

IN THE NATIONAL COMPANY LAW TRIBUNAL,  
COURT- IV, MUMBAI BENCH

C.P. (CAA)/13/MB/2025  
IN  
C.A. (CAA)/43/MB-IV/2024

*In the matter of  
the Companies Act, 2013;*

*AND*

*In the Matter of*

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

*AND*

*In the matter of Amalgamation  
Between*

***BKT TYERS LIMITED***

*("Transferor Company")*

*And*

***BALKRISHNA INDUSTRIES LIMITED***

*("Transferee Company")*

BKT Tyres Limited

[CIN: U35990MH2007PLC171411]

..... First Applicant Company

Balkrishna Industries Limited

[CIN L99999MH1961PLC012185]  
Company

..... Second Applicant

Pronounced: **25.03.2025**

**CORAM:**

Shri Anil Raj Chellan  
Hon'ble Member (Technical)

Shri K. R. Saji Kumar  
Hon'ble Member (Judicial)

***Appearances : Hybrid***

For Applicant Companies : Adv. Haabil Vahanvaty a/w Adv. Peshwan Jehangir, Adv. Mehul Shah, Adv. Aman Yagnik, Adv. Jamsheed Dadachanji, and Adv. Ishrita Bagchi i/b Khaitan & Co,

For the Regional Director (WR) : Mr. Tushar Wagh, Authorised Representative of the Regional Director Western Region, Ministry of Corporate Affairs.

**ORDER**

1. Sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (Act) to the Scheme of Amalgamation of BKT Tyres Limited (Transferor Company) with Balkrishna Industries Limited (Transferee Company) and their respective shareholders. Both the Transferor Company and the Transferee Company are collectively referred to as the "Applicant Companies".
2. Heard Learned Counsel for the Applicant Companies. No objection has been received by the Tribunal opposing the Company Scheme Application and nor has any party controverted any averments made in the Company Scheme Application.

3. The registered office of the First Applicant Company and the Second Applicant Company is situated in State of Maharashtra and hence the subject matter of the Application is within the jurisdiction of the National Company Law Tribunal, Mumbai Bench.
4. The Learned Counsel for the Applicant Companies states that the shares of the Second Applicant Company are listed on the National Stock Exchange of India Limited and BSE Limited. The non-convertible debentures of the Second Applicant Company are listed on the BSE Limited.
5. It is observed that the Board of Directors of the Applicant Companies in their respective Board meetings held on 23.01.2024 and 24.01.2024 have approved the Scheme and the relevant Board Resolutions are annexed to the Company Scheme Application.
6. The Learned Counsel for the Applicant Companies submits that as the First Applicant Company is a wholly owned subsidiary of the Second Applicant Company, there shall be no issue of shares as consideration for the amalgamation of the First Applicant Company with the Second Applicant Company.
7. The rationale for the Scheme is as under:

*“The Transferee Company is desirous of consolidating the assets and liabilities of the Transferor Company pursuant to the amalgamation. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:*

- (a) Streamlining of the corporate structure and consolidation of assets and liabilities of the Transferor Company within the Transferee Company;*
- (b) Availing easier financial support for the businesses of the Transferor Company;*

- (c) More efficient utilization of capital for enhanced development and growth of the consolidated business in one entity;*
- (d) Enabling opportunities for employees of the Transferor Company and the Transferee Company, to grow by bringing them in a common pool;*
- (e) Easier implementation of corporate actions through simplified compliance structure;*
- (f) Improve management oversight and bring in operational efficiencies;*
- (g) Cost savings through legal entity rationalisation and consolidation of support functions, business processes, elimination of duplicate expenses, etc; and*
- (h) Reduction of administrative responsibilities, multiplicity of records and legal & regulatory compliances.*

*The Scheme is therefore in the interest of the Transferor Company, the Transferee Company, their respective shareholders and all other stakeholders of the companies.”*

8. The Application is filed in consonance with Section 230 to 232 of the Act and the order passed on 01.07.2024 read with 08.10.2024, in the C.A.(CAA)/43/MB/2024 by this Tribunal.
9. It is submitted that the Applicant Companies have complied with all the requirements as per the directions of this Tribunal. Moreover, the Applicant Companies undertake to comply with all statutory requirements, if any, as required under the Act and the rules and regulations made thereunder. The said undertaking is taken on record.
10. The Regional Director, Western Region on behalf of the Central Government has filed its Report dated 17.02.2025, *inter-alia*, stating its observations on the Scheme in Paragraphs 2 (a) to (l) of the Report. In response to the observation made by the Regional Director, the Applicant

Companies have filed an affidavit in rejoinder dated 19.02.2025 and have given necessary clarifications and undertakings as shown in the table below:

<b>Sr. no.</b>	<b>Observations by Regional Director</b>	<b>Reply of Applicant Companies</b>
2 a)	<i>That on examination of the report of the Registrar of Companies, Mumbai dated 29.01.2025 for Petitioner (Annexed as Annexure A-1) that the Petitioner Companies fall within the jurisdiction of ROC, Mumbai. It is stated that no complaint and/or representation regarding the proposed scheme of Amalgamation has been received in the matter of Petitioner Companies. Further, Petitioner Companies have filed Financial Statements up to 31.03.2024</i>	The Applicant Companies state that the said observation is factual in nature.
	<i>The ROC has further submitted that in its report dated 29.01.2025 which are as under: -  (i) That the ROC Mumbai in his report dated 29.01.2025 has also stated that No Inquiry, Inspection, Investigations, Prosecutions, Technical Scrutiny and Complaints under CA, 2013 have been pending against the Petitioner Companies</i>	(i) The said observation of the Registrar of Companies, Maharashtra, Ministry of Corporate Affairs (Registrar of Companies) is factual in nature.

Sr. no.	Observations by Regional Director	Reply of Applicant Companies
	<p>(ii) Further ROC has mentioned as follows: -</p> <p>a) As per provisions of section 232(3)(i) of CA, 2013 where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorized capital shall be set off against any fees payable by the transferee company on its authorized capital shall be set off against any fees payable by the transferee company on its authorized capital subsequent to the amalgamation. Therefore, remaining fee, if any after setting off the fees already paid by the transferor company on its authorized capital, must be paid by the transferee company on the increased authorized capital subsequent to amalgamation.</p>	<p>(ii)</p> <p>a) The Applicant Companies undertake to comply with provisions of Section 232(3)(i) of the Act. Further, the Transferee Company undertakes to pay the balance/difference amount of the fees on its increasing authorised share capital, if any.</p> <p>b) Pursuant to the Scheme, the creditors of the Transferor</p>

Sr. no.	Observations by Regional Director	Reply of Applicant Companies
	<p><i>b) The interest of the creditors should be protected.</i></p> <p><i>c) E-Form MGT-14 have not been filed by the Petitioner Transferor Company with ROC, Mumbai office.</i></p> <p><i>d) Two Complaints bearing SRN No. 100020364 &amp; 100023218 are pending against Transferee Company.</i></p> <p><i>Hence, the Petitioner Companies shall undertake to submit detailed replies against observations mentioned above.</i></p>	<p>Company will become creditors of the Transferee Company. The Transferee Company undertakes to meet, discharge and satisfy liabilities in relation to creditors in ordinary course. The rights of the creditors shall not be impacted pursuant to the Scheme and there will be no reduction in their claims on account of the Scheme.</p> <p>c) The Transferor Company has filed e-Form MGT-14 on 20<sup>th</sup> February 2024 vide SRN AA6862218.</p> <p>d) The Transferee Company will continue to be in existence post the effectiveness of the Scheme. The Transferee Company undertakes to take such necessary steps to resolve the pending complaints in accordance with applicable law.</p>

Sr. no.	Observations by Regional Director	Reply of Applicant Companies
c)	<i>Transferee Company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 through appropriate affirmation in respect of fees payable by Transferee Company for increase of share capital on account of merger of transfer of companies.</i>	The Applicant Companies undertake to comply with provisions of Section 232(3)(i) of the Act. Further, the Transferee Company undertakes to pay the balance/difference amount of the fees on its increasing authorised share capital, if any.
d)	<i>In compliance with Accounting Standard-14 or IND-AS 103, as may be applicable, the resultant company shall pass on such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc</i>	The Transferee Company undertakes to pass such accounting entries which are necessary in connection with the Scheme to comply with such accounting standards notified under Section 133 of the Act as may be applicable.
e)	<i>The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed with the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i>	The Applicant Companies confirm that the Scheme enclosed to the Company Scheme Application and Company Scheme Petition are one and the same and there is no discrepancy / change made.
f)	<i>The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further,</i>	The Applicant Companies state that notices under the provisions of section 230(5) of the Act have been served to the concerned authorities, in compliance with the directions of the



Sr. no.	Observations by Regional Director	Reply of Applicant Companies
	<p><i>the approval of the scheme by the Hon'ble Tribunal may not deter such authorities from dealing with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i></p>	<p>Tribunal and no objection has been received from any of the authorities. Further, the Applicant Companies undertake that the Applicant Companies shall be bound by any decision of the concerned authorities that is made in accordance with law.</p>
g)	<p><i>As per Definition of the Scheme,</i></p> <p><b>"Appointed Date"</b> <i>means the opening business hours of 1<sup>st</sup> April 2024 or such other date as may be decided by the respective Board of the Parties;</i></p> <p><b>"Effective Date"</b> <i>means the date on which the last of the conditions specified in Clause 14 (Conditions Precedent) are complied with. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date;</i></p> <p><i>It is submitted that the Petitioners may be asked to comply with the requirements with regard to the Appointment Date as clarified vide circular no. F. No. 7/12/2019/CL-I dated</i></p>	<p>The Applicant Companies submit that the present Scheme is in compliance with the requirements of circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>

Sr. no.	Observations by Regional Director	Reply of Applicant Companies
	<i>21.08.2019 issued by the Ministry of Corporate Affairs.</i>	
h)	<i>All Petitioner Companies shall undertake to comply with the directions of the Income Tax Department and the GST Authorities, if any.</i>	The Applicant Companies undertake to comply with the directions of the Income-Tax Department and GST Department, if any, in accordance with applicable law.
i)	<i>Petitioner Companies shall undertake to comply with the directions of the Sectoral Regulatory Authority, if any.</i>	The Applicant Companies undertake to comply with the directions of the concerned sectoral regulatory authority, if any, in accordance with applicable law.
j)	<i>Balkrishna Industries Limited, Transferee Company is having foreign shareholders, hence provisions and guidelines of RBI, FEMA, FERA may be complied with, if applicable.</i>	The Applicant Companies undertake to comply with the provisions and guidelines of RBI, FEMA, FERA, as applicable.
k)	<i>Balkrishna Industries Limited, Transferee Company is listed company, hence observations of NSE, BSE, SEBI and provisions or guidelines of SEBI (LODR) Regulations, 2015 may be complied with, if applicable</i>	The Applicant Companies submit that pursuant to Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 and any amendments thereof, the NOC/ observations from the Stock Exchanges/

Sr. no.	Observations by Regional Director	Reply of Applicant Companies										
		<p>SEBI is not required since the present Scheme provides for amalgamation of the Transferor Company (wholly-owned subsidiary of the Transferee Company) with the Transferee Company.</p> <p>Further, the Applicant Companies submit that notices under the provisions of section 230(5) of the Act have been served to the concerned authorities including NSE, BSE and SEBI, in compliance with the directions of the Tribunal and no objections have been received from any of the authorities. Further, the Applicant Companies undertake that it shall be bound by any decision of the concerned authorities that is made in accordance with law.</p>										
l)	<p><i>As per shareholding pattern as on 31.03.2024 submitted by the Petitioner companies, details of shareholding is as follows: -</i></p> <table border="1" data-bbox="316 1581 924 1980"> <thead> <tr> <th data-bbox="316 1581 373 1834">Sr. No.</th> <th data-bbox="373 1581 505 1834">Petitioner Company</th> <th data-bbox="505 1581 659 1834">Name of Shareholder</th> <th data-bbox="659 1581 772 1834">% of shares held</th> <th data-bbox="772 1581 924 1834">Remark</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 1834 373 1980">1</td> <td data-bbox="373 1834 505 1980">BKT Tyres</td> <td data-bbox="505 1834 659 1980">Balkrishna</td> <td data-bbox="659 1834 772 1980">99.90 %</td> <td data-bbox="772 1834 924 1980">No Form BEN-2</td> </tr> </tbody> </table>	Sr. No.	Petitioner Company	Name of Shareholder	% of shares held	Remark	1	BKT Tyres	Balkrishna	99.90 %	No Form BEN-2	<p>It is submitted that the Transferee Company has provided the necessary details of the holding reporting company by reporting in Form BEN-2 and filed the same with the Registrar of Companies, on 24 July 2019 vide SRN H78342284.</p> <p>Further, the Transferor Company has provided the necessary details of the holding reporting company by reporting in Form BEN-2 and filed the same with</p>
Sr. No.	Petitioner Company	Name of Shareholder	% of shares held	Remark								
1	BKT Tyres	Balkrishna	99.90 %	No Form BEN-2								

Sr. no.	Observations by Regional Director					Reply of Applicant Companies
		<i>Limited , Transfer Company</i>	<i>Industries Limited, Transfer Company</i>		<i>has been filed by any of the Petitioner Companies as per records available at MCA21 Portal</i>	<p>the Registrar of Companies, on 19<sup>th</sup> February, 2025 vide SRN AB2756428.</p>
<p><i>No Form BEN-2 has been filed by any of the Petitioner Companies as per records available at MCA21 Portal, hence Petitioner Companies shall undertake to comply with the provisions of section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment.</i></p> <p><i>Further even though the shareholder of Petitioner Companies is holding company but as per Rule 8(b) of the Companies (Significant beneficial Owners) Rules,</i></p>						

Sr. no.	Observations by Regional Director	Reply of Applicant Companies
	<i>amendment, 2019, the reporting Petitioner Company shall file form BEN-2 with MCA21 Portal for declaring name of its beneficial shareholder i.e holding company in the Form BEN-2 under the first radio button at serial no. 3 of E-form BEN-2.</i>	

11. The Ld. Counsel for RD, Western Region, Mumbai submitted that the above explanations and clarifications given by the Applicant companies in reply are satisfactory and that they have no further objection to the Scheme.

12. The Official Liquidator has filed its Report dated 12.02.2025 (OL Report), before this Tribunal for consideration. The observations of the Official Liquidator are submitted in paragraph 5 of the OL Report. In response to the observation made by the Official Liquidator, the Applicant Companies have also given necessary responses/clarification vide their affidavit in rejoinder dated 19.02.2025. The observations made by the Official Liquidator and the responses/clarifications given by the Applicant Companies are summarised in the table below:

Sr. no.	Observation in the OL Report filed by the Official Liquidator	Response
5	With reference to clause No. 10.1 of the scheme it is stated that such clauses override the provision of Companies Act, 2013 namely Section 232(3)(i) which inter-alia provides that, 'if a	The Applicant Companies undertake to comply with provisions of Section 232(3)(i) of the Act. Further, the Transferee Company undertakes to pay the

<b>Sr. no .</b>	<b>Observation in the OL Report filed by the Official Liquidator</b>	<b>Response</b>
	company is dissolved, the fees paid by such company on its Authorised Capital shall be set off against any fees payable by the transferee company on its Authorised Capital. Hon'ble Tribunal may be pleased to direct Transferee Company to pay differential amount, if any, after setting off fees already paid by the Transferor Company.	balance/difference amount of the fees on its increasing Authorised share capital, if any.

13. We observe that no adverse comments have been made regarding the state of affairs of the Transferor Company. Accordingly, the reply filed by the Applicant Companies to the aforementioned report is taken on record. We conclude that the objections/observations to the Scheme raised by the RD, ROC, and OL have been adequately replied.
14. 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 policy.
15. The Applicant Companies are directed to file a certified copy of this Order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically along with E-Form INC-28, in addition to physical copy within 30 days from the date of receipt of the Order from the Registry of this Tribunal.

16. The Applicant Companies are further directed to provide a copy of this Order along with the Scheme duly certified by the Designated Registrar of this Tribunal, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, within a period of 60 working days from the date of receipt of the certified Order from the Registry of this Tribunal.
17. All concerned regulatory authorities to act on a copy of this Order along with the Scheme duly certified by the Designated Registrar of this Tribunal.
18. Any person interested shall be at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
19. The Appointed Date of the Scheme is 01.04.2024
20. Accordingly, the above C.P.(CAA)13/MB/2025 is allowed and disposed of.

Sd/-

**ANIL RAJ CHELLAN**  
**MEMBER (TECHNICAL)**

Sd/-

**K. R. SAJI KUMAR**  
**MEMBER (JUDICIAL)**