

February 2, 2022

|  |   |
|--|---|
| BSE Limited<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400001<br><br>Stock Code – 500510 | National Stock Exchange of India Limited<br>Exchange Plaza<br>Plot No. C/1, G-Block,<br>Bandra-Kurla Complex, Bandra (East)<br>Mumbai – 400051<br><br>Stock Code – LT |
|--|---|

Dear Sir/Madam,

Sub: Intimation under Regulation 30 – Scheme of Arrangement for Amalgamation of L&T Hydrocarbon Engineering Limited (“LTHE”) with Larsen & Toubro Limited (“L&T”)

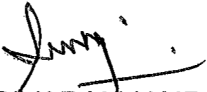
This is with reference to our letter dated July 27, 2021, intimating the approval granted by the Board of Directors of the Company to the Scheme of Amalgamation of LTHE with L&T.

We wish to inform you that the Hon’ble National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated January 28, 2022 has approved the said Scheme of Amalgamation. The copy of the Order made available on the website of Hon’ble NCLT on February 1, 2022 is enclosed.

The appointed date for scheme is April 1, 2021. The Scheme shall be effective after the receipt of the certified copy of the order from NCLT and its consequent filing with the Registrar of Companies.

We request you to take the same on record.

For LARSEN &amp; TOUBRO LIMITED

  
SIVARAM NAIR A  
COMPANY SECRETARY  
(M.NO – F3939)

Encl: a/a

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021  
Connected with  
CA (CAA) No. 198/MB/2021

*In the matter of*

Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) and Rules, 2016;

*And*

In the matter of Scheme of Amalgamation of L&T Hydrocarbon Engineering Limited, the Transferor Company with Larsen & Toubro Limited, the Transferee Company and their respective shareholders and creditors.

**L&T Hydrocarbon Engineering Limited,**

A Company incorporated under the provisions of the Companies Act, 1956, having its registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai- 400001.  
CIN: U11200MH2009PTC91426

...Petitioner Company No. 1 (Transferor Company)

**Larsen & Toubro Limited,**

A Company incorporated under the provisions of the Companies Act, 1913, having its registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai- 400001.  
CIN: L99999MH1946PLC004768

...Petitioner Company No. 2 (Transferee Company)

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021  
Connected with CA (CAA) No. 198/MB/2021

Order Delivered on: 28.01.2022

***Coram:***

Hon'ble Smt. Suchitra Kanuparthi, Member (Judicial)

Hon'ble Smt. Anuradha Sanjay Bhatia, Member (Technical)

**For the Petitioners:**

Sr. Counsel, Mr. Gaurav Joshi a/w. Mr. Rashid Boatwalla a/w. Ms. Lipsa Unadkat i/b M/s. Manilal Kher Ambalal & Co., Advocates for the Petitioner Companies.

**For the Regional Director:**

Ms. Rupa Sutar, Deputy Director, Office of the Regional Director, MCA (WR), Mumbai

*Per: Suchitra Kanuparthi, Member (Judicial)*

**ORDER**

1. The Bench is convened by videoconference.
2. Heard Learned Counsel for the Petitioner Companies and the Deputy Director, WR, MCA, Mumbai. No objector has come before this Hon'ble Tribunal to oppose the Scheme nor has any party controverted any averments made in the Petitions to the Scheme.

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

3. The sanction of this Hon'ble Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, to a Scheme of Amalgamation of L&T Hydrocarbon Engineering Limited ("the Transferor Company") with Larsen & Toubro Limited ("the Transferee Company") ("Scheme"). This Scheme involves the amalgamation of a wholly owned subsidiary, the Transferor Company into the Transferee Company.
  
4. The Learned Counsel for the Petitioner Companies states that the Petitioner Company No. 1 is presently carrying on the business of designing, building, operating, maintaining engineering, procurement and construction projects & products on turnkey basis or otherwise for the oil & gas offshore & onshore exploration, transportation, production & processing, petroleum refining, chemicals & petrochemicals and fertilizer, onshore gas processing, pipelines and oil & gas storage sectors through engineering, procurement, fabrication, project management, construction, installation & commissioning. The Petitioner Company No. 2 is presently carrying on business of engineering and contracting business and capable of undertaking construction of whole or part of plants or industrial complexes on a turnkey or any other basis including but not limited to oil & gas, chemicals & petrochemicals and fertilizer sectors and to erect refineries, mills, machineries, laboratories, workshops and other buildings, works and appliances, construction of rigs and offshore platforms.
  
5. The Petitioner Companies have approved the said Scheme by passing

respective Board Resolutions i.e. on 27<sup>th</sup> July 2021 and 26<sup>th</sup> July 2021 respectively and thereafter approached this Tribunal by the captioned Petition for sanction of the Scheme.

6. Counsel for the Petitioner Companies further submits that the Transferor Company is a wholly owned subsidiary of the Transferee Company.
7. Counsel for the Petitioner Companies further submits that the proposed Scheme will be beneficial to the Transferor Company and the Transferee Company and their respective shareholders, creditors, employees and other stakeholders. The proposed amalgamation encapsulated in the Scheme will have the following benefits:
  - The Transferee Company and the Transferor Company are primarily engaged in the Engineering, Projects & Construction (“EPC”) Contracting business covering various sectors such as infrastructure, hydrocarbons, thermal power, heavy engineering, defence etc., Both the Companies as part of the group business strategy, are proposing to integrate the current Hydrocarbon business (Transferor Company) and the EPC Power business of the Transferee Company, thereby resulting in the creation of a focused “energy” portfolio;
  - The business of the Transferor Company can also leverage the superior pre-qualification and financial capability of the Transferee Company;
  - The Transferee Company by virtue of its superior financial

strength, strong financial fundamentals and a robust balance sheet, has the ability and banking facilities to cater to the requirement of large value Bid & Advance Payment Guarantees which are required for high value orders. Hence, the proposed amalgamation of the Transferor Company with the Transferee Company can enhance the ability to Bid for large value orders;

- One of the other reasons necessitating the amalgamation is that the Transferor Company is a wholly owned subsidiary of the Transferee Company. Resultantly, the management of the Transferor and Transferee Companies have evaluated the plan and strategy for both the Companies and feel that amalgamating the two entities will be effective in obtaining synergy in the operations of both the Companies;
- The amalgamation will improve organizational capability arising from the pooling of human capital that has diverse skills, talent and vast experience;
- The management has decided to consolidate the various business lines of the Transferor Company and the Transferee Company to enable cost competitiveness;
- The Scheme is commercially and economically viable and feasible and is in fact fair and reasonable;
- The proposed amalgamation will result in administrative and operations rationalization, organizational efficiencies, reduction in overheads, personnel costs, costs of ERP, compliance cost

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

and other administrative expenses. It will prevent cost duplication and will result in synergies in operations. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.

8. This Company Petition is filed in consonance with Sections 230 to 232 of the Companies Act 2013 along with the Order passed in the connected CA (CAA) No. 198 of 2021 by this Tribunal.
9. Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all requirements as per the directions of the Tribunal and have filed necessary Affidavits of compliance before the Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory/regulatory requirements if any, as required under the Companies Act, 2013 and the Rules made thereunder whichever is applicable. The undertakings given by the Petitioner Companies is hereby accepted.
10. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed his Representation dated 31<sup>st</sup> December 2021 *inter alia* stating therein that, save and except as stated in paragraph IV (a) to (q) of the said Representation, take this Representation on record; consider the observations; and pass such other order or orders as deemed fit and proper in the facts and circumstances of the case. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

| <b>Sr.<br/>No.<br/>Para<br/>(IV)</b> | <b>RD Representation<br/>/Observations dated 31<sup>st</sup><br/>December 2021</b>  | <b>Response of Petitioner Companies</b>   |
|--------------------------------------|---|---|
| (a)                                  | <i>In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.</i> | So far as the observation in paragraph IV (a) of the Representation of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that in addition to complying with accounting treatment under AS-14 (IND AS-103), Petitioner Company 2 shall also pass such accounting entries as are necessary in connection with the Scheme to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 as may be applicable including AS-5 (Ind AS-8). |
| (b)                                  | <i>The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are</i>   | So far as the observation in paragraph IV (b) of the Representation of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies have served notices to all  |



IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|            |   |   |
|------------|---|---|
|            | <p><i>likely to be affected Compromises or arrangement. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).</i></p> | <p>the concerned authorities and the Petitioner Company No. 2 undertakes to address any issue arising after giving effect to this Scheme.</p>   |
| <p>(c)</p> | <p><i>The Hon'ble NCLT may kindly direct the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the scheme enclosed to the Company Petition are one &amp; same and there is no discrepancy or deviation.</i></p>  | <p>So far as the observation in paragraph IV (c) of the Representation of the Regional Director is concerned, the learned counsel for the Petitioner Companies undertakes and confirms that the Scheme enclosed to the Company Application and the Company Scheme Petition are one and the same and there is no discrepancy or deviation.</p> |
| <p>(d)</p> | <p><i>As per Definition of the Scheme,</i></p>  | <p>So far as the observation in paragraph IV (d) of the Representation of the</p>   |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |   |
|--|--|---|
|  | <p><i>“Appointed Date” for the purposes of the Scheme means 1<sup>st</sup> April 2021 or such other date(s) as the National Company Law Tribunal at Mumbai, Maharashtra or such other competent authority may approve;</i></p> <p><i>“Effective Date” shall mean the latter of the dates on which certified copy of the order(s) sanctioning the Scheme passed by the National Company Law Tribunal at Mumbai, Maharashtra is filed with the Registrar of Companies, Mumbai, Maharashtra. References in the Scheme to the date of “coming into effect of this Scheme” or “effectiveness of the</i></p> | <p>Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that the Appointed Date mentioned in the Scheme is 1<sup>st</sup> April 2021 and that the Effective Date shall mean the date on which the certified copy of the order(s) passed by the National Company Law Tribunal at Mumbai, Maharashtra sanctioning the Scheme is filed with the Registrar of Companies, Mumbai, Maharashtra.</p> <p>In this regard, the Petitioner Companies further confirm that upon the Hon’ble National Company Law Tribunal, Mumbai Bench approving the Scheme, the Scheme shall take effect from the Appointed Date i.e., 1<sup>st</sup> April 2021 in terms of provisions of Section 232(6) of the Companies Act, 2013. The Petitioner Company No. 2 undertakes to comply with the provisions and requirements clarified vide Circular no. F. No. 7/12/2019/CL-I dated 21-08-2019</p> |
|--|--|---|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|            |   |  |
|------------|---|--|
|            | <p><i>Scheme” shall mean the Effective Date;</i></p> <p><i>Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>   | <p>issued by the Ministry of Corporate Affairs.</p>  |
| <p>(e)</p> | <p><i>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to</i></p> | <p>So far as the observation in paragraph IV (e) of the Representation of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the fee paid by the Transferor Company on its authorised capital shall be set off against any fees payable by the Transferee Company on its authorised capital subsequent to the amalgamation and dissolution of the Transferor Company.</p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|     |  |   |
|-----|--|---|
|     | <p><i>affirm that they comply the provisions of the section.</i></p>   |   |
| (f) | <p><i>As per Clause 16 of the Scheme,<br/>General Accounting Treatment:<br/><br/>In case of any difference in accounting policies of the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail;<br/><br/>The surplus/deficit, if any arising after taking the effect of above clauses shall be transferred to "Capital Reserve" in the financial statements of the Transferee Company and shall be presented separately from other</i></p> | <p>So far as the observation in paragraph IV (f) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies undertakes that the Clause dealing with the Accounting Treatment has been specified in Clause 16 of the Scheme.</p> <p>As per Clause 16.5 of the Scheme, the Petitioner Company No. 2 confirms that surplus/deficit, if any, arising out of the amalgamation shall be transferred to Capital Reserve Account and shall be presented separately from other capital reserves with disclosure of its nature and purposes in the note. Further, the Petitioner Company No. 2 undertakes that only the Permitted Reserves as per Section 123 of the Companies Act, 2013 ('Act') or such other applicable provisions of the Act and/or the Rules framed thereunder</p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |  |
|--|--|--|
|  | <p><i>capital reserves with disclosure of its nature and purpose in the notes.</i></p> <p><i>On the Scheme becoming effective, the financial statements of the Transferee Company (including comparative period presented in the financial statements of Transferee Company, if required) shall be restated for the accounting impact of Amalgamation, as stated above, as if amalgamation had occurred from the acquisition date (date when common control was established) or beginning of the said comparative period; whichever is later.</i></p> <p><i>Petitioner Companies</i></p> | <p>will be available for distribution of dividend.</p> |
|--|--|--|



IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |   |
|--|--|---|
|  | <p><i>Transfer and transferee company have huge number of open charges each.</i></p> | <p>(a wholly owned subsidiary) and Petitioner Company No. 2, viz., the Transferee Company. It is relevant to state that as provided in Clause 8.1 of the Scheme, all charges, encumbrances, lien or security created by the Petitioner Company No. 1 pursuant to the applicable provisions of the Act shall stand assumed/transferred to the Petitioner Company No. 2 without any further act, deed or instrument on sanction of the Scheme of Amalgamation. Hence, any pending proceedings against the Petitioner Company No. 1 (100% subsidiary of the Petitioner Company No. 2) will have no bearing on the present Scheme of Amalgamation. Similarly, any open charges against the Petitioner Company No. 2 (Transferee Company) will not have any bearing on the Scheme as the Petitioner Company No. 2 will continue to exist even after the Scheme</p> |
|--|--|---|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|     |  |  |
|-----|--|--|
|     |  | is approved/sanctioned by the Hon'ble Tribunal.  |
| (2) | <i>Ministry letter no. 3/51/2014 CL-II WR dated 03.04.2014 ordered inquiry against the Transferee Company and report was sent to the Directorate/Ministry and present before the oversight committee were in the committee directed to carry out the inspection of two companies i.e. L&amp;T Employee Welfare Foundation Private Limited and L&amp;T Welfare Company Private Limited and the inspection is being carried out by this Directorate.</i> | So far as the observation in paragraph IV (h) (2) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that L&T Employee Welfare Foundation Pvt. Ltd. and L&T Welfare Company Ltd. are separate companies and not subsidiaries of the Petitioner Company No. 2 and thus are not the subject of the present proceedings before the Hon'ble Tribunal. |
| (3) | <i>As per MCA Master Data the authorized and paid up share capital of the Transferee Company does</i>  | So far as the observation in paragraph IV (h) (3) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner  |



IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |  |
|--|--|--|
|  | <p><i>not match with the scheme.</i></p> | <p>Companies submits that the Authorised Share Capital of the Petitioner Company No. 2 is Rs. 5025,00,00,000 divided into 2512,50,00,000 equity shares of Rs. 2 each. The Petitioner Company No. 2 confirms that the details of the Authorised Share Capital mentioned in the Scheme and the MCA Master data are the same. The Issued, Subscribed and Paid Up Share Capital of the Petitioner Company No. 2 as per the Scheme was Rs. 280,91,10,594 divided into 140,45,55,297 equity shares of Rs. 2 each. The Company has allotted shares pursuant to exercise of Employee Stock Options (ESOPs) under the Employee Stock Option Schemes of the Company. The Issued, Subscribed and Paid Up share capital of the Company as on December 31, 2021 is Rs. 280,96,78,534 divided into 140,48,39,267 equity shares of Rs. 2 each. Pursuant to the ESOP</p> |
|--|--|--|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|                |  |   |
|----------------|--|---|
|                |  | allotments made consequent to filing the Scheme, the Petitioner Company No. 2 confirms that the Issued Subscribed and Paid up share capital has changed and confirms to the details as per MCA records.   |
| (4) (h)<br>(a) | <p><i>There are various complaints pending against the Transferee Company which are as follows:-</i></p> <p><i>Various complaint filed by Shri. Uday Dixit regarding the company has deducted the amount from the salary of rupees 30,000 from workers of the company from November 2003 to March 2008 without their consent.</i></p> <p><i>The management said the amount will be refunded at 5% for 10 years</i></p> | So far as the observation in paragraph IV (h) (4) (a), (b), (c) and (f) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that various communications were exchanged between the Petitioner Company No. 2 and regulatory authorities in connection with the complaints made by Mr. Dixit and the Loyal Tigers Association. The last communication was submitted by the Petitioner Company No. 2 in 2017 and thereafter it has not received any further communication from the regulatory authorities. In any event, the Petitioner Company No. 2 undertakes to respond to any communication/clarification, as and |
| (4) (h)<br>(b) |  |   |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|   |  |   |
|---|--|---|
| <p>(4) (h)<br/>(c)</p> <p>(4) (h)<br/>(f)</p> | <p><i>towards the foundation.</i></p> <p><i>Company give equity share to the officer and management of the company as reduced price (ESOP)*</i></p> <p><i>Complaint filed by Mr. Uttam Ahire president of Loyal Tigers Association same as complaint filed by Shri. Uday Dixit.</i></p> <p><i>Complaint dated 24.10.2017 by loyal tiger welfare associations violation of Labour Law and Companies Act.</i></p> <p><i>(Copies of all above complaints are enclosed herewith)</i></p> | <p>when received by it, post sanction of the present Scheme, i.e., the Scheme of Amalgamation of L&amp;T Hydrocarbon Engineering Limited with Larsen &amp; Toubro Limited.</p> <p>Also, the proceedings against the Transferee Company do not have any bearing as the Transferee Company will continue to exist even after the Scheme is approved/sanctioned by the Hon'ble Tribunal and thus will not affect or prejudice the proceedings pending against the Transferee Company in any manner or form whatsoever.</p> |
|---|--|---|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|                |  |   |
|----------------|--|---|
| <p>(4) (d)</p> | <p><i>Various complaints filed by Shri. Bharat Jhunjhunwala regarding possible overvaluation of assets of subsidiaries of L&amp;T (in particulars of L&amp;T Uttaranchal Limited), Purchase of Preference Shares of its subsidiary at a premium by L&amp;T, allotment of lucrative contracts by subsidiary to holding company.</i></p> | <p>So far as the observation in paragraph IV (h) (4) (d) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that a Complaint addressed by one Mr. Bharat Jhunjhunwala was received by the Petitioner Company No. 2, from National Stock Exchange of India Limited vide email dated March 4, 2020, which was adequately responded to by the Petitioner Company No. 2 vide letter dated March 9, 2020. Thereafter, no further communication has been received by the Petitioner Company No. 2.</p> <p>In any event, the Petitioner Company No. 2 undertakes that it shall respond to any communication/clarification, as and when received by it, post sanction of the present Scheme, i.e., the Scheme of Amalgamation of L&amp;T Hydrocarbon Engineering Limited with Larsen &amp; Toubro Limited. Also, it is respectfully submitted that</p> |
|----------------|--|---|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|         |  |  |
|---------|--|--|
|         |  | complaints against the Petitioner Company 2 do not have any bearing on the present Scheme as the Petitioner Company 2 will continue to exist even after the Scheme is approved and thus will not affect the complaints pending against the Petitioner Company 2 in any manner whatsoever.  |
| (4) (e) | <i>Complaint dated 7.9.2017 filed by Ms. Kahkashan Parween (MP of Rajya Sabha) regarding several violations, manipulations and scams by L&amp;T and its group companies and misappropriation of fund in various defense projects and practice of financial mismanagement by the company.</i> | So far as the observation in paragraph IV (h) (4) (e) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that the allegations made by the Hon'ble M.P. Ms. Kahkashan Perween were based on wrong conclusions drawn on the basis of comparisons of the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statements due to inadequate understanding of the business model, financial statements and the underlying accounting standards and processes. The Petitioner Company No. 2 states |

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |  |
|--|--|--|
|  |  | <p>that it has filed detailed responses on the basis of the queries raised with the regulatory authorities. After submission of these responses, the Petitioner Company No. 2 has not received any further communication from the Authorities. In any event, the Petitioner Company No. 2 states that it undertakes to respond to any communication/clarification, as and when received by it, post sanction of the present Scheme, i.e., the Scheme of Amalgamation of L&amp;T Hydrocarbon Engineering Limited with Larsen &amp; Toubro Limited. Also, it is respectfully submitted that complaints against the Petitioner Company No. 2 do not have any bearing on the present Scheme as the Petitioner Company No. 2 will continue to exist even after the Scheme is approved and thus will not affect the proceedings pending against the Petitioner Company No. 2 in any manner whatsoever.</p> |
|--|--|--|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|    |   |  |
|----|---|--|
| 5. | <p><i>The office has issued letter dated 6<sup>th</sup> January 2021 to Larsen &amp; Toubro Limited for furnishing all the information/communication in respect of search and survey operation by Income Tax Authorities.</i></p> | <p>So far as the observation in paragraph IV (h) (5) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that the officials from the Income Tax Department conducted a survey at the Mumbai and Chennai office of the Petitioner Company No. 2 on the basis of the information received from GST authorities enquiring into certain parties who undertook project work for the Petitioner Company No. 2. The Petitioner Company No. 2 extended full co-operation to the Income Tax Department and provided the required information. In any event, the Petitioner Company No. 2 undertakes to respond to any communication/clarification, as and when received by it, post sanction of the present Scheme, i.e., the Scheme of Amalgamation of L&amp;T Hydrocarbon Engineering Limited with Larsen &amp; Toubro Limited. Also,</p> |
|----|---|--|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|        |  |   |
|--------|--|---|
|        |  | proceedings involving the Petitioner Company No. 2 will continue to survive even after the Scheme is approved.  |
| (6)    | <p><i>Interest of the creditor should be protected.</i></p> <p><i>Hon'ble Tribunal may consider the observations pointed out by ROC, Mumbai in their report and decide the matter on merits.</i></p> | So far as the observation in paragraph IV (h) (6) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that as per the preamble of the Scheme, the Scheme is in the interest of creditors and shareholders of each of the Petitioner Companies and the present Scheme does not call for any compromise or sacrifice from any of the creditors or the shareholders of each of the Petitioner Companies. |
| IV (i) | <p><i>There is foreign shareholding in the Transferee Company. Hence the Petitioner Transferee Company shall undertake to comply with the provisions of FEMA and RBI.</i></p>                        | So far as the observation in paragraph IV (i) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that the Petitioner Company No. 2 undertakes to comply with the provisions of FEMA and the RBI, wherever  |



IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|        |  |   |
|--------|--|---|
|        |  | applicable.   |
| IV (j) | <i>Transferee Company is a listed company. The Hon'ble NCLT may direct the Transferee Company to obtain NOC from BSE &amp; NSE as may be required.</i> | <p>So far as the observation in paragraph IV (j) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that considering that the Petitioner Company No. 1 is a wholly owned subsidiary of Petitioner Company No. 2, an intimation had to be filed with BSE Limited and National Stock Exchange of India Limited in accordance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021. Petitioner Company No.2 vide its letter dated July 27, 2021 intimated BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") about the particulars of the Scheme. Petitioner Company No.</p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|        |   |  |
|--------|---|--|
|        |   | <p>2 is exempted from obtaining a NOC from the Stock Exchanges considering that Petitioner Company No. 1 is a wholly owned subsidiary of Petitioner Company No. 2.</p>   |
| IV (k) | <p><i>The observation of Income Tax Department is awaited. The Hon'ble NCLT may direct the Petitioner Companies to obtain NOC from Income Tax Department.</i></p> | <p>So far as the observation in paragraph IV (k) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that the Petitioner Companies have in terms of Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 sent a notice under Section 230(5) of the Companies Act 2013 to the Income Tax Department vide its letter dated October 26, 2021. Further, as per the said Rules, if the Income Tax Department desires to make a representation under Section 230(5) of the Act, the same is to be sent to the Hon'ble National Company Law Tribunal within a period of 30 days from the date of receipt of such</p> |

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|        |  |  |
|--------|--|--|
|        |  | notice. In the event no representation is received within 30 days by the National Company Law Tribunal, it shall be presumed that the Income Tax Department has no representation to make on the proposed Scheme. Till date no representation has been received from the Income Tax Department.  |
| IV (1) | <i>It is observed from the Financial statement of the Transferor Company for the year ended 31<sup>st</sup> March, 2021 that total net loss after tax (net) of Rs. 287.32 crore, total comprehensive loss (net) of Rs. 287.32 crore. The Petitioner Company to place on record as to how it will be in the interest of the Transferee Company.</i> | So far as the observation in paragraph IV (1) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that there is no loss in the books of the Petitioner Company No. 1 for the year ended March 31, 2021. The audited financial statement for the year ended March 31, 2021 indicates that the Petitioner Company No. 1 has a total net profit after tax of Rs. 826.41 crore and total comprehensive income of Rs. 833.74 crore for the year ended March 31, 2021. |
| IV     | <i>The Writ Petition has filed</i>   | So far as the observation in paragraph   |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|        |   |  |
|--------|---|--|
| (m)    | <i>by Loyal Tiger's Association before the Hon'ble High Court, Bombay. The same is sub judice. The Transferee Company to place on record full facts about the same.</i> | IV (m) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that a Writ Petition was filed by Loyal Tigers Association on March 21, 2017 before the Hon'ble High Court of Bombay and the Petitioner Company No. 2 is one of the respondents to the said Petition. The Writ Petition has been filed on the similar lines of the complaint filed and referred to in the observation of the Regional Director, Western Region, Mumbai in paragraphs IV (c) and (f). As per the records available on the website of the Hon'ble Bombay High Court, no ad-interim relief has been granted in the said Writ Petition till date. In fact, the Registrar of Companies and the Regional Director, Western Region are also respondents to the said Writ Petition. |
| IV (n) | <i>It is observed that the Petitioner company is working in Hydrocarbon</i>   | So far as the observation in paragraph IV (n) of the Representation of the   |



IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |   |
|--|--|---|
|  | <p><i>14.10.21,23.09.21,22.09. 21 interalia mentioned that as follows: - ..... Further the Petitioner Company be directed to disclose full facts in this regard.</i></p> | <p>entities during the financial years 2017/2018, 2018/2019, 2019/2020 and 2020/2021 from the said 69 parties. Accordingly, the Petitioner Company No. 2 complied with the request and submitted the details to the IT department. A summary of the said details forms part of the present Representation under reply filed before the Hon'ble National Company Law Tribunal. The Petitioner Company No. 2 states that as part of closure process, the Survey team requested them to categorise the Purchases into "verified" and "unverified" categories which represented those which could be substantiated immediately based on available records and those which could not be. The Petitioner Company No. 2 had carried out a spot analysis within a very limited span of time made available and furnished such classification. Post the Survey, the Petitioner Company No. 2 states that it submitted to the IT department various</p> |
|--|--|---|

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |  |
|--|--|--|
|  |  | <p>documents evidencing the Purchases. The Petitioner Company No. 2 has submitted Income tax Return / other details required for the assessment as per Income-tax law for financial years up to Assessment Year 2020-21. The Petitioner Company No. 2 states that the assessment proceedings involve four financial years and would be completed by following due process under the Income-tax law in due course of time. The assessment proceedings would include addressing the matters arising out of the survey action. They are now pending before the concerned Assessment officer as indicated by the Regional Director in paragraph IV(q) of his Representation.</p> <p>Further, the Petitioner Company No. 2 states that the following submissions were made by it before the IT department during the course of the survey as well as during the assessment proceedings:</p> |
|--|--|--|

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |   |
|--|--|---|
|  |  | <p>a. That all the vendor parties had valid Income-tax, PAN and GST Registration.</p> <p>b. That all purchases were substantiated by documentation such as Quotations, Work Orders, Work measurement sheets and other internal approvals.</p> <p>c. That all payments to the parties were made against GST tax-invoices issued by the vendors through banking channels after deduction of tax at source as per Income Tax Act, 1961.</p> <p>d. That all the input tax credits availed by the Petitioner Company No. 2 and its Group companies were on the basis of invoices issued by vendors under a bona fide belief that such vendors were tax-compliant and that the Petitioner Company No. 2</p> |
|--|--|---|



IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |   |
|--|--|---|
|  |  | <p>incurred cash outflow to pay all the invoices before the credits were availed. Petitioner Company No. 2 learned <i>ex-post facto</i> of the allegation that fake invoices were obtained by its vendors from their sub-vendors in order to avail untenable input tax credit under GST law.</p> <p>e. That the projects undertaken by the Petitioner Company No. 2 were mostly at remote sites, where the choice of vendors to work with is rather limited.</p> <p>f. That the project schedules and other exigencies necessitated certain departures from the SOPs followed by the Company and these were neither material nor unusual in a project business.</p> <p>The Petitioner Company No. 2 states that the Income-tax proceedings would survive even after</p> |
|--|--|---|

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |  |
|--|--|--|
|  |  | <p>the present Scheme is sanctioned and the Petitioner Company No. 2 will discharge all tax liabilities as are determined to be due. Clause 7.4 of the present Scheme secures all such tax payments by providing that all debts, liabilities and pending proceedings against the Petitioner Company No. 1 will stand assumed by / transferred to the Petitioner Company No. 2 upon sanction of the Scheme of Amalgamation by the Hon'ble Tribunal. Hence any pending proceedings against the Petitioner Company No. 1 (100% subsidiary of the Petitioner Company No. 2) will have no bearing on the present Scheme of Amalgamation. The same would be honoured by the Petitioner Company No. 2. Thus, the said income tax proceedings or assessment proceedings will not affect or prejudice the present Scheme of Amalgamation which can be sanctioned by the Hon'ble Tribunal.</p> |
|--|--|--|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|        |  |   |
|--------|--|---|
| IV (p) | <p><i>Pursuant to the Complaint filed by the Complainant, the o/o ROC Mumbai has sent an inquiry report of the Transferee Company, thereafter Ministry has ordered inspection of two subsidiary companies namely (1) L&amp;T Employee Welfare Foundation Private Limited and (2) L&amp;T Welfare Company Private Limited of the Transferee Company. Which is underway.</i></p> <p><i>The Complainant had made serious allegation about collection of contribution from employee of L&amp;T Group and utilizing those amount for the purpose other than purpose for which it was collected and in this regard the</i></p> | <p>So far as the observation in paragraph IV (p) of the Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that L&amp;T Employee Welfare Foundation Private Limited and L&amp;T Welfare Company Limited are not subsidiaries of the Petitioner Company No. 2 and are separate companies. In view thereof, the said companies are not the subject of the present Scheme.</p> |
|--------|--|---|

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |   |  |
|--|---|--|
|  | <p style="text-align: center;"><i>Petitioner Transferee<br/>Company may be directed<br/>to ensure all the co-<br/>operation and to provide<br/>all the desired<br/>documents/details to the<br/>inspector appointed by the<br/>Ministry for carrying out<br/>the inspection of the two<br/>subsidiary companies of<br/>Petitioner Transferee<br/>Company.</i></p> |  |
|--|---|--|

11. Upon perusal of the Affidavit dated 12<sup>th</sup> January 2022 of the Petitioner Company No. 2, as stated hereinabove, the Regional Director has filed a Supplementary Report dated 17<sup>th</sup> January 2022, with the Tribunal. The Supplementary Report *inter alia* records that the replies have been submitted by way of the Affidavit to paragraphs IV (a) to (p). The Regional Director in his Supplementary Report has stated that he is not satisfied with the reply of the Petitioner Company No. 2 to certain paragraphs. The observations made by the Regional Director and the clarifications by the Petitioner Companies are summarized in the table below:

| <b>Sr.<br/>No.</b> | <b>RD<br/>Report</b> | <b>Supplementary<br/>dated</b> | <b>17<sup>th</sup></b> | <b>Response of<br/>Petitioner<br/>Companies</b> |
|--------------------|----------------------|--------------------------------|------------------------|---|
|--------------------|----------------------|--------------------------------|------------------------|---|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|    | <b>January 2022</b>  |   |
|----|--|---|
| 2. | <p><i>That the company in its Affidavit in Rejoinder dated 12.01.2022 has submitted replies on the observations made by the Regional Director in its Report/Representation dated 31.12.2021, in para IV (a) to (p). The company has not submitted reply on the observations made by the Directorate in Para No. IV (6) (q) regarding the letter received from REIC &amp; Director General of Income Tax (Investigation).</i></p> | <p>So far as the observation in paragraph 2 of the Supplementary Report of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that Paragraph IV (q) has been responded to in detail by the Petitioner Company No. 2 in paragraph 23 of its Affidavit in Reply dated 12<sup>th</sup> January 2022. Learned Counsel for the Petitioner Companies further submits that the letters received from REIC &amp; Director General of Income Tax (Investigation) (attached to the Representation of the Regional Director dated 31<sup>st</sup> December 2021) are internal communications not addressed to the Petitioner Companies.</p> <p>Learned Counsel further submits that the details of the internal communications have been</p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|    |   |   |
|----|---|---|
|    |   | reproduced by the Regional Director in his Representation dated 31 <sup>st</sup> December 2021 which has been appropriately responded to by the Petitioner Company No. 2 in its Affidavit in Reply dated 12 <sup>th</sup> January 2022.   |
| 3. | <i>With regard to the observations of the Directorate in Para No. IV(h)(2) in respect of inspection of L&amp;T Welfare Company Ltd. and L&amp;T Employee Welfare Foundation Pvt. Ltd., the petitioner company has submitted in its reply that the said two companies are separate companies and thus are not the subject of the present proceedings. The reply of the petitioner company is not</i> | <p>So far as the observation in paragraphs 3 and 6 of the Supplementary Report of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that they are unaware of the outcome of the inspection and the inquiry report, if any, as no correspondence/communication has been received by the Petitioner Company No. 2 in this regard.</p> <p>Further, Learned Counsel for the Petitioner Companies reiterates that L&amp;T Welfare Company Ltd. and L&amp;T Employee Welfare</p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|    |  |   |
|----|--|---|
| 6. | <p><i>satisfactory as the inspection of the said companies are very much related to the Transferee Company. On the basis of inquiry report of Larsen &amp; Toubro Limited (Present Transferee company), the Ministry has ordered for Inspection of the said two companies.</i></p> <p><i>With regard to the observations of the Directorate in Para No. IV(6)(p), the Ministry has ordered for Inspection of L&amp;T Welfare Company Ltd. and L&amp;T Welfare Foundation Pvt. Ltd. on the basis of i. The inquiry report of Larsen &amp; Toubro Limited (Present Transferee company)</i></p> | <p>Foundation Pvt. Ltd., are neither associate companies nor subsidiary companies of Petitioner Company No. 2.</p> <p>Learned Counsel for the Petitioner Companies further submits that L&amp;T Welfare Company Limited and L&amp;T Employee Welfare Foundation Private Limited are not connected to the present Scheme of Amalgamation and the ongoing inspection being carried out by the Regional Director against these companies will not be affected or compromised by the sanction of the said Scheme.</p> |
|----|--|---|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|    |  |   |
|----|--|---|
|    | <p><i>submitted by Registrar of Companies, Mumbai. The inspections are underway. The inspection of the said companies are very much related to the Transferee company.</i></p>   |   |
| 4. | <p><i>With regard to the observations of the Directorate in Para No. IV(4) (a), (b), (c), (d), (e), (f) in respect of the various serious complaints are pending against the L&amp;T and its group companies. The reply of the company is not satisfactory as to how these complaints have been addressed.</i></p> | <p>So far as the observation in paragraph 4 of the Supplementary Report of the Regional Director is concerned, Learned Counsel for the Petitioner Companies reiterates what is stated by it in paragraph 10 above with respect to the observations of the Regional Director in paragraphs IV (4) (a), (b), (c) and (f).</p> <p>As regards the observation of the Regional Director in paragraphs IV (4) (d), Learned Counsel for the Petitioner Companies reiterates what is stated by it in paragraph 10 above.</p> <p>As regards the observation of the</p> |



IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |   |
|--|--|---|
|  |  | <p>Regional Director in paragraphs IV (4) (e), Learned Counsel for the Petitioner Companies reiterates what is stated by it in paragraph 10 above.</p> <p>Learned Counsel for the Petitioner Companies further submits that although the Complaints referred to by the Regional Director in paragraphs IV (4) (a), (b), (c), (d), (e) and (f) of its Representation dated 31<sup>st</sup> December 2021 have been responded to by the Petitioner Company No. 2, in case of any future communication/clarification that may be received in respect of the said Complaints the Petitioner Company No. 2 undertakes to respond to the same.</p> <p>Learned Counsel for the Petitioner Companies submits that the sanction of the present Scheme of Amalgamation will</p> |
|--|--|---|

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|    |  |  |
|----|--|--|
|    |  | not affect the pending Complaints as the same are filed against the Transferee Company which will continue to exist post the sanction of the Scheme and will be dealt with appropriately.  |
| 5. | <i>With regard to the observations of the Directorate in Para No. IV (5), the petitioner company has not furnished the information/communications in respect of search and survey operations conducted by Income Tax</i> | So far as the observation in paragraph 5 of the Supplementary Report of the Regional Director is concerned, Learned Counsel for the Petitioner Companies reiterates what is stated in paragraph 10 above. Additionally, it is submitted that a detailed response with regard to the search and survey operations conducted by Income Tax has been provided at 23 of the Affidavit in Reply dated 12 <sup>th</sup> January 2022 which has also been reproduced in paragraph 10 above. |
| 7. | <i>The Inquiry/Search &amp; Survey has been</i>  | So far as the observation in paragraph 7 of the  |

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |   |   |
|--|---|---|
|  | <p><i>conducted by the Income Tax Authorities, therefore, the Hon'ble NCLT may consider the Income Tax Authority to join/appear in the matter, for their views.</i></p> | <p>Representation of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that the Petitioner Companies have in terms of Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 sent a Notice under Section 230(5) of the Companies Act 2013 to the Income Tax Department vide its letter dated October 26, 2021. Further, as per the said Rules if the Income Tax Department desires to make a representation under Section 230(5) of the Act, the same is to be sent to the Hon'ble National Company Law Tribunal within a period of 30 days from the date of receipt of such notice. In the event no representation is received within 30 days by the National Company Law Tribunal, it shall be presumed</p> |
|--|---|---|

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

|  |  |  |
|--|--|--|
|  |  | that the Income Tax Department has no representation to make on the proposed Scheme. Till date no representation has been received from the Income Tax Department. |
|--|--|--|

12. Learned Counsel for the Petitioner Companies submits that Petitioner Company No. 2, i.e., the Transferee Company undertakes to provide clarifications, if any to the Regional Director with regard to any future correspondence/communication on the observations of the Regional Director pertaining to and in connection with the Transferee Company in his Representation dated 31<sup>st</sup> December 2021 and Supplementary Report dated 17<sup>th</sup> January 2022. The observations made by the Regional Director and clarifications & undertakings given by the Petitioner Companies have been verified and accepted.
13. The Official Liquidator, High Court, Bombay has filed his report on 23<sup>rd</sup> November 2021 stating therein that the affairs of the Petitioner Company No. 1 have not been conducted in a manner prejudicial to the interest of its members or to the public interest and that the affairs of the Petitioner Company No. 1 have been conducted in a proper manner.
14. No objections were received from the Income Tax Department of the Petitioner Companies.

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

15. The Petitioner Companies through their Counsel submit that the right of the Income Tax Department is kept intact to take out appropriate proceedings regarding recovery of any tax from the Transferor or Transferee Company as the case may be. Further, the pending cases before the Income Tax Department shall not be prejudiced or affected in view of the sanction of proposed Scheme and all tax queries will be met and answered in accordance with law.
16. The Petitioner Companies through their Counsel submit that the proceedings against the Transferee Company do not have any bearing on the proposed Scheme as the Transferee Company will continue to exist even after the Scheme is approved/sanctioned by the Hon'ble Tribunal and thus will not affect or prejudice the proceedings pending against the Transferee Company in any manner or form whatsoever. Furthermore, as per Clause 9 of the Scheme, the proposed Scheme will not prejudice any proceedings pending by or against the Transferor Company as all proceedings pending against the Transferor Company will be continued and enforced by or against the Transferee Company.
17. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public interest.
18. As the entire Issued, Subscribed and Paid-Up Equity Share Capital and Preference Share Capital of the Petitioner Company No. 1 is held by the Petitioner Company No. 2 and its nominees, upon the Scheme being effective, notwithstanding anything contrary in this Scheme, the said share capital of the Petitioner Company No. 1 will stand

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

automatically cancelled and there will be no issue and allotment of fresh shares to the Petitioner Company No. 2 as the Petitioner Company No. 2 and its nominees are the only shareholders of the Petitioner Company No. 1.

19. The Petitioner Company No. 2 undertakes to pay its unsecured creditors who have filed their objections with this Tribunal in due course based on their outstanding dues as per the accounts maintained by the Petitioner Company No. 2 and the terms and conditions agreed upon between them.
20. Since all the requisite statutory compliances have been fulfilled, the Company Petition in CP (CAA) No. 188 of 2021 is made absolute in terms of the prayer clause of the Company Petition. Hence ordered.

**ORDER**

The Petition be and the same is allowed subject to the following:

- i. The Scheme is hereby sanctioned, and the Appointed Date is fixed as 1<sup>st</sup> April 2021 as defined in Clause 5.4 of the Scheme. It shall be binding on the Petitioner Companies and all the concerned including their respective shareholders, Creditors/Trade Creditors and Employees.
- ii. The Petitioner Company No. 1 be dissolved without being wound up.
- iii. The Registrar of this Tribunal shall issue certified copy of this Order along with the Scheme forthwith. Petitioner Companies are directed

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. V, MUMBAI BENCH**

CP (CAA) 188/MB/2021

Connected with CA (CAA) No. 198/MB/2021

to file a copy of this order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically, along with E-Form INC-28, within 30 days from the date of receipt of the Order from the Registry.

- iv. The Petitioner Companies shall lodge a copy of this Order and the Scheme duly authenticated by the Registrar of this Tribunal within 60 working days from the date of receipt of the Order, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any.
- v. All concerned regulatory authorities shall act on a copy of this Order along with the Scheme duly authenticated by the Registrar of this Tribunal.
- vi. Ordered Accordingly.

Sd/-

**Anuradha Sanjay Bhatia**  
**Member (Technical)**

Sd/-

**Suchitra Kanuparthi**  
**Member (Judicial)**