

NATIONAL COMPANY LAW APPELLATE TRIBUNAL**PRINCIPAL BENCH****NEW DELHI****COMPANY APPEAL (AT) NO.196 OF 2026**

(Arising out of judgement and order dated 30th April, 2026 passed by National Company Law Tribunal, Mumbai in CA(CAA)No.84 of 2026)

In the matter of:**Piramal Finance Ltd**

601, 6th Floor,
Amiti Building,
Piramal Corporate Park, Kamani Junction,
Opp Fire Station, LBS Marg,
Kurla (West)
Mumbai 400070 Maharashtra

Appellant

Vs

1. **Piramal Corporate Tower Pvt Ltd,**
2nd Floor, B Block, Piramal Ananta,
Pirmal Corporate Park,
Kamani Junction, LBS Marg,
Opp Fire Brigade, Kurla (West)
Mumbai 400070
2. **Piramal Agastya Offices Pvt Ltd,**
Wing A, Amiti Building, Pirmal Corporate Park,
Kamani Junction, LBS Marg,
Opp Fire Brigade, Kurla (West)
Mumbai 400070
3. **DHFL Investments Ltd,**
601, 6th Floor, Amiti Building
Pirmal Corporate Park,
Kamani Junction, LBS Marg,
Opp Fire Brigade, Kurla (West)
Mumbai 400070

For Appellant: Mr. Arun Kathpalia, Sr Advocate, Ms Chitra Rentala, Ms Kriti Srivastava, Mr. Alabh Anant Lal, Mr. Utkarsh Mishra, Advocates.

ORDER

HYBRID MODE

19.05.2026:

This Appeal has been filed under Section 421 of the Companies Act, 2013 (“Act”) against the order dated 30 April 2026 passed by the Ld. National Company Law Tribunal, Mumbai Bench in Company Application No. CA(CAA) No. 84/MB/2026. The Company Application was filed by Piramal Finance Limited (“Appellant Company”) herein under Sections 230-232 of the Companies Act, 2013 read with Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 in relation to the scheme of amalgamation amongst Piramal Corporate Tower Private Limited (“Transferor Company No. 1”), Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) (“Transferor Company No. 2”), DHFL Investments Limited (“Transferor Company No. 3”) and the Appellant Company, their respective shareholders and creditors (“Scheme”).

2. By the Impugned Order, Ld. NCLT dispensed with the meetings of the secured creditors and unsecured creditors of the Transferor Companies, but however, it directed a meeting of the Appellant Company’s equity shareholders be convened on or before 60 days of the Impugned Order, being uploaded on the Hon’ble NCLT’s website. The present Appeal challenges the Impugned Order to

the limited extent it directs convening meeting of the Appellant Company's equity shareholders.

3. It is argued the Impugned Order has been passed in complete disregard to the facts of the case and incorrectly directs convening meeting of the equity shareholders of the Appellant merely on account of negative net worth of the Transferor Company No. 1 and Transferor Company No. 3. It is argued the Impugned Order fails to consider the Scheme involves amalgamation of wholly owned subsidiaries (i.e., Transferor Companies) into their holding company (Appellant Company) where the entire paid-up share capital of the Transferor Companies are being held by the Appellant Company and that no new shares are being issued by the Appellant Company and the Scheme would not result in dilution of the shareholding of the Appellant Company. The rights and interests of the equity shareholders of the Appellant Company are not affected by the Scheme and there will be no change in the capital structure of the Appellant Company.

4. It is argued the Impugned Order proceeds to direct the meeting of the equity shareholders of the Appellant Company, even though (a) the Scheme does not have any bearing on the equity shareholders or their rights; (b) dispensing the meeting of the equity shareholders of the Appellant Company would not be in violation of Act, and (c) Scheme is between Transferor Companies and the Appellant Company where the net worth of the Appellant Company is highly positive. It is argued the direction of the Ld. NCLT squarely falls contrary to the settled principles of law.

5. It is also argued the Impugned Order does not disclose any specific or tangible prejudice that would be caused to the Appellant Company's equity shareholders if their meeting were dispensed with. It is argued the Ld. Tribunal failed to appreciate the fact the assets and liabilities of the Transferor Companies *are already reflected in the Appellant Company's consolidated financial statements for financial year ending 31 March 2025*, which was produced along with the Company Application. Such audited financial statements already account for the negative pre-merger net worth of Transferor Company No. 1 and Transferor Company No. 3. Further, the Appellant Company's assets and business are substantial, and its financial health is robust. Therefore, implications of the negative pre-merger net-worth of the Transferor Company No. 1 and the Transferor Company No. 3 will be dwarfed by the highly positive post-merger net worth of the Appellant Company.

6. Hence, it is argued the Appeal may be allowed, and the Appellant herein may be granted liberty to dispense with the meeting of the equity shareholders of the Appellant Company in relation to the Scheme.

7. Before proceeding further we need to examine Section 230(1) of the Companies Act, 2013 which reads as under:-

230. Power to compromise or make arrangements with creditors and members. —

(1) Where a compromise or arrangement is proposed—

(a) between a company and its creditors or any class of them; or

(b) between a company and its members or any class of them,

the Tribunal may, on the application of the company or of any creditor or member of the company, or in the case of a company which is being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members or class of members, as the case may be, to be called, held and conducted in such manner as the Tribunal directs.

Explanation.—For the purposes of this sub-section, arrangement includes a reorganisation of the company's share capital by the consolidation of shares of different classes or by the division of shares into shares of different classes, or by both of those methods.

8. Now let us examine the salient features of the Scheme *viz* Clause 2.6 and

Clause 3(v) and it read as under:-

2.6 There has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Companies since 31 December 2025. The Transferor Companies are the wholly owned subsidiaries of the Transferee Company, and the entire paid-up capital of the Transferor Companies is held by the Transferee Company.

3(v) The Scheme does not affect the rights and interests of the shareholders of the Transferee Company. Since the Transferor Companies are wholly owned subsidiaries of the Transferee Company, there will be no change in the capital structure of the Transferee Company. Accordingly, the shareholding and other rights of the members of the Transferee Company will remain unaffected.

9. Further if we peruse the memo of appeal, it notes: -

9.16

(i) xxx

(ii) Appellant Company's pre-merger net worth is INR 23,710.54 Crores, and post-merger net worth is INR 23,449.63 Crores. The post-merger net worth of the Appellant Company has been computed in accordance with the accounting treatment prescribed in the Scheme, as already reflected in the consolidated financials of the Appellant Company, which, despite taking into account the net worth of the Transferor Companies, shows a highly positive net worth; and

(iii) While the paid-up share capital of Transferor Company No. 1, Transferor Company No. 2 and Transferor Company No. 3

are already held by the Appellant Company, it shall stand extinguished and no new shares shall be issued upon sanctioning of the Scheme;

9.17. *In any event, the negative net-worth of the Transferor Company No. 1 and Transferor Company No. 3 have already been factored in the consolidated net worth of the Appellant Company, which is highly positive and shall not have any adverse impact on account of the amalgamation.*

9.18. *Additionally, in terms of the standalone audited financial statements of the Appellant Company for the financial year ending 31 March 2026, the Appellant Company has total assets of INR 1,09,542.43 Crores and its profit after tax was INR 1,540.02 Crores. Therefore, the Appellant Company's assets and business are substantial, and its financial health is robust. Therefore, implications of the negative pre-merger net-worth of the Transferor Company No. 1 and the Transferee Company No. 3 (if any) will be dwarfed by the highly positive post-merger net worth of the Appellant Company. A copy of the audited standalone financial statements ending 31 March 2026 of the Appellant Company is annexed to this Appeal as Annexure A/22*

10. Vide the impugned order, the Ld. NCLT had held as follows: -

10.9 *The Ld. Counsel for the Applicant Companies submitted that the Scheme does not entail any compromise or arrangement whatsoever between the Transferor Companies, Transferee Company and its Shareholders and Creditors within the meaning of Sections 230 to 232 of the Act. Therefore, holding of meetings of Shareholders of Transferee Company and the meetings of the Creditors of the Transferor Company-1, Transferor Company-2 and the Transferee Company for approval of the proposed Scheme is not required. Transferor Companies are wholly owned subsidiaries of the Transferee Company. The entire economic and beneficial interest of the Transferor Companies is held by the Transferee Company. After the Scheme is sanctioned, no new shares will be issued or allotted, as consideration pursuant to the amalgamation, to the members of the Transferor Companies by the Transferee Company. The Scheme does not involve any re-organization of the paid-up share capital of the Transferee Company, and therefore, the Scheme will not result in dilution of the shareholding of the Transferee Company. Further, there is no*

restructuring or change in the debt owed to the creditors, and the same shall continue to be a liability of the amalgamated entity as on the Appointed Date. Based on the provisional financial statements of the Applicant Companies as on 31.12.2025, the post-merger networth of the Transferee Company would be positive of Rs.23,449.63 Cr., certificate issued by a Chartered Accountant is part of the Application. Consequently, the ability to discharge the claims of all the creditors of the Applicant Companies in the normal course of business would not be adversely affected. It is further submitted that the existence of the Transferee Company will remain as before without any change either to its shareholding pattern or debt position pursuant to the Scheme. Hence, the proposed Scheme is in no way prejudicial to the interest of shareholders or creditors of Applicant Companies nor does it affect the rights and interests of the members and creditors of the Applicant Companies.

10.10 *The Ld. Counsel further submitted that in the present case dispensation of meeting of equity shareholders of the Transferee Company and the creditors of the Transferor Company-1, Transferor Company-2 and the Transferee Company is permissible if a scheme of amalgamation is between wholly owned subsidiaries and the holding company of such wholly owned subsidiaries and no shares are being issued or allotted as consideration or otherwise pursuant to the scheme of amalgamation. The Ld. Counsel has also relied on the judgments of the Hon'ble NCLAT, New Delhi in Company Appeal (AT) No. 109 of 2023 in Reliance Industries Limited, Company Appeal (AT) No. 137 of 2021 in the matter of Patel Hydro Power Private Limited, in Company Appeal (AT) No. 19 of 2021 in the matter of Ambuja Cements Limited, and in Company Appeal (AT) No. 180 of 2019 in the matter of DLF Phase- IV Commercial Developers Limited, Company Appeal (AT) No. 171 of 2025 in the matter of Archernar Brand Technologies Private Limited and Ors., Company Appeal (AT) No. 59 of 2021 in the matter of Mohit Agro Commodities Processing Pvt. Ltd. and Anr., Company Appeal (AT) No. 169 of 2024 in the matter of One World v. FIM Holdco & Ariston Investments), and Lasa Supergenerics Ltd. V. Harishree Aromatics & Chemicals (P) Ltd., (2022 SCC Online NCLAT 459).*

10.11 *We have considered the submissions of the Ld. Counsel. The word 'may' used in Section 232(1) of the Companies Act provides some discretion to the Tribunal to dispense with the meeting of shareholders and creditors. However, it is a settled position of law that the shareholders are to be considered on a different footing. It is observed that the net worth of the*

Transferor Companies appears to be negative, and the equity shareholders are the stakeholders who should take a view on the implications of the merger. Having regard to the above, we are of the considered view that the shareholders should be afforded an opportunity to deliberate on the ramifications of the merger, and that the Tribunal should not exercise its discretion to dispense with the meeting of shareholders in the facts and circumstances of the case. Consequently, the Transferee Company is directed to hold the meeting of equity shareholders. However, the meeting of secured and unsecured creditors is dispensed with. The Transferee Company is directed to send notice to its secured and unsecured creditors by Courier / SpeedPost/email(to those whose email addresses are duly registered with the Transferee Company for the purpose of receiving such notices by email) at their last known address. They may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal, with a copy of such representations shall simultaneously be served upon the Transferee Company, failing which, it shall be presumed that they have no representations to make on the Scheme.

11. It is the submission of the learned senior counsel for the appellant the meeting of the equity shareholder needs to be dispensed as there is no compromise or arrangement between the transferee company and its shareholders and hence no meeting as is envisaged *per* Section 230(1) of the Companies Act, 2013 is required. Even otherwise, it is submitted while dispensing of the meeting of secured and unsecured creditors, there was no reason to direct the meeting of the equity shareholders to be held. Heard.

12. In Company Scheme Petition No.123/2010 the High Court of Judicature at Bombay, vide Order dated 12th March, 2010 held as under: -

8. *The Counsels appearing for the parties submit that the objection raised by the Learned Company Registrar is not maintainable and further contended that the filing of a separate*

petition by the Transferee Company, is not necessary for the following reasons:-

(a) It is an admitted position that the Transferor Company is a wholly owned subsidiary of the Transferee Company. It is also an admitted position that under the Scheme, the assets and liabilities of the Transferor Company will be transferred to and vest in the Transferee Company without any change in the capital structure of the Transferee Company as no new shares are being issued.

(b) A Scheme is a contract between Companies. It requires the Court's approval in accordance with Section 391 of the Act, only if it is a Scheme covered by that provision, otherwise any other contract entered into by a Company does not need the Court's approval.

(c) Section 391 of the Act deals with two special cases:

(i) when there is a compromise or arrangement between a Company and its creditors or any class of them; and

(ii) where there is a compromise or arrangement between a Company and its members or any class of them.

Neither of these fundamental jurisdictional preconditions is satisfied / met in the present case insofar as the Transferee Company is concerned. The Transferee Company will merely acquire the assets / liabilities of the Transferor Company. The shareholding and other rights of the members of the Transferee Company will be un-affected because no new shares are being issued and there is also no consequential change in the capital structure of the Transferee Company. These facts are ex-facie evident from a bare reading of the Scheme. Consequently, the Scheme, insofar as the Transferee Company is concerned, is not a compromise or arrangement within the meaning of Section 391 of the Act and does not need a separate Petition to be moved by the Transferee Company.

(d) The submission of the Learned Company Registrar that as an asset / undertaking with a negative Net Worth is being transferred to the Transferee Company, this will necessarily affect the financials of the Transferee Company and this, in turn, will affect members and creditors of the Transferee Company and hence a separate Petition by the Transferee Company is necessary, is not correct, both as a matter of law and as a matter of fact. The judgments of this Hon'ble Court in the cases of (i) Mahaamba Investments; and (ii) Kovalam Hotels, which are relied upon by the Learned Company

Registrar, in the facts of the present case, do not assist or support the stand of the Learned Company Registrar, for more than one reason.

(e) Firstly, a Petition by the Transferee Company is only necessary if the Scheme attracts the two conditions of Section 391, viz. there is a compromise or arrangement between the Company and its creditors or its members (or any class of them). This is a jurisdictional precondition which is totally absent in this case. Insofar as the Transferee Company is concerned, there is no 'compromise' or 'arrangement' with either members or creditors. Mere acquisition of an asset or undertaking which has a negative Net Worth (as is the case in the present Scheme) does not constitute or involve the Transferee Company entering into any 'compromise' or 'arrangement' with either its members or creditors. The contrary would result in startling consequences and if taken to its logical conclusion, would mean that in every case, where a Company acquires an asset or undertaking having a negative Net Worth a Scheme will be necessary. This cannot be the case.

(f) Secondly, neither of the two decisions relied upon by the Learned Company Registrar, lay down any legal proposition that where a Scheme involves a transfer of an asset or undertaking having a negative Net Worth (without involving any re-organisation of capital of the Transferee), this ipso facto, makes a separate Scheme by the Transferee Company necessary. This will be evident from a careful reading of the observations in those judgments which were made (and have to be understood) with reference to the facts of those cases.

(g) The judgment of this Court in the case of *Mahaamba Investments Ltd. vs. IDI Limited*, supports the stand of the Petitioners and the Transferee Company. In the said decision, this Court followed the previous judgment of this Court (Vimadlal J.) in the case of *Bank of India Ltd. vs. Ahmedabad Manufacturing & Calico Printing Co. Ltd.* (reported in (1972) 42 Comp. Cases. P. 211). In *Bank of India Ltd. vs. Ahmedabad Manufacturing & Calico Printing Co. Ltd.*, this Court held (at page 219) that :

- i. if a Scheme by way of a transfer of an undertaking does not affect the rights of the members or creditors of the Transferee Company, as between themselves and the Company; or
- ii. does not involve a re-organization of the share capital of the Transferee Company;

then in such an event, it was not necessary for a Transferee Company to file a separate Petition for sanction under Sections 391 to 394 of the Companies Act.

(h) The present case is squarely covered by the said decision and both conditions are satisfied. The Scheme does not involve a re-organization of the share capital of the Transferee Company, which will remain unaltered post the Scheme. The Scheme also does not affect the rights of the members or creditors of the Transferee Company (or any class of them) as between themselves and the Company. This will be clear from what is stated hereafter.

(i) What needs to be seen is whether the Scheme affects or impacts the rights of members / creditors vis-à-vis the (Transferee) Company. In other words, the Scheme must involve or result in an alteration of or change in, the rights of Shareholders / Creditors vis-à-vis the Company. An acquisition, by a Company, of an asset having a negative Net Worth does not impact / affect the rights of Shareholders / Creditors viz-a-vis the Company. These rights remain unchanged. There is a clear distinction between 'rights' of a Shareholder / Creditor vis-à-vis the Company and the 'value' of a Shareholder's interest (i.e. share) or the 'value' of the Company / its assets. The two are entirely distinct and different and it is critical that this distinction is not lost sight of. Any concern or apprehension that by reason of the Scheme and the absorption of an asset / undertaking with a negative Net Worth, the 'value' of the Transferee Company and its shares will come down. (however, laudable this may be,) as a matter of law, cannot obliterate the clear legal and conceptual distinction between "rights of a member / creditor vis-à-vis the Company" and the "value of the Company or the interest of the member". Valuation may change. Rights do not. This therefore cannot be the basis for compelling a Company to Petition a Court, when the Act / Law does not so require.

(k) Without prejudice to the above and in any event, in the facts of the present case, there is no basis for drawing any inference that even the 'value' of the Transferee Company or the member's / creditor's interest therein, will be prejudicially affected. A perusal of (i) the Scheme; (ii) the Petition; (iii) the Audited Balance Sheet and Accounts of the Transferor and Transferee Company (which are annexed to the Petition); and (iv) the Affidavit dated 5th March, 2010 filed by Mr. Amit Bhasin, makes it clear that the negative Net Worth of the Transferor Company has almost entirely been reflected in the financials of the Transferee Company. In other words, the Balance Sheet and Accounts of the Transferee Company have already discounted for and made allowance for almost all of the negative Net Worth of the Transferor Company. This is because of a combination of the Accounting Standards followed

by the Transferee Company and the fact that the Transferor Company is a wholly owned subsidiary of the Transferee. Also to be noted is the fact that the Transferee Company has one of India's healthiest bottom lines and is, financially, in an extremely robust position. Its profit after tax for the year 2008-2009 was Rs.2496.45 Crores. There is therefore absolutely no basis for any apprehension, on facts, as well.

13. Further in Mohit Agro Commodities Processing Pvt Ltd Vs Gujarat Ambuja Exports Ltd, Company Appeal (AT) No.59/2021 this Tribunal held:

17. It is seen that Section 232(1) of the Companies Act, 2013 uses the word 'may' which introduces an element of discretion to the Tribunal to be exercised in the interest of justice in appropriate situations. It is evident from the aforesaid citations that the High Courts have exercised this discretion dispensing with the requirement of convening the meetings, if the Bench is satisfied in all respects. Section 232 is a specific provision carved out by the Legislature when both conditions maintained in clauses (a) and (b) of sub-Section (1) of Section 232 are met. In the instant case the amalgamation sought for is between a Wholly Owned Subsidiary and the Holding Company. The point which needs to be noted is whether such an arrangement alters the rights of the Stakeholders of the Company; whether such an amalgamation has any bearing internally on Creditors/Members of both the Companies; whether not holding the subject meeting would amount to violation of any of the provisions of the Companies Act, 2013; whether the Tribunal can exercise their discretion when the 'Transferor Company' is a Wholly Owned Subsidiary of the 'Transferee Company' and financial position of the 'Transferee Company' is positive and the merger is not affecting the rights of the Shareholders or the Creditors.

18. The material on record establishes that the 'Transferee Company' is a Wholly Owned Subsidiary of the 'Transferor Company' and there is no issuance of any new shares and therefore there is no reorganization of share capital and consequently no arrangement wherein Shareholders have to compromise with Creditors of the 'Transferor Company'. The documentary evidence substantiates that the net worth of the 'Transferee Company' is definitely positive.

20. This Tribunal has placed reliance in 'DLF Phase IV, Commercial Developers Limited and Ors.' in Company Appeal

(AT) No. 180 of 2019 and observed that the scheme would not prejudicially affect the Creditors or Shareholders of the Appellant Company when an Application is filed by the 'Transferor Company' or 'Transferee Company', a separate Application is not necessary and dispensed with the meeting of the equity Shareholders and Creditors of the Appellant Company. At the cost of repetition, keeping in view that the financial position of the 'Transferee Company' is highly positive, the merger does not involve any compromise/arrangement with any Creditor of the Company, that there would be a positive net worth and Creditors would not be compromised, the Tribunal ought to have exercised the discretion in dispensing with the requirement of convening the meeting which would facilitate ease of doing business and save time and resources. To reiterate, we observe that the rights and liabilities of Secured and Unsecured Creditors were not getting affected in any manner by way of the proposed scheme as no new shares are being issued by the 'Transferor Company' and no compromise is offered to any Secured and Unsecured Creditors of the 'Transferee Company'. Therefore, we are of the considered view that when the 'Transferor and Transferee Company' involve a parent Company and a Wholly Owned Subsidiary the meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors can be dispensed with as the facts of this case substantiate that the rights of the Equity Shareholders of the 'Transferee Company' are not being affected.

14. Similarly in Ambuja Cements Ltd Company Appeal (AT) No.19/2021 this Tribunal held as under: -

37. From the above Judgment of the Hon'ble High Court of Bombay in the matter of 'Mahaamba Investments Ltd.'vs 'IDI Ltd.', whereby it is clear that an Application filed by the Transferor Company or Transferee Company, a separate Application is not necessary by the Transferee/Transferor Company. Further, this Tribunal in the matter of 'DLF Phase – IV Commercial Developers Ltd. & Ors.' dispensed with the meetings of the Creditors and shareholders. However, the facts of the DLF matter are little different i.e. in the DLF matter the written consent was obtained by way of an 'Affidavit'. This Tribunal allowed the Appeal by setting aside the order of the Tribunal where the Learned Tribunal rejected the approval seeking the dispensation of the meetings of creditors and

shareholders. However, in the present case we are of the view that the Learned Tribunal ought to have dispensed with the meetings of the Equity shareholders and Creditors of the Appellant Company. The only objection taken by the Learned NCLT that no written consent by way of an Affidavit' of the Shareholders and Creditors, were filed.

38. We are of the view that as held by the Hon'ble Supreme Court that a Coordinate Bench of a court cannot pronounce Judgement contrary to declaration of law by another Bench. In the Present case, the Tribunal (NCLT) Ahmedabad Bench erred in not following its own order passed in 'Vodafone Idea Ltd.', Wherein similar facts are involved in both the cases. Conclusion:

39. In view of the forgoing reasons we set aside the order of the Learned NCLT dated 10.12.2020 in CA (CAA) No. 50 of 2020. Accordingly, we dispense with the meetings of the Equity shareholder, Secured and Unsecured Creditors of the Appellant Company. The matter is remanded back to the NCLT for further Consideration.

15. in Momagic Technologies Pvt Ltd Company Appeal (AT) No.147/2022 this

Tribunal has held as under:-

24. This Tribunal considering the submissions of the Appellant that the Appellant Company is a holding company and no new shares are being issued, the rights of the shareholders of the Appellant Company are not affected, the scheme does not involve reorganization of the share capital and the net-worth of the Appellant Company post amalgamation would remain highly positive.

27.xxxxx

(i) Convening meeting of shareholders of the Transferee Company/Appellant Company is dispensed with.

16. Thus on facts we note that admittedly the scheme does not have bearing on the equity shareholders or their rights and there has been no change in the authorised, issued, subscribed and paid up share capital of the transferor companies since 31.12.2025. Further the transferor companies are wholly owned subsidiaries of the transferee company and the entire paid up capital of

the transferor companies is held by the transferee company. Further the scheme does not affect the rights and interest of the shareholders of the transferee company. Since the transferor companies are the wholly owned subsidiaries of the transferee company, there shall be no change in the capital structure of the transferee company. Therefore, the shareholding and other rights of the members of the transferee company shall remain unaffected.

17. Further admittedly the assets and liabilities of the transferor companies are already reflected in the appellant's company consolidated financial statement for the financial year ending on 31.03.2025. Such audited financial statements already account for a negative pre-merger net worth of transferor company No.1 and transferor company No.3. Further the appellant's companies' assets and business are substantial and has a robust financial health, therefore, the implication of the negative pre-merger net worth of the transferor company No.1 and transferor company No.3 will be negligible as is evident from the fact that the pre-merger net worth of transferee company is about Rs.23710.54 crores and post-merger net worth is Rs.23449.63 crores. Thus considering the fact there is no compromise or arrangement between the companies and its members and mere acquisition of the assets or undertakings which has a negative net worth does not constitute or involve the transferee company entering into any **compromise or arrangement** with either its members or creditors, hence the dispensing of meeting of the equity shareholders of the appellant company would not be a violation of the Act.

18. Thus for the reasons aforesaid and in the circumstances of this case it would be justified if the meeting of the equity shareholders is also dispensed with and to this extent the impugned order is set aside. However, the condition imposed upon the transferee company by Ld. NCLT for sending notices to the secured and unsecured creditors, be also complied with by the transferee company in case of equity shareholders, besides other compliances as per law.

19. Thus in the circumstances, the appeal is allowed to the above extent.

20. Pending applications are also disposed of.

(Justice Yogesh Khanna)
Member (Judicial)

(Mr. Ajai Das Mehrotra)
Member (Technical)

BM