NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) No. 410 of 2026

In the matter of:

L-1 Identity Solutions Operating Company
Private Limited & Ors. ...Appellants

Vs.

....Respondent

Present:
Appellant: Mr. Arun Kathpalia, Sr. Advocate with Mr. Ishan Gaur, Ananya Kumar, Mr. Utkarsh Khandelwal, Mr. Vaibhav Khanna, Mr. Harsh Shukla, Mr. Aditya Dhupar, Advocates.
Respondent:

O R D E R
(Hybrid Mode)

04.11.2026 - The captioned Appeal has been preferred against the Order dated October 13, 2026 ("Impugned Order") passed by the Hon'ble National Company Law Tribunal, New Delhi Bench (Court-II) in C.P. (CAA)-16/ND/2026 connected with C.A. (CAA) 77/ND/2025, inter alia, to the extent that the Impugned Order makes implementation of the sanctioned Composite Scheme of Arrangement subject to certain conditions.

2. Paragraph 22(i) of the Impugned Order, inter alia, provides that the Impugned Order and the Scheme would come into operation only upon payment of the dues payable towards MSME, Customs, Service Tax, Income Tax, Sales Tax and GST referred to in the Report of the Regional Director and reproduced

in Paragraph 12 of the Impugned Order. The corresponding dues relating to Appellant No.1/Transferor Company 1 and Appellant No. 3/Transferee/ Demerged Company are also reflected in the Report dated May 7, 2026 of the Registrar of Companies, NCT of Delhi-I (South Delhi). For the purposes of brevity Para- 22(i) is extracted hereunder:-

> ***"22. Observations of this Tribunal***
>
> *i. In light of the foregoing facts and discussion, particularly the positions taken by the relevant authorities, and upon considering the approval granted by the members and creditors of all the Petitioner Companies to the proposed Scheme, we may have to approve the scheme, but conditionally viz. the present order would come into operation only on payment of the dues payable to MSME, Department of Customs, Service Tax and Income Tax dues mentioned in the report of RD (reproduced in para 12 hereinabove). It is made clear that till the payment of aforementioned dues, the Scheme would not be operative. Further, in the event of detection of there being any violation of guidelines prescribed by RBI or Foreign Exchange Management Act, 1999 and the rules and regulations made there under, in addition to action for which the violators may be liable, the scheme under approval will also become non-est and all the Applicant Companies would be treated in existence for all purposes, as if the present order has not been passed. Besides, anything contained in the scheme in disregard to the provisions of Companies Act, 2013 would become non-est. Accordingly, the Scheme of Merger proposed by the Petitioner Companies under Sections 230 to 232 of the Companies Act, 2013, is hereby sanctioned. The sanctioned Scheme of Merger shall be binding*

on the Transferor and Transferee Companies (the Petitioner Companies), and their respective shareholders and creditors. The Petitioner Companies shall remain bound to comply with all applicable statutory requirements."

3. The Appellants aggrieved by the condition prescribed by the Adjudicating Authority regarding certification by ED and RBI and state that there is no violation of guidelines prescribed by RBI, FEMA, as also rules and regulations framed under FEMA. It is the submission of learned Counsel that RBI is the Regulator and ED is an investigating agency under FEMA. No such clarification is contemplated under law, nor it is shown otherwise.

4. The matter was heard on 02.11.2026 wherein it was directed that appellants to comply with the conditions as mentioned in para – 22 of the impugned order, which would abide by the decision of the appeal.

5. In compliance with the aforesaid Order, the Appellants No.1 and 3 herein have filed a compliance affidavit dated 03.11.2026 which has been placed before us. The aforesaid affidavit is taken on record.

6. Learned Counsel for the appellants states that as directed in para – 22(i) of the impugned Order, they have made complete payment for outstanding dues of various government departments and agencies and the proof of such payment has been enclosed with the affidavit. The appellants have further stated that though they have made the full payments as directed by learned NCLT/this

Appellate Tribunal, but the same has been done without prejudice to the rights and contentions of appellants in respect of underlying dues.

7. We have noted full payment of dues by Appellants. Only issue pending in this appeal is regarding certification by RBI and ED. In our view, the action on the part of RBI or FEMA will arise, only if, there is something on record showing violation of the guidelines of the RBI which has been brought to the notice of the RBI by any other agency or any financial intermediary like banks, foreign exchange, dealers etc. Similarly, the role of ED only arises in cases where there is violation of FEMA or Prevention of Money Laundering Act. In cases of merger or demerger of companies, there is no requirement of the NOC or certification by ED and RBI for the completion of scheme. We further note that this is not a case where any such violation of FEMA or RBI guidelines has been alleged by any agency. In any case, it is clearly laid down in the impugned Order that in case any such violation is found subsequently, they will be liable for action as per the provisions of FEMA and rules and regulations made under therein.

8. We are, therefore, of the view that the appellants have complied with all the directions of the Ld. NCLT for scheme of merger proposed by the petitioner companies under Section 230 - 232 of the Companies Act, 2013 and there would be no further requirement for certification from ED and CBI for completing this merger process. The Appellant would be at liberty to pursue its legal remedies in case of disputed dues as per law.

9. The petitioner companies shall within 30 days from the date of issue of this Order or on sanction of the scheme with respect to transferee company, whichever is later, ensure that the certified copy of this Order is to be delivered to Registrar of Companies for registration. The consequent action will follow thereafter.

10. The appeal is disposed of with these modifications to the impugned order.

[Justice Sharad Kumar Sharma]
Member (Judicial)

[Arun Baroka]
Member (Technical)

[Indevar Pandey]
Member (Technical)

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