BB/2025

Application under Section 230 to 232 of the Companies Act, 2013 and other Applicable Provisions of the Companies Act, 2013 Read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

IN THE MATTER OF:

CROSSDOMAIN SOLUTIONS PRIVATE LIMITED
CIN: U70101KA1987PTC008167
Registered Office: 307,
Tejas Arcade, #527/B, 3rd Floor,
1st Main Road, Dr. Rajkumar Road,
Rajajinagar, Bengaluru-560010 **...** Petitioner

AND

ITS CLASS OF UNSECURED CREDITORS
(VIZ., DEPOSIT HOLDERS)

Order delivered on: 30.10.2026

CORAM:

Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

COUNSELS PRESENT:

For the Petitioner : Shri Rahul Aggarwal, PCS
For the ROC : Ms. Teju for Shri Hemanth Rao
For the IT. Dept. : Shri Ganesh R Ghale

O R D E R

Per Bench:

1. This is a second motion petition filed on 10.12.2025 by the Petitioner seeking following reliefs:

a) *Sanction the Scheme of Arrangement annexed as Annexure A1, with effect from 31.03.2025 or such other date as this Hon'ble*

Tribunal may deem fit and proper, thereby approving the settlement of outstanding deposits with the class of unsecured creditors (viz., Deposit Holders)

b) *Declare and direct that all liabilities and obligations of the Petitioner Company to its class of unsecured creditors (viz., Deposit Holders) shall stand modified, settled, strictly in accordance with the terms of the Scheme, and that such modification shall be final and binding on the Petitioner Company and its said Unsecured creditors (viz Deposit Holders).*

c) *Declare that upon the Scheme becoming effective, the outstanding unsecured deposits of the Petitioner Company shall stand written back and cancelled in accordance with Part-B of the Scheme, and the liability of the Company towards such deposits shall be discharged in full.*

d) *Direct that a certified copy of the final order sanctioning the Scheme be filed with the Registrar of Companies, Bengaluru, within 30 days of receipt, whereupon the Scheme shall become effective and operative in law.*

e) *Pass such other and further orders as this Hon'ble Tribunal may deem fit, just, and proper in the facts and circumstances of the case.*

2. **<u>Submissions of the Petitioner</u>**:

The Petitioner had filed First Motion Application bearing CA. (CAA) No. 28/BB/2025. Vide order dated 26.11.2025 the meetings of the Equity Shareholders, Preference Shareholders, Unsecured Deposit Holders of the Petitioner Company were dispensed with.

When the Second motion petition was listed on 06.02.2026, the following directions were issued:

i. Issue notice of petition to the following statutory authorities in Form CAA3 for submitting their representation:

a. The Regional Director(s).
b. The Registrar of Companies
c. The Income Tax Authorities
d. The Statutory Regulators/Sectoral Regulators, if applicable.

ii. Notice is also directed to be published in two prominently circulating national daily newspapers namely The Financial Express' in English and 'Vijayavani' in Kannada

3. Pursuant to the aforesaid, the Petitioner has filed copies of proof of service of notices to the authorities and also copies of Newspapers carrying public notice of hearing. No objections have been filed by the Statutory Authorities
4. The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the scheme and interest of employees have already been considered in the first motion proceedings.
5. The Board Resolution of the Petitioner Company approving the Scheme is annexed as **Annexure-G1** of the Petition.
6. It is further submitted that the Certificate of Statutory Auditors of the Petitioner Company, stating that the accounting treatment contained in Clause 8 of Part-B of the Scheme is in compliance with the Indian Accounting Standard notified under Section 133 of the Companies Act, 2013, other Generally Accepted Accounting Principles in India as applicable. The copy of Certificate is at **Annexure-J1** of the Petition.
7. The audited financial statements as on 31.03.2023, 31.03.2024 & 31.03.2025 and unaudited Financial Statements as on 31.05.2025 of the Petitioner company are attached as **Annexures – D1, D2, D3, D4** of the Petition.
8. **Report of RD AND ROC:**

   Pursuant to the notice, the Regional Director (RD) has filed its common report vide Dy. no.7502 dated 16.07.2026 as follows:

a) As per the last financial statements filed as on 31.03.2025 of the Company, Mr/Ms. Nargis Ebrahim Chaney, an individual, holds major Equity Shares of 42.53% and Preference Shares of 43.46% in the company.

b) As per the Scheme, it provides for the arrangement with the class of creditors (viz. Deposit holders) of the Company pursuant to section 230 and other applicable provisions. The objective of the Scheme is that the proposed arrangement with the class of creditors i.e. deposit holders involving the write back and cancellation of a portion of outstanding deposits effective 31.03.2025 will be undertaken under section 230 of the Act.

c) Accordingly, it is proposed to treat the outstanding Deposits of Rs. 13,74,35,948 as on year end for the financial year 2024-25, and repay the balance in the following manner:

    a. Rs. 83,62,212 would be paid to the Deposit Holders in the month of May 2025 in the manner provided in paragraph 7 of the Scheme;
    b. Rs.11,90,73,736 to be written back, effective 31.3.2025;
    c. Balance Rs.100,00,000 to be paid to the Deposit Holders within 1 year from the date of the Scheme becoming effective;

d) As per Clause 7(v) of Part B of the Scheme, the write-back and cancellation of the outstanding Deposits of the Company under this Scheme will facilitate the Company to reduce its' long-term liabilities and the liability of the Company with respect to the class of creditors (viz., Deposit Holders) shall discharged to the extant amount

e) There are no open Complaints, no Prosecution, Technical Scrutiny/Inquiry, Inspection, and Investigation pending in this office against the Company

f) Company has stated in the petition that the company has facing financial difficulties and repayment of deposits seems unlikely. Further, company has stated that it is seeking the write back and cancellation of portion of outstanding deposits. This jeopardizes the interest of the deposit holders.

g) As per the audited balance sheet as at 31.03.2025 as submitted by the Petitioner Company a sum of Rs.1,83,62,214/- is shown as deposits outstanding (other long-term liabilities as stated at Note No.6) and not a sum of Rs.13,74,35,948/- as mentioned in the proposed scheme. Further, Registrar of Companies, Karnataka vide report dated 23.04.2026 has stated that as per the latest audited financial statements for the year ending 31.03.2025, the Company is a profit making entity while company is stating that it has losses and financial difficulties and would like to write back the deposits.

h) As per audited financial statements for the Financial Year 2024-25 company has already written back deposits amounting to Rs. 11,90,73,733/- from its promoters/shareholders and it has already shown as other income.

i) Petitioner Company has stated that the sum of Rs. 13,74,35,948 is outstanding as on 31.03.2025 towards deposits received from shareholders, which appears to be not correct as per financial statements for the year ending 31.03.2025. It has already written back the outstanding deposits of Rs. 11,90,73,733/- and offered as income in the financial statement. In the scheme filed before the Tribunal the ex-post-facto approval is sought for a scheme of write back of the deposits outstanding and payable to the depositors which has already been written back, in the garb of arrangement under section 230 of the Companies Act, 2013. Hence, it appears that ex-post-facto scheme has been filed as an afterthought and is not in compliance of the provisions of Section 230 of the Companies Act, 2013.

j) Further, Statutory Auditor of the Petitioner Company, M/s. Singhvi Dev & Unni LLP, Chartered Accountants in its Auditor's Certificate attached to form DPT-3 Return as at 31.3.2025 pursuant to Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014 (amended) read with Section 73 of The Companies Act 2013 dated 30.06.2025 vide SRN AB5258766 dated 15.07.2025 for the period 31.03.2025 has stated in Note 1 as under:

"Note 1: Other adjustments referred above includes the waiver of deposits amounting to Rs. 10,97,64,743 from members and the waiver of loan from a directors of Rs. 93,08,990 has been recorded in the unaudited books as on 31 March 2025. The company has filed application with the NCLT for approval of the write back as a matter of abundant caution even though it does not come under the purview of arrangement under section 230 of Companies Act, 2013".

k) Further, at Point No.11(d) of E-Form DPT-3 form filed vide SRN AB5258766 dated 15.07.2025 for the financial year ending 31.03.2025, it is shown-

At Point No. 11(d) "Amount of deposits repaid during the year: Rs.12,35,87,861/-", while the facts say that company has not repaid, but whereas already written back and wrongly disclosed as repaid in DPT-3 form as mentioned above which amounts to violation of Rule 16 read with Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014 (amended) read with Section 73 of The Companies Act 2013.

l) The compliance to the provisions of section 73 & 74 of the Companies Act, 2013 shall be shown by the company, taking into consideration the above facts, company must show the compliance of Section 73 & 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 for violation which are non-compoundable offences for which penal provision is Section 76A of Companies Act, 2013 is as under:

"Where a company accepts or invites or allows or causes any other person to accept or invite on its behalf any deposit in contravention of the manner or the conditions prescribed under section 73 or section 76 or rules made thereunder or if a company fails to repay the deposit or part thereof or any interest due thereon within the time specified under section 73 or section 76 or rules made thereunder or such further time as may be allowed by the Tribunal under section 73,-

(a) the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees; and

(b) every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years and with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees:

Provided that if it is proved that the officer of the company who is in default, has contravened such provisions knowingly or wilfully with the intention to deceive the company or its shareholders or depositors or creditors or tax authorities, he shall be liable for action under section 447."

m) "As the Petitioner Company has not disclosed complete and correct facts and requested the Tribunal for ex-post facto approval of an action already completed by the Petitioner Company, which shall not fall under the purview of provisions of section 230 of the Act, and where the company has violated the provisions of Section 73 & 74 of the Companies Act, 2013 r/w the Companies (Acceptance of Deposits) Rules, 2014, which are non-compoundable violations under section 76A of the Companies Act, 2013, hence the scheme is liable to be dismissed".

8.1. <u>REPLY AFFIDAVIT</u>: Reply affidavit to the report of RD/ROC has been filed by the Petitioner Company vide Dy. no. 8617 dated 09.09.2026. The reply to contentious parts of the reports are following:

a) The Board of Directors of the Petitioner Company, at its meeting held on 28.03.2025, approved the Scheme. The Director's Report for FY 2024-25 records that the Company wrote back deposits payable to shareholders and directors amounting to Rs.11,90,73,733/-, and, as a matter of prudence and abundant caution, also filed an application seeking confirmation of the Tribunal.

b) The commercial necessity for the Arrangement arose from the financial position of the Company and the need to rationalise the liability burden appearing in its books. As at 31.3.2024, the Company had paid-up share capital of Rs.67,75,652/-, whereas its reserves and surplus reflected accumulated losses of Rs.9,66,70,765/-resulting in negative shareholder's funds of Rs.8,98,95,113/-.

c) The Company reported profit for the year of Rs.10,97,35,107/- for FY 2024-25, as against Rs.81,14,465/- for the previous year. However, the said FY 2024-25 profit was materially influenced by the accounting recognition of the write-back of Rs.11,90,73,733/- relating to deposits payable to shareholders and directors.

d) A capital alteration route would not have discharged, settled or rationalised the outstanding balances standing to the credit of the identified Deposit Holders. Therefore, the Company obtained written consents and waiver confirmations from the concerned Deposit Holders.

e) The present Scheme does not propose any alteration of the capital clause, cancellation of issued shares, diminution of paid-up share capital or reduction of share capital. The paid-

up share capital of the Company remains unchanged at Rs.67,75,652/-

f) Arrangement contemplated in the Scheme has been voluntarily and unanimously approved by all the affected Deposit Holders through duly executed and notarized Consent-cum-Affidavits and waiver confirmations. The Consent-cum-Affidavits representing 100% of the affected class were placed before this Tribunal in the First Motion proceedings.

g) The Petitioner Company further submits that the Scheme was supported by full stakeholder consent. As recorded in the First Motion Order, there were 7 Equity Shareholders as on 31.5.2025 and all Equity Shareholders representing 100% shareholding had consented to the Scheme by way of affidavit. There were also 6 Compulsorily Convertible Preference Shareholders as on 31.05.2025 and all such Preference Shareholders representing 100% shareholding had consented to the Scheme by way of affidavit. The First Motion Order further records that there were 7 Unsecured Deposit Holders with corresponding outstanding credit balance as on 31.5.2025, and the Chartered Accountant's certificate and consent affidavits were placed on record.

Para-wise Rejoinder to the Report of RD/ROC has been submitted:

h) As disclosed in the Petition, the outstanding deposits of Rs.13,74,35,948/- are proposed to be treated by payment of Rs.83,62,212/-, write-back/waiver of Rs.11,90,73,736/-, and payment of the balance Rs.1,00,00,000/- in the manner contemplated under the Scheme.

i) It is respectfully submitted that there is no inconsistency between the figure of Rs.13,74,35,948/- mentioned in the Scheme and the figure of Rs.1,83,62,214/- reflected under

Note 6 of the Audited Financial Statements as at 31.03.2025. The two figures represent different stages of the same underlying deposit liability. The figure of Rs.13,74,35,948/- represents the aggregate deposit liability proposed to be dealt with under the Scheme before giving effect to the Scheme treatment, whereas Rs.1,83,62,214/- represents the residual liability appearing in the books after recognising the repayment and write-back/waiver treatment.

j) The Petitioner Company respectfully submits that Note 6 of the Audited Financial Statements records the residual Other Long-Term Liabilities. Note 19 records the write-back of deposits from shareholders and directors amounting to Rs.11,90,73,733/- under "other income". The said figures must be read together with the Scheme and not in isolation.

k) Upon recognition of the consent-based waiver of Rs.11,90,73,736/-, the liability remaining as at 31.03.2025 was approximately Rs.1,83,62,212/-, corresponding to the amount of Rs.1,83,62,214/- disclosed under Note 6 of the Audited Financial Statements. Out of the said balance, Rs.83,62,212/- was paid to the concerned Deposit Holders in May 2025. The balance amount of Rs.1,00,00,000/- contemplated under the Scheme has also been paid to the concerned Deposit Holders.

l) The Petitioner Company submits that the reduction of Rs.12,35,87,861 reported under Point No. 11(d) of Form DPT-3 comprised actual repayment of Rs. 1,38,23,118 and waiver/write-back of Rs.10,97,64,743, based on written consents from the concerned deposit holders. These components were disclosed in the Auditor's Certificate and the clarification dated 07.07.2025.

m) The shareholder deposit balance reduced from Rs.14,05,09,397 to Rs.1,69,21,536. The director-related

amount was separately disclosed under Point No. 15 of Form DPT-3, with a closing balance of Rs.14,40,678. The total residual liability of Rs.1,83,62,214 reconciles with Note 6 of the Audited Financial Statements. The aggregate write-back of Rs.11,90,73,733, comprising shareholder and director-related adjustments, reconciles with Note 19, subject to a Rs.3 difference from the Scheme figure due to rounding/presentation.

n) Accordingly, the disclosures, read together with the supporting documents, demonstrate no concealment, suppression, misclassification or deliberate misstatement, and no violation of the section 73 Companies Act, 2013 and Rule 16 read with Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014

o) The Petitioner Company submits that the Scheme is neither an afterthought nor an attempt to obtain ex-post-facto approval of a unilateral accounting entry. The Scheme was approved by the Board of Directors on 28.03.2025, followed by the First Motion Application filed on 02.07.2025

p) The Company submits that Section 74 is not attracted, as the deposits forming part of the Scheme arose after the commencement of the Companies Act, 2013, subject to verification of the underlying records. The waiver of interest for FY 2024–25 was approved by the Board on 05.04.2024 and supported by individual written consents dated 10.04.2024.

q) The Company denies any concealment, fraud, wilful default or deliberate misstatement and submits that the Scheme does not seek immunity, condonation or regularisation of any statutory non-compliance under Sections 73, 74, 75, 76 or 76A of the Companies Act, 2013.

9. **REPORT OF THE INCOME TAX DEPARTMENT**:

The Income Tax (IT) has filed its report under vide Dy. No. 8098 dated 11.08.2026. There is no observation of any pending outstanding demand and any pending proceedings in the report.

10. **Heard Learned Counsels** for the parties and carefully perused the file. The reports of Statutory Authorities and their replies by the Petitioner companies have been reproduced above in detail. The requisite undertakings have been furnished and certification completed.
11. While going through the case records, it has transpired that the petition is cautious approach of the Petitioner, for seeking the right to take deposits payable that have become due and payable to depositors.
12. Auditors' report in this behalf quite categorically observes that petition is filed by way of abundant caution, although Section 230 of the Companies Act, is not attracted for the proposed arrangement.
13. The Board of Directors of Petitioner took a decision to write back the dues of depositors on 28.03.2025 and, within a matter of 03 days, it was implemented and subsumed into the books of accounts and final statements of Company of which later have also been filed with ROC.
14. The Petitioner obviously, wanted to have a stamp of NCLT, so as to obviate any issues with Statutory Authorities at later point of time, initiated these proceedings with first motion filed on 28.06.2025. Before the filing of second motion, DPT-03 was filed on MCA website on 15.07.2025, reflecting Rs.12,35,87,861/- as "Paid" during 2024-2025.
15. It is over-reach and preposterous for the Petitioner to assign nomenclature "Paid" to a "write-back amount". To add to the irony, the Petitioner has strived to justify the assignment of such nomenclature in its reply affidavit to ROC report.
16. Without delving into the applicability or non-applicability of the invoked provisions, it is made clear that the Petitioner has attempted to seek

ex-post facto validation, which NCLT abhors and refrains from indulging in.

17. There is no point in dealing with an already implemented scheme of arrangement, about maintainability of which the Petitioner and its advisors themselves are unsure. The **Petition is, therefore, dismissed** with a cost of Rs.50,000/-.
18. Copy of this Order be communicated to the Petitioner Company through their representing Counsel.

-Sd-

RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-

SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)