IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.09
CA.No. 160/2026 in
CP. (CAA) No. 21/BB/2025

IN THE MATTER OF:

Akamai India Networks Pvt Ltd … Petitioner

Petition under Sec 230-232 of CA, 2013

Order delivered on: 04.11.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner : Shri Christopher Edwin and Mr Sujath Mehdi

ORDER

CA. No. 160/2026

1. This Application has been filed by **Akamai India Networks Pvt Ltd and Anr. (Petitioner Companies)** seeking rectification of Order dated 20.05.2026 passed in C.P. (CAA)No.21/BB/2025, by deleting paragraph No.11 at pages 16,17 and 18 and substituting Paragraph No.11 with the Income Tax report dated 29.10.2025, as per the submissions and the documents pertaining to the present case.
2. It is submitted that in the Order dated 20.05.2026, sanctioning the Scheme of Amalgamation, at page 16 thereof, inadvertently recorded and relied upon the wrong report dated 26.08.2026 filed by the Income Tax Dept. in respect of another entity which is Akamai Technologies India Pvt Ltd (bearing PAN: AAICS0950J), instead of fresh and correct report dated

29.10.2025, filed in respect of the Applicant/Transferee Company, Akamai India Networks Pvt Ltd (PAN: AAPCA3692Q).

3. The following corrections shall be read in place of the corresponding portions of the Order dated **20.05.2026**, and the Income Tax report dated 26.08.2026, inadvertently referred to therein, shall stand ***replaced*** by the fresh and correct Income Tax report dated **29.10.2025** pertaining to Akamai India Networks Pvt. Ltd. **(PAN: AAPCA3692Q**) and Income Tax report dated **09.12.2025**, pertaining to **Linode Hosting India Pvt. Ltd. (Transferor Company)** (**PAN: AADCL6082D**).

   The remaining terms of the Order dated 20.05.2026 shall remain intact, and the said Order will be read with the aforesaid corrections.

   Necessary formalities for uploading the corrected order, in terms of Circular dated 07.05.2026 of Hon'ble Principal Bench, NCLT, New Delhi be complied with.

   It is ordered accordingly and CA is allowed.

-Sd-	**-Sd-**
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH,
(Hybrid mode)

C.P.(CAA) No.21/BB/2025
U/s. 230, 231 & 232 r/w Section 66 & other Applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

IN THE MATTER OF:

AKAMAI INDIA NETWORKS PRIVATE LIMITED
Ground Floor, Augusta Building,
Embassy Golf Links,
Business Park,
Off Intermediate Ring Road,
Bangalore - 560071. **...Petitioner No.1/Transferee Company**

AND

LINODE HOSTING INDIA PRIVATE LIMITED
Ground Floor, Augusta Building,
Embassy Golf Links,
Business Park,
Off Intermediate Ring Road,
Bangalore - 560071. **...Petitioner No.2/Transferor Company**

Order delivered on: 20.05.2026

CORAM: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

COUNSELS PRESENT:

For the Petitioner Companies : Shri Christopher Edwin
For the IT Dept. : Shri Ganesh R Ghale
For the ROC : Shri Vinayaka S Pandit

"This order is issued on 04.11.2026 in correction/ rectification of the order dated 20.05.2026 in C.P (CAA) No. 21/BB/2025 due to clerical/typographical error, in terms of Rule 154(1) of the National Company Law Tribunal Rules, 2016."

C O R R E C T E D

O R D E R

1. This second motion petition, filed on 07.04.2025, seeks sanction of the Scheme of Amalgamation between Akamai India Networks Private Limited (CIN - U72900KA2017FTC101689) and Linode Hosting India Private Limited (CIN - U74900KA2018 PTC182586) with effect from the Appointed Date, making it binding on all stakeholders, and further seeks dissolution of the Transferor Company without winding up, along with such other orders as deemed fit in the interest of justice.

2. In the First Motion Application bearing **C.A (CAA) No. 42/BB/2024** meetings of the equity Shareholders of the Petitioner Companies and the unsecured trade creditors of the Petitioner Companies were dispensed with vide order dated 04.03.2025.

3. On 16.06.2025, the petitioner was directed to serve notices upon Statutory Authorities in terms of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Companies Arrangements and Amalgamation) Rules, 2016 calling upon them to submit their responses besides issuing public notices in daily newspapers in terms of first motion order. On the direction being complied with, the Petitioner Company informed that no representation whatsoever is received within a period of 30 days and it may be presumed that the Authorities have no objection to the proposed Scheme in view of Rule 8 of the Companies Rules, 2016.

4. The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the scheme and interest of employees

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have been considered during the first motion proceedings. The Board Resolutions of the Petitioner Companies approving the Scheme are **Annexure – J respectively.**

5. The Certificate of Statutory Auditor of the Transferee Company, issued on 12.04.2024, the Accounting Treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the 2013 Act, is at **Annexure – L**.

6. The audited financial statement of the Petitioner Companies as on 31.03.2024 and the Provisional/Unaudited financial statements as on 31.01.2025, are attached as **Annexure – E & I respectively** to the Petition.

7. As per the Scheme, the "**Appointed Date" means 01.04.2023** or such other date as may be fixed by this NCLT or such other authorities.

8. **<u>ROC and RD Report</u>**:

Pursuant to the notice, the Regional Director (RD) and the Registrar of Companies (ROC), the RD have filed Common report vide Dairy No.5217 dated 19.09.2025 making the following observations:

a) As per the latest shareholders list attached to the last Annual Return filed as on 31.03.2024 of the Transferor Company, Linode LLC, a Body Corporate holds major Equity Shares of 99.99% in the Transferor Company.

b) As per the latest shareholders list attached to the Annual return filed as on 31.03.2024 of the Transferee Company, Akamai Technologies, Netherlands Bv, a Body Corporate holds the major Equity Shares of 99.99% in the Transferee Company.

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c) As per Clause 4.2 of PART-II of the Scheme, the appointed date is 01.04.2023. Since this appointed date is ante-dated beyond a year, justification for the same is to be provided and it is to be ensured that it should not be against the public interest.

d) As per MCA records, there are common Directors in the Petitioner Companies. The Transferor Company was originally incorporated on 10.05.2018 as a Private Limited Company with the name of LINODE HOSTING INDIA PRIVATE LIMITED under the jurisdiction of Registrar of Companies, Maharashtra, Mumbai. Subsequently changed its Registered office from State of Maharashtra to Karnataka with effect from 24.10.2023. The Transferee Company was originally incorporated on 24.03.2017 as a Private Limited Company.

e) As per Para 20 of NCLT, Bengaluru Bench order dated 04.03.2025, the meetings of the Equity Shareholders and unsecured creditors of both the Transferor and Transferee Companies have been dispensed with and the Petitioner Companies have Nil Secured Creditors and hence no meetings were convened.

f) As per Clause 14.2 of Part III of the Scheme, the shareholders of the Transferor Company should be allotted 4.4141 equity shares of Rs.10 in each in the Transferee Company in lieu of every 10 equity shares of Rs.10 each held by them in the Transferor Company. Further, in case there are fractional shares, the same shall be rounded off to the nearest integer. In this regard, it is submitted that as the shares are allotted to foreign body

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corporate, the Company may be asked to ensure the relevant compliances as per FEMA/RBI Regulations.

g) As per Clause 15.1 of Part III of the Scheme, upon the scheme becoming effective the Authorized share capital of the Transferor Company shall be added to the Authorized Share Capital of the Transferee Company. Hence, the Transferee Company shall comply with the provisions of Section 232(3) (i) of the Companies Act, 2013 and pay the differential fee, after setting off the fee already paid by the Transferor Company on its capital.

h) As per latest Audited Financial Statements for the year ending 31.03.2024, both the Transferor and Transferee Companies are loss-making entities. Hence, the Petitioner Companies may be directed to explain how the rationale of the Scheme will be achieved in case the Scheme is approved by this Tribunal.

i) As per Note No.8 and 7 the latest Audited Financial Statements for the year ending 31.03.2024, both the Transferor and Transferee Companies have undisputed statutory dues to the tune of **Rs.14.97 millions** and **7.76 lakhs** respectively. The Companies may be directed to furnish an undertaking to the NCLT to the effect that it will settle the statutory dues immediately, if not settled so far. Further, the Transferee Company may also be directed to furnish an undertaking stating that the dues payable by the Transferor Company if not settled, will be settled by the Transferee Company.

j) As per Note no. vii (b) of Annexure – B of the Independent Auditor's Report of the Transferor and Transferee Companies for

the financial year ending 31.03.2024, the Transferor and Transferee Companies have total outstanding disputed dues towards Income Tax and GST to the tune of **Rs.300.89 million** and **Rs.3517 lakhs** respectively. The Petitioner Companies may be directed to furnish an undertaking to the effect that it will settle the dues as and when the claim is crystallized.

k) As per Note no.7 of the Audited Financial Statements for the year ending 31.03.2023, the Transferee Company has total outstanding dues to Micro, Small and Medium Enterprises to the tune of **Rs.1.85 millions**. The Transferee Company may be directed to show the compliance of MSME Act, 2006 and be directed to furnish an undertaking to the effect that it will settle the dues as per the said Act immediately, if not settled so far.

l) As per the Financial Statements for the year ending 31.03.2024, the Transferee Company has Foreign Exchange Transactions. The Company may be asked to submit the relevant approvals and compliances made under FEMA/RBI regulations before the Scheme is allowed.

m) As per Clause 9.1 of Part III of the Scheme, all employees of the Transferor Company shall be absorbed into the Transferee Company. The Petitioner Companies are required to explain as to what measures are being taken to safeguard the interests of the employees of the Transferor Company and steps taken for implementation of this Clause.

n) The Transferee Company has certain ESOPs (Employees Stock Option Plan) and ESPSs (Employee's Stock Purchase Plan) The

employee's rights shall not be affected or varied in any case adversely. Further, it is to be clarified as to what measures are being taken to protect their interests and whether the Companies have received any objections to the Scheme from them. Further, the terms and conditions after the amalgamation should not be detrimental to the existing amalgamation should not be detrimental to the existing ESOP/ESPS holders under any circumstances. In this regard, the Transferee Company may be directed to furnish an undertaking.

o) That the object clauses of the Transferee Company need to be suitably altered so as to enable it to carry out the objects carried out by the Transferor Companies post sanction of the Scheme by complying with the applicable provisions of the Companies Act, 2013 and also by filing relevant e-forms.

p) That the Accounting Treatment as mentioned in the Scheme is Pooling of Interest Method as prescribed under the Companies Act, 2013 and the applicable Accounting Standards issued from time to time.

q) That the Petitioner Companies are required to comply with the provisions of Section 239 of the Companies Act, 2013 with respect to preservation of books and papers of Amalgamated Company. The Hon'ble Tribunal may be pleased to direct the Petitioner Companies to furnish an undertaking in this regard.

r) That as per Section 240 of the Companies Act, 2013, the liability in respect of offences committed under the Companies Act by the Officers in default, of the Transferor Company prior to merger,

amalgamation or acquisition shall continue after such merger, amalgamation, or acquisition.

s) There are no open Complaints, no Prosecution, Technical Scrutiny/Inquiry, Inspection, and Investigation pending in this office against the Transferor and Transferee Companies.

4. The report of the Official Liquidator, Bangalore has been filed on 05.08.2025 (copy enclosed vide Annexure – A) which may be considered and Petitioner Companies directed to comply with the observations made therein followed by any further report if, filed.
5. The Directorate vide letter dated 01-07-2025 issued to the Addl. Commissioner of Income Tax seeking their comments/objections, if any on the present scheme of Amalgamation and the Assistant Commissioner of Income Tax, Circle-1(1)(1), Bengaluru vide letter dated 26-08-2025 (copy enclosed vide Annexure- B) has furnished reply in respect of the Transferee Company, wherein it is stated that there are certain Appellate Proceedings pending for Assessment Years 2017-18, 2018-19 & 2021-22 while giving the details of total tax amounts for the years 2020-21 to 2024-25. The above reply may be looked into by the Tribunal and hear the Income Tax Department before approval of the Scheme.
6. On further examination of the contents of the scheme and replies of the petitioner companies following additional observations have been made:
    a. It is stated in the Scheme that pursuant to approval, the Transferee Company shall allot shares as per the share exchange ratio mentioned above and the shareholder **Lindia**

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LLC having one equity shares in Transferor Company shall be paid cash of Rs.2700/-.

b. That as per the Independent Auditor's report in respect of the Transferee Company it is stated that the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail facility which did not operate throughout the year. In this regard, the Petitioner Companies may be directed to explain whether the same has been maintained properly or not.

c. That in respect of Transferor Company the auditors have made an observation/emphasis that the financial statements relating to foreign currency payable aggregating to **Rs.11.12 million** outstanding for more than 3 years from the date of imports as at 31.03.2024 which is beyond the time permitted under Master Direction on Import of Goods and Services vide FED Master Direction No.17/2016-17 dated 1-1-2016 (as amended) issued by the Reserve Bank of India and the Company was in the process of collating the supporting documents for remittances and has intimated the Authorized Dealer Bank. In this regard, the Transferor Company may be directed to show the compliance in respect of the above observation and furnish copy of the NOC obtained from RBI in respect of the present Scheme of Amalgamation.

d. That both the Petitioner Companies are having related party transactions during the last two years. In this regard,

Petitioner Companies may be directed to show the compliance of the provisions of Section 188 of the Companies Act, 2013 and furnish an undertaking in this regard before approval of the Scheme.

e. That as per the reply of the Companies dated 14-08-2025, it is stated that the Transferor and Transferee Companies are having foreign investments and complied with RBI Regulations under the provisions of FEMA and furnished relevant documents i.e. acknowledgement dated 19-07-2024 for reporting Annual Return on Foreign Liabilities and Assets (FLA) for the financial year 2023-24.

8.1 REPLY AFFIDAVIT OF PETITIONERS TO ROC and RD REPORT:

Reply affidavit to the Observations made by ROC/RD, has been filed by the Petitioner Company vide Diary No. 5301 dated 24.09.2025, inter-alia stating as under:

a) **Response to "Para C":**

The instant Scheme of Amalgamation ("Scheme") was filed before this Tribunal on 03.07.2024. A copy of the filing receipt is annexed hereto and marked Annexure-1. Thus, the Scheme was filed within one year of the Appointed Date 01.04.2023 and as per MCA General Circular No.9/2019 dated 21-08-2019, justification shall be provided only when the appointed date is beyond one year from the date of filing. Without prejudice

however, it is submitted that the Tribunal may, in its discretion, decide on the Appointed Date based on the merits.

b) **Response to "Para G":**

The Petitioner Companies undertake to ensure full compliance with the applicable provisions of the Foreign Exchange Management Act, 1999, and the relevant RBI Regulations at the time of allotment of equity shares to the shareholders of the Transferor Company. An undertaking to this effect is enclosed as Annexure-A.

c) **Response to "Para h":**

The Petitioner Companies undertake that the provisions of Section 232(3)(i) of the Companies Act, 2013 will be complied with as regards to the clubbing of Authorised share capital, the Transferee Company subsequent to the clubbing of the Authorised share capital the remaining fee, if any, after setting-off the fees already paid by the Transferor Company on its authorized capital, will be paid by the Transferee Company.

d) **Response to "Para i":**

The Petitioner companies submit that this Scheme envisages the amalgamation of Linode Hosting with Akamai India, resulting in consolidation of their businesses in one single entity with a view to simplify Akamai Group (Akamai Technologies Inc, USA and its global affiliates) structure by eliminating the company in similar business thus enabling focus on core competencies and unlocking of value through operating independence of each vertical. Though both companies are

currently incurring losses, the merger is expected to lead to significant operational synergies through shared infrastructure, consolidated resources, and streamlined processes, thereby reducing overhead costs and improving efficiency.

e) **Response to "Para j":**

The Transferee Company undertakes to settle the undisputed statutory dues amounting to ₹7.76 lakhs in due course and further undertakes to settle any dues of the Transferor Company (Rs.14.97 million) that remain unpaid as on the Effective Date. A duly executed undertaking to that effect is annexed as Annexure-A.

f) **Response to "Para k":**

The Transferee company undertakes to settle the dues to Income tax and GST as and when the claim is crystallized and an undertaking to that effect is enclosed as Annexure-A.

g) **Response to "Para l":**

The Transferee Company has complied with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. A copy of the MSME Return is annexed as Annexure-2. Further, an undertaking assuring the settlement of any pending MSME dues is enclosed as Annexure-A.

h) **Response to "Para m":**

The Transferee Company is compliant with all the provisions of FEMA/ RBI and has filed the regular Form FC-GPR when shares

were issued and has also filed the annual return under Form FLA each year. Copies of the FLA filed are enclosed as Annexure – 3.

i) **Response to "Para n"**:

The Transferee Company affirms that all employees of the Transferor Company shall be absorbed on terms no less favourable than their existing terms of employment. The interests of employees will be duly safeguarded, and Clause 9.1 of the Scheme will be implemented in its true letter and spirit. An undertaking to this effect is annexed as Annexure-A.

j) **Response to "Para o"**:

The Transferee Company undertakes that the rights of the existing ESOP/ESPS holders shall not be adversely affected due to the Scheme. No objections have been received from any employees in this regard. The terms and conditions post-amalgamation shall remain consistent and non-detrimental. An undertaking to that effect is enclosed as **Annexure-A.**

k) Response to "Para p":

The Transferee Company undertakes to suitably amend its Object Clause, post-sanction of the Scheme, to enable it to carry out the business activities of the Transferor Company. All necessary filings and compliances under the Companies Act, 2013 shall be duly undertaken.

l) **Response to "Para r"**:

The Transferee Company undertakes to preserve the books and papers of the amalgamated company in accordance with

Section 239 of the Companies Act, 2013. An undertaking to this effect is enclosed as Annexure-A.

m) **Response to additional observation**:

The Transferee Company undertakes to comply with the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, and other applicable laws. An undertaking to this effect is enclosed herewith as Annexure-A to this Affidavit.

The Transferee Company has an in-built audit trail feature within its core ERP system. Further, the Company is working closely with its global IT team to implement the audit trail functionality more comprehensively. Additionally, coordination is underway with third-party service providers to ensure full and continuous compliance going forward.

The Transferor Company has already cleared certain outstanding balances and is in the process of compiling and submitting necessary documentation for the remaining dues. The Transferor Company has also notified the Authorised Dealer Bank of the pending items and is in the process of obtaining the requisite clearances.

It is further submitted that the Petitioner Companies have duly furnished a copy of the Scheme of Amalgamation to the Reserve Bank of India, with a request to provide its representation, if any, in relation thereto. Since the RBI has not reverted with any objections as per section 230(5) of the Companies Act, 2013 it is to be construed that the RBI has no objection. In any

event the matter can be taken up by the Transferee Company further to approval of the Scheme and the same can be dealt with in due course. The Transferee Company provides an undertaking to comply with the applicable regulations under the RBI to close the pending compliance related matters.

The Petitioner Companies have duly complied with the provisions of Section 188 of the Companies Act, 2013. Necessary disclosures in respect of related party transactions have been made in Form AOC-2 by the Transferee Company, which is annexed herewith as Annexure-4.

The contracts or arrangements entered into by the Transferor Company with related parties were in the ordinary course of business and carried out on an arm's length basis. In view thereof, and in accordance with the provisions of the Companies Act, 2013 and the applicable rules framed thereunder, such transactions were not required to be disclosed in Form AOC-2 and have been appropriately disclosed in the notes to the financial statements. Further, a separate undertaking affirming compliance with Section 188 is enclosed as Annexure-A.

In response to the FEMA observation, the Petitioner Companies, at page 13 para (b) of their reply, have submitted details regarding FEMA/RBI compliances. Additionally, an undertaking in respect of continued FEMA compliance has also been furnished at page 22 as follows:

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a) It has been undertaken by the Declarants that full and strict compliance with the applicable provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the relevant regulations and guidelines issued by the Reserve Bank of India ("RBI"), including but not limited to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, shall be ensured at the time of allotment of equity shares to the shareholders of the Transferor Company pursuant to the Scheme of Amalgamation.

b) It has been undertaken by the Transferee Company that all undisputed statutory dues, including but not limited to taxes, levies, cess, and other governmental charges remaining unpaid as on the Effective Date of the Scheme of Amalgamation, shall be settled and discharged in full.

c) It has been undertaken by the Transferee Company that all applicable provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act"), in relation to any outstanding dues payable to Micro, Small and Medium Enterprises, shall be complied with.

d) It has been undertaken by the petitioners that the rights, interests, and entitlements of the existing holders of Employee Stock Option Plans (ESOP) and Employee Stock Purchase Schemes (ESPS) shall not be adversely affected, varied, or prejudiced in any manner whatsoever upon the sanction and implementation of the Scheme of Amalgamation. It has been

further affirmed that the terms and conditions governing such schemes post-amalgamation shall remain fair, equitable, and not detrimental to the existing holders.

e) It has been undertaken by the Transferee Company that the books, records, and papers of the amalgamated Transferor Company shall be preserved and maintained in accordance with the requirements of Section 239 of the Companies Act, 2013 and other applicable laws and regulations.

f) It has been submitted that all the statutory provisions prescribed under Section 188 of the Companies Act, 2013 pertaining to related party transactions have been duly complied with, and all disclosures and approvals required thereunder have been duly obtained and made by the Petitioner Companies.

9. Official Liquidator has filed report vide dy.no.4303 dated 05.08.2025, making observations (other than those incorporated by RD/RoC) as follows:

1) The appointed date proposed is 01.04.2023. Since the Appointed date being old, the scheme may be allowed from 01.04.2024. As per MCA's Master data, the Transferor Company has filed its latest Balance sheet as at 31.03.2024 and has furnished a copy of audited Balance Sheet as at 31.03.2024.

2) The Transferor Company informed this office vide their letter dated 24.04.2025 that there are no inquiry, inspection and investigation ordered by the MCA or ROC against Transferor

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Company.

3) The Audit of Transferor Company for the year ended 31.03.2024 was completed by **Viren Gandhi & Co. Chartered Accountants**.
4) An undertaking may be obtained from the Petitioner Company that they will pay applicable stamp duty and other charges to the State Government within a reasonable time of 6 months.
5) From the Financial Statement of the Transferor Company for the FY ending 31.03.2023 & 31.03.2024 it is observed that the company is a going concern and has Revenue from operations to the extent of Rs.19,23,12,000/- & Rs.12,53,56,000/- respectively.
6) As per the Financial Statements of the Transferor Company as at 31.03.2024, no Expenditure incurred towards Employees' salaries and wages.

10. The issues raised in the OL report are also mentioned in the report of the ROC/RD, in respect of which compliances have been filed by the Petitioner Companies. In view of the same, no separate compliance report is considered necessary in respect of the further OL report.

11. **<u>REPORT OF THE INCOME TAX DEPARTMENT</u>**:

Income Tax report dated 29.10.2025 pertaining to **Akamai India Networks Pvt. Ltd. (Transferee Company)** (**PAN: AAPCA3692Q**), filed vide dy.no.6815 dated 04.12.2025, are as under:

<table>
<tr><th>Sl. No</th><th>Components of the Proposal</th><th>Observation of the AO in the case of M/s Akamai India Networks Private Limited (PAN: AAPCA3692Q)</th></tr>
<tr><td>1</td><td>Details of Proposal</td><td>In matter of Scheme of amalgamation between M/s Linode Hosting India Private Limited (Transferor Company) with M/s Akamai India Networks Private Limited (Transferee Company) and their respective shareholders and creditors filed under section 230-232 of the Companies Act, 2013 in CP(CAA) No. 21/BB/2025 in CA(CAA) No. 42/BB/2024</td></tr>
<tr><td>2</td><td>Details of benefit as stipulated in the scheme</td><td>-</td></tr>
<tr><td>3</td><td>Details of any proceedings pending against applicant company under the Income Tax Act</td><td>Assessment Proceedings pending for AY 2024-25.
Penalty Proceedings pending for AY 2018-19 and 2022-23.
Appellate Proceedings pending for AY’s 2018-19 and 2022-23.</td></tr>
<tr><td>4</td><td>Details of tax demand pending for recovery (Year wise amount outstanding)</td><td><table><tr><th>AY</th><th>Demand (in Rs.)</th></tr><tr><td>2021-22</td><td>10,28,850</td></tr><tr><td>2022-23</td><td>70,99,950</td></tr></table></td></tr>
<tr><td>5</td><td>Details of pendency of investigation/enquiry proceedings, if any</td><td>Nil</td></tr>
</table>

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6	Whether proposed scheme will impact allowability of carry forward loses or unabsorbed depreciation or any benefits under the IT Act. If yes quantify the amount of tax effect compliance of section 72A.	Nil
7	Whether the proposed scheme will have any impact of exemption of capital gain tax/dividend distribution tax	NA
8	Whether in view of the assessing office prime facie GAAR provision appears to be attracted in the scheme of arrangement	-
9	Comments of valuation report attached to the scheme	-
10	In case of reverse merger where loss making company continues to exist and profit-making company dissolves to reduce its tax. What is the specific reasons for continuation of loss-making company? Need to examine applicability of provision of GAAR	N.A.
11	Details of ITRs Filed by the Company	The assessee has filed returns upto AY 2024-25. The details of ITR for the past 5 years is as follows:

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AY	Date of Filing	Return filed u/s	Income Returned/loss	Total Tax
2024-25	30.11.2024	139(1)	(52,72,72,921)	0
2023-24	30.11.2023	139(1)	0	0
2022-23	30.11.2022	139(1)	(13,92,83,478)	0
2021-22	15.03.2022	139(1)	(27,56,13,252)	0
2020-21	15.02.2021	139(1)	(16,61,81,923)	0

12	Whether scheme is opposite to public policy (need to examine the whether promoters are only getting benefit. And also examine - If possible, quantum of tax evaded which is proposed to be avoided through the scheme of arrangement.	-

Income Tax report dated 09.12.2025, pertaining to **Linode Hosting India Pvt. Ltd. (Transferor Company)** (**PAN: AADCL6082D**). It is observed from the report of the Income Tax Department that penalty proceedings for the Assessment Year 2022-23 are pending against the Transferor Company under the provisions of the Income Tax Act. It is further reported that an outstanding tax demand of Rs.67,43,140/- is pending for recovery for the Assessment Year 2022-23. The report also records that no investigation or enquiry proceedings are pending against the Transferor Company. Further, as per the ITRs filed by the Company, losses were reported for AY 2019-20 (Original) at Rs.1,18,87,433/- and AY 2020-21 at Rs.3,09,04,758/-, whereas NIL

income was shown in AY 2019-20 (Revised). Thereafter, the Company reported income of Rs.28,03,480/- for AY 2021-22, Rs.4,98,82,150/- for AY 2022-23, Rs.1,09,52,970/- for AY 2023-24 and Rs.3,97,99,590/- for AY 2024-25.

11.2 <u>REPLY TO THE INCOME TAX REPORT</u>:

The petitioners have submitted reply to the IT report vide dy.no.6882 dated 08.12.2025. The reply to contentious observations are as under:

<table>
<tr><th colspan="2">TRANSFEREE COMPANY</th></tr>
<tr><th>Observation of AO</th><th>Response</th></tr>
<tr><td>Assessment Proceedings pending for AY 2024-25.
Penalty Proceedings pending for AY 2018-19 and 2022-23.

Appellate Proceedings pending for AY's 2018-19 and 2022-23.

Details of tax demand pending for recovery:
<table>
<tr><th>AY</th><th>Demand in (RS.)</th></tr>
<tr><td>2021-22</td><td>10,28,850</td></tr>
<tr><td>2022-23</td><td>70,99,950</td></tr>
</table>
</td><td>It is undertaken that, whenever the Income tax demands against the Transferee Company is confirmed by the Income tax Authority/Tribunal /Court in respect of any outstanding demand of income tax against the Transferee Company, and where no grounds exist to further dispute such demand, the Transferee Company shall payoff the same to the concerned Income Tax authorities without any delay. The pending demand</td></tr>
</table>

"This order is issued on 04.11.2026 in correction/ rectification of the order dated 20.05.2026 in C.P (CAA) No. 21/BB/2025 due to clerical/typographical error, in terms of Rule 154(1) of the National Company Law Tribunal Rules, 2016."

<table>
<tr><td></td><td>does not impact the merger/ amalgamation process.</td></tr>
<tr><td colspan="2">TRANSFEROR COMPANY</td></tr>
<tr><td>Details of Proceedings pending:

Penalty proceeding pending for AY 2022-23
Details of tax demand pending for recovery:<table><tr><th>AY</th><th>Demand in (RS.)</th></tr><tr><td>2022-23</td><td>67,43,140/-</td></tr></table></td><td>The Company received the Final Assessment Order for the Financial Year 2021-22 on 17.11.2025 and is contesting the demand raised therein.

Pursuant to the statutory timelines, the Company is required to file a stay application in respect of the demand notice on or before 15.12.2025 and may file an appeal before the Income Tax Appellate Tribunal (ITAT) on or 31.01.2026.
The Company is currently evaluating its legal options and assessing the merits of proceeding.
Any stay application or appeal, if filed, shall be filed by the Transferee Company on behalf of the Transferor Company. Furthermore, in respect of any</td></tr>
</table>

	order pronounced by the Income Tax Authority, Tribunal or Court pertaining to any outstanding income-tax demand against the Transferor Company, the Transferee Company shall payoff the same to the concerned Income tax Authorities without any delay.

3. That as per the scheme of amalgamation under clause 11.3 which is reproduced below, post amalgamation all tax assessment proceedings and appeals pending against the Transferor Company shall be continued with the Transferee Company and all or any dues payable shall be paid by the Transferee Company.

" *All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company."*

4. It has been undertaken by the Transferee Company that compliance with all the provisions of the Income Tax Act, 1961 and the Rules framed thereunder shall be ensured, and any Income Tax related issues arising in respect of the Transferor Company post approval of the merger shall be duly met and answered during the course of regular Income Tax assessment in accordance with the provisions of the Income Tax Act, 1961.
5. That it has been undertaken by the Transferor Company and the Transferee Company, through the Affidavit filed vide Dy. No.5301 dated 24.09.2025, that all undisputed statutory dues including, but not limited to, taxes, levies, cess, and other governmental charges remaining unpaid as on the Effective Date of the Scheme of Amalgamation shall be settled and discharged in full.

12. Vide order dated 26.09.2025, the Petitioner was called upon to verify whether the demand had crystallized and to submit proof of deposit. In compliance thereto, the Petitioner Companies filed an Affidavit vide Dy. No.791 dated 18.02.2026, from which it appears that through 03 different payment challans, the Petitioner has paid more than the outstanding TDS amount. Further, the Income Tax Department was directed to verify the same and submit a report within two weeks.

13. Heard the Learned Counsels for the Petitioner Companies, ROC/RD, OL and I.T Department and gone through the files.

14. The reports of statutory authorities have been discussed above in sufficient detail of which replies and compliance affidavits have been

filed on behalf of the petitioners. Satisfied with the response and undertakings furnished, no further observations thereupon are made by any Govt body. We have examined the matter from all relevant parameters and do not find any impediment for approval of the amalgamation Scheme.

15. Hence, the Scheme of Amalgamation is ***approved*** with the appointed date being ***01.04.2024,*** as proposed by RD/RoC as well as OL and is more aligned in the light of petitioners having already submitted their audited balance sheets till 31.03.2024 and there is stated to be no change in valuation, and hereby declare it to be binding on all the shareholders and creditors of the Transferor as well as Transferee Companies. While approving the Scheme, it is clarified that this order should not be construed as an order in anyway granting exemption from payment of any stamp duty, taxes, or any other charges, if any, and payment in accordance with law or in respect of any permission/compliance with any other requirement which may be specifically required under any law. With the sanction of the Scheme, the Transferor Company shall stand dissolved without being wound-up, without any further act or deed.

AND THIS TRIBUNAL DOES FURTHER ORDER:

(i) That the Petitioner Company do, within 30 days after the date of receipt of this Order, cause a certified copy to be delivered to the Registrar of Companies, Karnataka for registration and consolidation of records of two companies.

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(ii) With this the Petitioner No.2/Transferor Company stands dissolved without any further act or deed. It shall surrender its PAN and GSTIN to concerned Government Authority within 08 weeks.

(iii) The Petitioner Company is directed to make compliance to the provisions of Section 170A of the Income Tax Act, 1961 within the stipulated period of time.

(iv) The transferee Company shall preserve the records of Transferor Company, physical and electronic/virtual in the prescribed manner and for the specified duration.

(v) The Petitioner Company is directed to Comply with provisions of TDS on the amounts being paid out and also comply with the provisions relating to FEMA in case of any outgoing amounts being paid to persons residing outside the Country.

(vi) That any person interested shall be at liberty to apply this Tribunal in the above matter for any directions that may be necessary.

(vii) The approval/sanctioning of the Scheme shall not be construed as an exemption from any of the provisions under the Income Tax Act, 1961 or the Companies Act,2013 and that the authorities under both the Acts, are at liberty to take appropriate action, in accordance with law, if so advised.

(viii) The Petitioner Companies have given various undertaking in response to observations made in ROC/RD, IT Department & OL. All of them are accepted and made binding on them. They are directed to ensure compliance of the same.

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16. The petitioners to take steps for assessment and deposit of Stamp Duty based on assets transfer value to enable Registry to issue Form No.CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 on filing the Schedule Properties i.e. **(i)** freehold properties and **(ii)** leasehold properties of the Transferor Company by way of affidavit of the Transferor Company.

17. Accordingly, **C.P. (CAA) No.21/BB/2025 is Allowed and Disposed of.**

18. A copy of this Order be provided to the Transferee Company through their Counsel.

-Sd-	**-Sd-**
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

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