



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-I**

CP (CAA) NO. 155/MB/2025

IN

CA (CAA) NO. 113/MB/2025

In the matter of

The Companies Act, 2013 (18 of 2013)

and

*Section 232 r/w Section 230 r/w Section 66
and 52*

*The Companies Act, 2013 and other applicable
provisions of the Companies Act, 2013*

*read with the Companies (Compromises,
Arrangements and Arrangements) Rules,
2016;*

In the matter of Scheme of Arrangement of

Piramal Limited Enterprises

..... Petitioner No. 1/ Transferor Company

And

Piramal Finance Limited

(Formerly known as Piramal Capital
& Housing Finance Limited)

..... Petitioner No. 2/ Transferee Company

And their respective shareholders and creditors.

[collectively referred to as the “Applicant Companies”]

Order Pronounced on 10.09.2025



Coram :

Shri. Prabhat Kumar

Shri Sushil Mahadeorao Kochey

Hon'ble Member (Technical)

Hon'ble Member (Judicial)

Appearances :

For the Applicant(s) : Senior Advocate Mr. Vikram Nankani a/w Advocates Chitra Rentala, Kriti Srivastava and Khyati Mehrotra i/b Trilegal, Advocates for the Petitioner Companies

ORDER

1. The present petition seeks sanction of the Composite Scheme of Arrangement between **Piramal Enterprises Limited** having CIN: L24110MH1947PLC005719 (**"Petitioner No. 1/ Transferor Company"**) and **Piramal Finance Limited** (Formerly known as Piramal Capital & Housing Finance Limited) having CIN: U64910MH1984PLC032639 (**"Petitioner No. 2/ Transferee Company"**) and their respective shareholders and creditors (**"Scheme"**) from this Tribunal under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder. The Petitioner No. 2/ Transferee Company is a wholly owned subsidiary of the Petitioner No. 1/ Transferor Company.
2. The Petitioner No. 1 is a public listed company having its registered office at Piramal Ananta, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra, India- 400070 and the Petitioner No. 2/ Transferee Company is a public company having its registered office at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (West), Mumbai, Maharashtra, India- 400070. As on date, both the Applicant Companies are registered with



the Reserve Bank of India (“**RBI**”) as a non-deposit taking Non-Banking Financial Company - Investment and Credit Company (“**NBFC-ICC**”) and are *inter-alia* engaged in the business of providing diversified financial services. Prior to being registered as an NBFC-ICC, the Petitioner No. 2/ Transferee Company was registered as a housing finance company (“**HFC**”) with the RBI. Pursuant to the application made by the Petitioner No. 2/ Transferee Company to the RBI for conversion of its HFC license to NBFC-ICC license, the name of the Petitioner No. 2/ Transferee Company was changed on 22 March 2025 from Piramal Capital & Housing Finance Limited to Piramal Finance Limited.

3. The Board of Directors of the Applicant Companies in their respective Board Meetings held on 08th May 2024 have approved the Scheme of Arrangement by passing Resolutions.
4. The Appointed Date fixed under the Scheme is **01st April, 2024**.
5. It is submitted that the Company Petition has been filed in consonance with the Order passed in the **C.A. (CAA) 113/MB/2025** of the Tribunal on 26th May 2025 and the Applicant Companies have complied with all the requirements of filing the affidavits and sending notices as per directions of the Tribunal.
6. The Background and the rationale for the Scheme of Arrangement of the Applicant Companies is as follows:

(a) Background:

- (i) *Pursuant to the audited financial statements for the financial year ended 31 March 2024, the Transferee Company does not meet the requisite Principal Business Criteria (“PBC”) prescribed by the RBI under the Master Direction- Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021, to continue operating as an HFC. Accordingly, the board of directors of the Transferee Company approved the conversion of the Transferee*



Company from an HFC to an NBFC-ICC and the Transferee Company made an application to the RBI for such conversion. Pursuant to the receipt of the certificate of registration dated 4 April 2025 issued by the RBI, PFL now operates as an NBFC-ICC resulting in 2 (two) distinct NBFC-ICCs in the group. RBI has, in the certificate of registration dated 4 April 2025, stipulated that another entity in the group shall not be permitted to hold a certificate of registration as an NBFC-ICC.

- (ii) Further, as per the RBI's (Non-Banking Financial Company- Scale Based Regulation) Master Directions, 2023 ("Scale Based Regulations"), all Non-Banking Financial Companies ("NBFCs") identified as upper layer NBFCs are mandatorily required to be listed within 3 (three) years of being identified as an upper layer NBFC. The Transferee Company has been identified as an upper layer NBFC, and accordingly, is required to be listed prior to 30 September 2025 as per the Scale Based Regulations.*
- (iii) Accordingly, the Transferor Company and Transferee Company have proposed to enter into a composite scheme of arrangement under Sections 230 to 232 read with Section 52, Section 66 and other applicable provisions of the Act. The Scheme, inter alia, provides for (A) the arrangement of the Transferor Company with the Transferee Company, (B) adjustment of debit balance of arrangement adjustment reserve account in the books of the Transferee Company, and (C) various other matters consequential or otherwise integrally connected therewith.*

(b) Rationale for the Arrangement:

- (i) Pursuant to the audited financial statements for the financial year ended 31 March 2024, the Transferee Company does not meet the requisite PBC to continue operating as an HFC. The Transferee Company accordingly made an application to the RBI for conversion of its HFC license to a NBFC-ICC license. Pursuant to the receipt of*



the certificate of registration dated 4 April 2025 issued by the RBI, PFL now operates as an NBFC-ICC resulting in two distinct NBFC-ICCs in the group (i.e. PEL and PFL). RBI has, in the certificate of registration dated 4 April 2025, stipulated that another entity in the group shall not be permitted to hold a certificate of registration as an NBFC-ICC.

- (ii) Further, as per the Scale Based Regulations, the Transferee Company is required to be listed prior to 30 September 2025.*
- (iii) Accordingly, the Transferor Company and Transferee Company are now proposing to enter into a composite scheme of arrangement whereby the Transferor Company will amalgamate with the Transferee Company.*
- (iv) Upon the Scheme becoming effective, the Transferor Company will amalgamate with the Transferee Company, and the Transferee Company will be listed on the Stock. Exchanges thereby ensuring compliance with applicable RBI regulations.*
- (v) The arrangement of the Transferor Company with the Transferee Company would be a seamless transition, as the Transferee Company has significantly larger scale of operations and wider geographical presence, as compared to the Transferor Company. This is evident given that:*
 - (A) the Transferee Company's interest income and assets under management ("AUM") constitute 79.9% (seventy nine point nine percent) and 77.2% (seventy seven point two percent) of the Transferor Company and Transferee Company's aggregate interest income and AUM, respectively.*
 - (B) the Transferee Company originates almost the entire credit portfolio of the Transferor Company and Transferee Company through its wide network which constitutes 99% (ninety nine percent) of the overall network. The Transferee Company also houses more than*



95% (ninety five percent) of the aggregate employees of the Transferor Company and Transferee Company.

- (C) the arrangement of the Transferor Company with the Transferee Company would entail lesser disruptions in the retail lending business of the Transferee Company. This approach would also substantially reduce the administrative and operational challenges that would arise in otherwise consolidating the infrastructure and assets of both companies, given the extensive scale of operations of the Transferee Company.*
- (vi) The arrangement would lead to optimisation in supervisory and management overlap, minimisation of regulatory and legal compliances with respect to business registrations and labour laws.*
- (vii) The arrangement would result in having a unified approach to customer interactions, as well as lender engagement under a single platform which would further simplify operations, thereby enhancing customer and lender servicing experiences.*
- (viii) The unification of businesses would result in the consolidation of financial, managerial, technical, and human resources, thereby creating a stronger base for future growth and stakeholder value accretion.*
- (ix) The creation of a larger consolidated financial services entity will enable such entity to deliver an increased range of financial products to a broader customer base. Further, the Transferee Company would, subsequent to the Arrangement, benefit from economies of scale and operational efficiencies, leading to revenue and cost synergies.*
- (x) An enhanced consolidated balance sheet would also bring efficiency with respect to the merged entity's treasury operations, thereby helping in the overall liability management of the organization.*
- (xi) The Arrangement will result in the shareholders of the Transferor*



Company having direct ownership in one single listed entity, which houses all the operations, profits, and in-effect the entire value of the lending business under one roof.

Based on the aforesaid considerations, the proposed Arrangement is expected to enhance optimisation of the capital structure, comply with applicable regulatory requirements, and maximize shareholders' value.

7. The Applicants have submitted the following documents:

- a. Master data from MCA, Certificate of Incorporation, MOA & AOA of the Applicant Companies.
- b. Audited Financials 31st March 2025 of the Applicant companies.
- c. Copy of the observation letter by the BSE in favour of the Applicant companies dated 14th February 2025 and 18th February 2025.
- d. Copy of the letter received by the RBI approving the Scheme dated 08th April, 2025.
- e. Copy of a report dated 8th May 2024 in relation to share exchange ratio issued by Bansilal S. Mehta & Co.
- f. Copy of the fairness opinion dated 8th May 2024 on entitlement ratio, issued by Axis Capital.
- g. Lists of pending litigations/ proceedings against the Applicant Companies and its directors and promoter as on 24th March 2025.
- h. Lists of guarantees given and taken by the Applicant Companies as on 31st December 2024.



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- i. Lists of margin money deposited by the Applicant Companies as on 31st December 2024.
 - j. Requisite majority approval by the Equity Shareholders, Secured of the Applicant companies.
 - k. Chairperson's reports both meetings of equity shareholders and secured creditors is dated 6th July 2025 and were filed on 7th July 2025.
 8. Learned Senior Advocate for the Applicant Companies submits that the meetings of equity shareholders and secured creditors of the Petitioner No. 1/ Transferor Company were held on 4th July 2025 and the Chairperson's reports both dated 6th July 2025 for the respective meetings were filed on 7th July 2025. The Scheme was approved by the said equity shareholders and the secured creditors, in each case with the requisite majority. The present petition thereafter came to be filed by the Applicant Companies on 8th July 2025.
 9. The Regional Director, Western Region ("RD") has filed a report on 25th July 2025 and has no objections to the Scheme ("RD Report"). The RD Report submits that this Tribunal may consider and dispose the case as deemed fit and proper in the facts and merits of the case. The observations in the RD Report have been dealt with by the Applicant Companies in its Affidavit in Reply dated 18th August 2025 filed with this Tribunal and a copy of the said Affidavit was served upon the RD on 18th August 2025 by email and on 19th August 2025 by hand delivery. After consideration of the observations made by the RD, the Applicant Companies have submitted/undertaken that –
 - a. The Applicant Companies shall comply with the applicable Accounting Standards, including AS-14/Ind-AS 103 for Arrangements, and pass such accounting entries as are necessary in compliance with AS-5/Ind-AS 8 and other applicable standards.



- b. The Appointed Date of the Scheme is 01st April 2024, in compliance with Section 232(6) of the Companies Act, 2013, and MCA General Circular No. 09/2019 dated 21st August 2019. The Appointed Date is not against public interest, as no objections have been raised by statutory or regulatory authorities.
- c. The Transferee Company shall pay the difference in fees and stamp duty, if any, in compliance with Section 232(3)(i) of the Companies Act, 2013, after setting off the fees already paid by the Transferor Company on its authorized share capital.
- d. The Scheme has been duly approved by the requisite majority of shareholders and creditors of the Transferor Company, and the requirement of meetings for the Transferee Company and unsecured creditors has been dispensed with by the Hon'ble Tribunal.
- e. The Applicant Companies shall comply with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof, and the rules framed thereunder.
- f. The copies of the Scheme annexed to the Company Application and the Company Petition are one and the same, with no discrepancy or alteration.
- g. The Applicant Companies have duly served notices of the Scheme and the Tribunal's order on all statutory authorities and regulators, including the Registrar of Companies, Regional Director, Official Liquidator, Income Tax Department, SEBI, RBI, BSE, NSE, IRDAI, and others as directed by this Tribunal.
- h. The Applicant Companies shall comply with the directions of any concerned sectoral regulators, wherever applicable, in accordance with law.



- i. The Applicant Companies shall comply with the directions of the Income Tax Department and the GST Department, as may be issued from time to time.
- j. The Applicant Companies shall comply with the provisions of the Foreign Exchange Management Act, 1999, the erstwhile Foreign Exchange Regulation Act, 1973, and the rules and regulations framed thereunder, in relation to non-resident shareholders.
- k. The Applicant Companies shall comply with the directions and observations made by BSE Limited and National Stock Exchange of India Limited, and with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- l. The Transferee Company shall pay the differential fees, if any, after setting off the fees already paid by the Transferor Company on its authorised share capital, in terms of Section 232(3)(i) of the Companies Act, 2013.
- m. The interests of all creditors and employees shall be fully protected under the Scheme. All liabilities of the Transferor Company shall become liabilities of the Transferee Company, and all employees shall be deemed to have become employees of the Transferee Company without any break in service and on terms not less favorable than their existing terms.
- n. There are no pending complaints filed against the Transferee Company, as set out in the letter dated 8th August 2025 issued by the Registrar of Companies, Ministry of Corporate Affairs (ROC Letter). The Transferor Company hereby submits that there is 1 (one) pending complaint filed against the Transferor Company, as set out in the ROC Letter, and the Transferor Company has responded to the Registrar of Companies, Ministry of Corporate Affairs in relation to such complaint vide letter dated 24th July 2025 and the matter will stand



resolved in due course.

10. The Insurance Regulatory and Development Authority of India (IRDAI) filed an application **IA No. 134 of 2025** objection to the merger of Petitioner Companies, where IRDAI has urged that the sanction of the Scheme be made conditional upon the outcome of its pending appeals before the Supreme Court concerning the Shriram Group mergers, in which Piramal holds shareholding in two insurance companies. IRDAI contends that approving Piramal's Scheme at this stage may complicate or prejudice the effect of any eventual ruling in those appeals. In response, the Piramal companies contend that their internal restructuring, already approved by shareholders, creditors, SEBI, RBI, and other authorities, is wholly independent of the Shriram proceedings and does not in any way affect IRDAI's regulatory powers. They argue that any Supreme Court decision will automatically bind the merged entity by operation of law and that delaying or making the sanction conditional would unfairly prejudice the companies and their stakeholders. However, during the course of hearing, Ld. Counsel for the Applicant Companies submitted that, Insurance Regulatory and Development Authority of India has contended for passing of appropriate Orders after considering the prayer clause "c" of IA (Companies Act) 134 of 2025, for which, the Applicant Companies have no objection if the Order in Company Petition is passed approving the proposed scheme, subject to the outcome of the Order of the Hon'ble Supreme Court in Special Leave Petition Diary Number 25758 of 2025.
11. We have perused the submissions made by the Applicant Companies and the report submitted by the Regional Director and Official Liquidator. The Official Liquidator has also submitted that, the affairs of the transferor companies have not been conducted in a manner prejudicial to the public interest or the interest of creditor.
12. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not



contrary to public policy considering that no objection has so far been received from any Authority or Creditors or Members or any other stakeholders.

13. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this Scheme and it shall be open to the Income Tax Authorities to take necessary action to deal with, in relation to tax or any other kind of obligations of Transferor Company against the Transferee Company, as permissible under the Income Tax Laws.
14. The approval of the proposed scheme shall be affecting the outcome of the Order of the Hon'ble Supreme Court in Special Leave Petition Diary Number 25758 of 2025 and the Order therein shall be given effect de hors approval of the Scheme in terms of this Order.
15. The Applicant Company is directed to comply with all the undertakings given by them in their reply filed to the Regional Director.
16. It is submitted that all the requisite statutory procedure has been fulfilled, the Company Petition is made absolute in terms of the prayer clause of the Petition.
17. The Transferor Company be dissolved without winding up.
18. The Applicant Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, in e-Form INC-28 within 30 days from the date of receipt of this order, duly certified by the Registrar, as the case may be, of this Tribunal.
19. The Applicant Companies to lodge a certified copy of this order and the Scheme duly authenticated by the Designated Registrar, as the case may be, of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same



within 60 working days from the date of receipt of the certified copy of this order.

20. All Authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Registrar, National Company Law Tribunal, Mumbai.
21. Ordered accordingly.
22. The present Company Petition i.e., **CP(CAA)/115 (MB) 2025 in CA(CAA)/113(MB) 2025** is **allowed** and **disposed of**, accordingly.

Sd/-

Prabhat Kumar

Member (Technical)

/VB/

Sd/-

Sushil Mahadeorao Kochey

Member (Judicial)