

NATIONAL COMPANY LAW TRIBUNAL

COURT-V, MUMBAI BENCH

4. C.P.(CAA)/80(MB)2025 C.A.(CAA)/235(MB)2024

IN THE MATTER OF

Allcargo Logistics Limited

U/s 230-232 of the Companies Act, 2016

Order Delivered on 10.10.2025

CORAM:

SH. MOHAN PRASAD TIWARI
MEMBER (J)

SH. CHARANJEET SINGH GULATI
MEMBER (T)

Appearance through VC/Physical/Hybrid Mode:

For the Petitioner:

For the Respondent:

ORDER

C.P.(CAA)/80(MB)2025: The above Company Petition is listed for pronouncement of the order. The same is pronounced in open court, vide a separate order.

Sd/-
CHARANJEET SINGH GULATI
Member (Technical)
//Rahul//

Sd/-
MOHAN PRASAD TIWARI
Member (Judicial)

**NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT-V**

**CP(CAA)/ 80/MB/ 2025
CONNECTED WITH
(CAA) NO. 235 OF 2024**

IN THE MATTER OF:

**SECTIONS 230 TO 232 READ
WITH SECTIONS 52 AND 66 AND
OTHER APPLICABLE
PROVISIONS, IF ANY, OF THE
COMPANIES ACT, 2013 READ
WITH THE COMPANIES
(COMPROMISES,
ARRANGEMENTS AND
AMALGAMATIONS) RULES,
2016
AND**

IN THE MATTER OF:

**COMPOSITE SCHEME OF
ARRANGEMENT BETWEEN
ALLCARGO LOGISTICS
LIMITED ("ALLCARGO" OR
"TRANSFEREE COMPANY 2"
OR "DEMERGED COMPANY")
AND ALLCARGO SUPPLY
CHAIN PRIVATE LIMITED
("TRANSFEROR COMPANY 1"
OR "ASCPL"), A WHOLLY
OWNED SUBSIDIARY OF THE
DEMERGED COMPANY, GATI
EXPRESS & SUPPLY CHAIN
PRIVATE LIMITED
("TRANSFEROR COMPANY 2"
OR "GESCP"), ALLCARGO
GATI LIMITED ("TRANSFEREE
COMPANY 1" OR
"TRANSFEROR COMPANY 3"
OR "GATI") AND ALLCARGO
GLOBAL LIMITED (FORMERLY**

**KNOWN AS ALLCARGO
WORLDWIDE LIMITED AND
ORIGINALLY INCORPORATED
AS ALLCARGO ECU LIMITED)
("RESULTING COMPANY" OR
"AGL"), A WHOLLY OWNED
SUBSIDIARY OF THE
DEMERGED COMPANY AND
THEIR RESPECTIVE
SHAREHOLDERS (THE
"SCHEME")**

ALLCARGO LOGISTICS LIMITED
(CIN: L63010MH2004PLC073508),
HAVING ITS REGISTERED
OFFICE AT 6TH FLOOR,
ALLCARGO HOUSE, CST ROAD,
KALINA, SANTACRUZ (EAST),
MUMBAI 400098,
MAHARASHTRA, INDIA.

**... PETITIONER COMPANY 1/ FIRST
APPLICANT COMPANY
DEMERGED COMPANY /
TRANSFEEE COMPANY 2**

ALLCARGO GLOBAL LIMITED
(FORMERLY KNOWN AS
ALLCARGO WORLDWIDE
LIMITED AND ORIGINALLY
INCORPORATED AS ALLCARGO
ECU LIMITED)
CIN: U52220MH2023PLC408966,
HAVING ITS REGISTERED
OFFICE AT 6TH FLOOR,
ALLCARGO HOUSE, CST ROAD,
KALINA, VIDYANAGARI,
MUMBAI 400098,
MAHARASHTRA, INDIA.

**... PETITIONER COMPANY 2/ SECOND
APPLICANT COMPANY/ RESULTING
COMPANY**

ALLCARGO SUPPLY CHAIN
PRIVATE LIMITED

CIN: U45200MH2008PTC179557
HAVING ITS REGISTERED
OFFICE AT 6TH FLOOR,
ALLCARGO HOUSE, CST ROAD,
KALINA, SANTACRUZ (EAST),
MUMBAI 400098,
MAHARASHTRA, INDIA.

**... PETITIONER COMPANY 3/ THIRD
APPLICANT COMPANY/ TRANSFEROR
COMPANY 1**

GATI EXPRESS & SUPPLY CHAIN
PRIVATE LIMITED

CIN: U62200MH2007PTC390900,
HAVING ITS REGISTERED
OFFICE AT 4TH FLOOR, A WING,
ALLCARGO HOUSE, CST ROAD,
KALINA, SANTACRUZ (EAST),
MUMBAI CITY, MUMBAI,
MAHARASHTRA, INDIA, 400098

**... PETITIONER COMPANY 4/ FOURTH
APPLICANT COMPANY/ TRANSFEROR
COMPANY 2**

ALLCARGO GATI LIMITED

CIN: L63011MH1995PLC420155,
HAVING ITS REGISTERED
OFFICE AT 4TH FLOOR B WING
ALLCARGO HOUSE, CST ROAD
KALINA SANTACRUZ EAST,
VIDYANAGARI, MUMBAI,
MAHARASHTRA, INDIA, 400098

**... PETITIONER COMPANY 5 / FIFTH
APPLICANT COMPANY/ TRANSFEREE
COMPANY 1/ TRANSFEROR COMPANY 3**

Order delivered on: 10.10.2025

Coram:

Sh. Mohan Prasad, Hon'ble Member (Judicial)

Sh. Charanjeet Singh Gulati, Hon'ble Member (Technical)

Appearances:

For the Petitioner: Adv. Hemant Sethi, Adv. Tanaya Sethi,

For Income Tax: Adv. Mahesh Rajpopat

For the Regional Director: Ms. Rujuta Bankar

ORDER

1. We have heard the Ld. Counsel appearing for the Petitioner Companies and the officer of the Regional Director, Western Region, Mumbai (“**Regional Director**”). No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the petition to the Scheme.
2. The present Joint Company Petition is filed to obtain sanction of this Tribunal to the Composite Scheme of Arrangement between Allcargo Logistics Limited ("**Allcargo**" or "**Transferee Company 2**" or "**Demerged Company**") and Allcargo Supply Chain Private Limited ("**Transferor Company 1**" or "**ASCPL**"), a wholly owned subsidiary of the Demerged Company, Gati Express & Supply Chain Private Limited ("**Transferor Company 2**" or "**GESCPL**"), Allcargo Gati Limited ("**Transferee Company 1**" or "**Transferor Company 3**" or "**Gati**") and Allcargo Global Limited (Formerly known as Allcargo Worldwide Limited and originally incorporated as Allcargo ECU Limited) ("**Resulting Company**" or "**AGL**"), a wholly owned subsidiary of the Demerged Company and their respective shareholders (the “**Scheme**”) under the provisions of Section 230 to 232 of the Companies Act, 2013 read with sections 52 and 66 and other applicable provisions, if any, of the

Companies Act, 2013 (“**Companies Act**”) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**CAA Rules**”).

3. The Board of Directors of the Demerged Company, Resulting Company, Transferor Company 1, Transferor Company 2 and Transferee Company 1 have approved the Composite Scheme of Arrangement in their respective board meetings conducted on **December 21, 2023** have approved the Scheme.
4. The Appointed Date 1 fixed under the Scheme is **October 1st 2023** with respect to the Demerger and Amalgamation 1 and Appointed Date 2 fixed under the Scheme is effective date with respect to Amalgamation 2.
5. The Counsel for the Petitioner Companies submits that by order dated December 11, 2024 passed by this Tribunal in Company Application (CAA) No. 235 of 2024, this Tribunal directed convening meetings of the equity shareholders of the Petitioner Company 1 and Petitioner Company 5 and dispensing with the meetings of the respective shareholders of Petitioner Company 2, Petitioner Company 3 and Petitioner Company 4 and dispense with the requirement of convening meetings of the secured creditors and unsecured creditors of the Petitioner Companies.
6. The Counsel for the Petitioner Companies submits that the Petitioner Companies have complied with all requirements as per the directions of this Tribunal contained in order dated December 11, 2024 and they have made requisite filings. Moreover, the Petitioner Companies undertake to comply with all statutory / regulatory requirements, if and to the extent applicable, as may be required under the Companies Act and the CAA Rules.

Nature of Business of Petitioner Companies:

7. The Demerged Company is *inter alia* engaged in the business of international supply chain, related logistics businesses, and other support functions. The

Resulting Company is *inter alia* engaged inter-alia in the business of logistics services. The Transferor Company 1 is *inter alia* engaged inter-alia in the business of contract logistics and warehousing services. The Transferor Company 2 is *inter alia* engaged *inter-alia* in the business of express distribution and supply chain. The Transferee Company 1 is engaged *inter-alia* in the business of domestic express and supply chain logistics.

8. The Counsel for the Petitioner Companies submits that the proposed Scheme would accomplish the following benefits –

(a) The Demerged Company is presently engaged, directly, & indirectly through subsidiaries, in the International Supply Chain Business as well as Express Logistics and Contract Logistics businesses through the Transferee Company 1, Transferor Company 1 and Transferor Company 2. These businesses are distinct, with different business models, industry dynamics and have unique financial and management requirements. The purpose of this Scheme is to make these businesses achieve strategic independence and financial flexibility.

(b) Section B of the Scheme (relating to Demerger of the International Supply Chain Business) would enable creation of an independent company focusing on the International Supply Chain Business (in the Resulting Company).

(c) The businesses of Transferee Company 1, Transferor Company 1 and Transferor Company 2 are complementary in nature, with similar strategies, target markets, growth opportunities, industry dynamics, competition, risks, and challenges. Due to close synergies between these companies, these businesses would benefit from a unified management structure. Due to legacy reasons, these businesses are undertaken by different entities and have different ownership structure. Section C of the Scheme (relating to Amalgamation 1) would bring all these synergistic

businesses under one entity focusing on Express Logistics and Contract Logistics businesses (in Transferee Company 1).

- (d) This Scheme will result in simplification of the corporate structure and reducing the number of legal entities. The International Supply Chain Business will be undertaken by the Resulting Company, which will be directly owned by the shareholders. Pursuant to the Amalgamation 1 and Amalgamation 2, the Ex-press Logistics and Contract Logistics Businesses will be undertaken by the Transferee Company 2, which will be directly owned by the shareholders.*
- (e) This will lead to focused and efficient management control, independent growth plans, financial independence, streamlining operations, and optimising costs.*
- (f) The Resulting Company and Transferee Company 2 will be able to attract investors with specific knowledge, expertise and risk appetite corresponding to the business in the respective entities. Thus, each entity will have like-minded investors, thereby providing the necessary funding impetus to long-term growth strategies of each of the businesses.*
- (g) The existing equity shares of the Transferor Company 3 and Transferee Company 2 are already listed on BSE and NSE. Pursuant to the Scheme, the New Equity Shares of the Resulting Company will be issued to shareholders of Demerged Company. The Scheme will also result in New Equity Shares of the Transferee Company 2 to be issued to shareholders of Transferor Company 3. These new equity shares will be listed on BSE and NSE. This Scheme will unlock value for shareholders.*
- (h) The Board of Directors of the Demerged Company, Resulting Company, Transferor Companies and Transferor Company 3 believe that the Scheme is in the best interests of the respective entities / stakeholders including its shareholders.*

9. Consideration

A. Section B of the Composite Scheme of Arrangement

1. Upon the coming into effect of this Scheme and in consideration of the Demerger of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the “**New Equity Shares of Resulting Company**”) at par on a proportionate basis to each member of the Demerged Company, whose name is recorded in the register of members of the Demerged Company as holding shares on Record Date 1, in the ratio of 1 equity share of Rs 2 each fully paid up of Resulting Company for every 1 equity share of Rs 2 each fully paid up held in the Demerged Company.

2. Cancellation of shares of the Resulting Company:

Simultaneous with the issuance and allotment of the equity shares by the Resulting Company in accordance with the Clause 13.1 of the Scheme, the initial issued and paid-up equity share capital of the Resulting Company, comprising of 7 equity shares of Rs. 2 each, aggregating to Rs. 14 shall be cancelled.

B. Section C of the Composite Scheme of Arrangement

1. Upon the coming into effect of this Scheme, in consideration of the Amalgamation of the Transferor Company 1 and Transferor Company 2 with the Transferee Company 1 pursuant to this Scheme, the Transferee Company 1 shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the “**New Equity Shares of Transferee Company 1**”) at par on a proportionate basis to each member of the Transferor Company 1 and Transferor Company 2 (excluding with respect to shares held by the Transferee Company 1 in Transferor Company 2), whose name is recorded in the register of members of the Transferor Company 1 and

Transferor Company 2 and as holding shares on Record Date 1, in the ratio of 2 equity shares of Rs 2 each fully paid up of Transferee Company 1 for every 10 equity shares of Rs 10 each fully paid up held in the Transferor Company 1 and, in the ratio of 3475 equity shares of Rs 2 each fully paid up of Transferee Company 1 for every 10 equity shares of Rs 10 each fully paid up held in the Transferor Company 2 respectively.

2. Cancellation of shares:

It is hereby further clarified that any shares held by the Transferee Company 1 in Transferor Company 2 shall stand cancelled without any further act, application or deed.

C. Section D of the Composite Scheme of Arrangement

1. Upon the coming into effect of this Scheme, in consideration of the Amalgamation of the Transferor Company 3 with the Transferee Company 2 pursuant to this Scheme, the Transferee Company 2 shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the “**New Equity Shares of Transferee Company 2**”) at par on a proportionate basis to each member of the Transferor Company 3 (excluding with respect to shares held by the Transferee Company 2 in Transferor Company 3), whose name is recorded in the register of members of the Transferor Company 3 as holding shares on Record Date 2, in the ratio of 63 equity shares of Rs 2 each fully paid up of Transferee Company 2 for every 10 equity shares of Rs 2 each fully paid up held in the Transferor Company 3.
2. Cancellation: It is hereby clarified that any shares held by the Transferee Company 2 in Transferor Company 3 (including the shares issued pursuant to Amalgamation 1) shall hereby stand cancelled without any further action, or deed. Upon this Scheme coming into effect, all Transferee Company 1 redeemable preference shares (RPS) shall stand cancelled and neither the

Transferor Company 3 (severally) nor the Transferee Company 2 shall have any rights, obligation or liability against each other with respect to the same.

Response to the observations of RD

10. The Regional Director has filed its report dated July 1, 2025 (“**RD Report**”). In paragraph nos. 2(a) to 2(l) of the RD Report, the Regional Director has made certain observations with respect to the Scheme. In response to the observations made by the Regional Director, the Petitioner Companies have given necessary undertakings and clarification as per affidavit in reply dated July 2, 2025 (“**RD Reply**”). The observations of the Regional Director and responses of the Petitioner Companies are as under:

SR. No.	RD REPORT	REPLY TO RD REPORT
1.	<p>Paragraph no.2(a)</p> <p><i>That on examination of the report of the Registrar of Companies, Mumbai dated 21.05.2025 for Petitioner Companies (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></p>	<p>Paragraph no.4.1</p> <p><i>As regards the observation made in Paragraph 2(a) of the said Report is concerned, it is submitted that the observations made by the ROC is merely factual in nature and no further response is required to that extent</i></p>

SR. No.	RD REPORT	REPLY TO RD REPORT
2.	<p>Paragraph no.2(a)(1)</p> <p><i>From the Financials of the Resulting Company as at 31.03.2024, it is observed that the company is having negative networth. Even when the company has negative networth the Financials are prepared on going concern basis.</i></p>	<p>Paragraph no.4.2</p> <p><i>As regards the observation made in Paragraph 2(a)(1) of the said Report is concerned, the Petitioner Companies clarifies that the Resulting Company had negative net worth on 31.03.2024 as it had yet to commence operations. Further, it was fully supported by its parent company i.e., Allcargo Logistics Ltd. As on 31 Mar 2025, the Resulting Company has a positive net worth of INR 2,98,51,361 (Indian Rupees Two Crore Ninety Eight Lacs Fifty One Thousand Three Hundred Sixty One) and a profitable business. Further, the list of assets and liabilities that are to be transferred from the Demerged company to the Resulting company along with the certificate by a chartered accountant are annexed hereto and marked as Annexure B.</i></p>
3.	<p>Paragraph no.2(a)(2)</p> <p><i>With reference to clause No. Section E Para 38 of the scheme, it is stated that such clause overrides the</i></p>	<p>Paragraph no.4.3</p> <p><i>As regards the observation made in Paragraph 2(a)(2) of the said Report is concerned, the respective</i></p>

SR. No.	RD REPORT	REPLY TO RD REPORT
	<p><i>provision of Companies Act, 2013 namely section 232(3)(i) which inter-alia provides that, if a company is dissolved the fee paid by such company on its Authorised Capital shall be set off against any fees payable by the transferee Company on its Authorised Capital. The Transferee Company may be directed to pay differential fees, if any, after setting of the fees already paid by the Transferor.</i></p>	<p><i>Transferee Companies hereby undertakes to pay the remaining fee, if any, after setting off the fees already paid by the respective transferor companies on the increased authorized share capital subsequent to the amalgamation</i></p>
4.	<p>Paragraph no.2(a)(3)</p> <p><i>Interest of the creditors & Employees should be protected.</i></p>	<p>Paragraph no.4.4</p> <p><i>As regards the observation made in Paragraph 2(a)(3) of the said Report is concerned, the Petitioner Companies hereby undertake that the interest of the creditors and employees shall be duly protected under the Scheme. There is no compromise or arrangement with creditors</i></p>
5.	<p>Paragraph no.2(b)</p> <p><i>Transferee Company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 through</i></p>	<p>Paragraph no.4.5</p> <p><i>As regards the observation made in Paragraph 2(b) of the said Report is concerned, the respective Transferee Companies hereby undertakes to pay</i></p>

SR. No.	RD REPORT	REPLY TO RD REPORT
	<p><i>appropriate affirmation in respect of fees payable by Transferee Company for increase of share capital on account of merger of transfer of companies.</i></p>	<p><i>the remaining fee, if any, after setting off the fees already paid by the respective transferor companies on the increased authorized share capital subsequent to the amalgamation.</i></p>
6.	<p>Paragraph no.2(c)</p> <p><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></p>	<p>Paragraph no.4.6</p> <p><i>As regards the observation made in Paragraph 2(c) of the said Report it is concerned, it is submitted that in addition to compliance with IND AS-103 (AS-14 not applicable), in connection with the Scheme, the Resultant Company shall pass such accounting entries which are necessary to comply with all other applicable Accounting Standards such as IND AS-8 etc. to the extent applicable.</i></p>
7.	<p>Paragraph no.2(d)</p> <p><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</i></p>	<p>Paragraph no.4.7</p> <p><i>As regards the observation made in Paragraph 2(d) of the said Report is concerned, the Petitioner Companies submit and confirm that the Scheme enclosed in the Company Application and Company Petition are one and the</i></p>

SR. No.	RD REPORT	REPLY TO RD REPORT
	<i>are one and same and there is no discrepancy, or no change is made.</i>	<i>same and there is no discrepancy, or no change is made.</i>
8.	<p>Paragraph no.2(e)</p> <p><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, 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>Paragraph no.4.8</p> <p><i>As regards the observation made in Paragraph 2(e) of the said Report is concerned, the Petitioner Companies submit that notices have been duly served upon all the concerned authorities viz., the concerned Income Tax Authorities, Concerned Nodal Officer, the office of Regional Director, Registrar of Companies, Official Liquidator, concerned GST Authorities, National Stock Exchange of India Limited, BSE Limited and the Securities Exchange Board of India. Further the compliance affidavit proving the dispatch of the notices has been filed with this Tribunal.</i></p>
9.	<p>Paragraph no.2(f)</p> <p><i>As per Definition of the Scheme, "Appointed Date 1" means the 1st day of October, 2023, with respect to the Demerger and Amalgamation 1;</i></p>	<p>Paragraph no.4.9</p> <p><i>As regards the observation made in Paragraph 2(f) of the said Report is concerned, the Petitioner Companies confirm that the Appointed Date 1 means the 1st day of October, 2023, with respect to the Demerger and</i></p>

SR. No.	RD REPORT	REPLY TO RD REPORT
	<p>“Appointed Date 2” means the Effective Date, with respect to Amalgamation 2;</p> <p>“Effective Date” means the date on which all the conditions and matters in relation to the Scheme referred to in clause 40 of this Scheme have been fulfilled.</p> <p>”Record Date 1” shall mean in relation to Demerger and Amalgamation 1, such date to be fixed by the Board of Directors of Demerged Company (in the context of Demerger)/ Transferee Company 1 (in the context of Amalgamation 1) or a committee thereof/person duly authorized by the Board of Directors, after the Effective Date, for the purpose of determining the members of Demerged Company to whom shares of Resulting Company (in case of Demerger) and members of Transferor Company 1 and Transferor Company 2 to whom the shares of Transferee Company 1 (in</p>	<p>Amalgamation 1 and Ap-pointed Date 2 means the Effective Date, with respect to Amalgamation 2 as mentioned in the Scheme which is in compliance with Section 232(6) of the Companies Act, 2013 and the Scheme shall take effect from such respective Appointed Date. The Petitioner Companies undertake to comply with the requirements clarified vide circular No.7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>

SR. No.	RD REPORT	REPLY TO RD REPORT
	<p><i>case of Amalgamation 1) will be allotted pursuant to this Scheme;</i></p> <p><i>“Record Date 2” shall mean in relation to Amalgamation 2, such date to be fixed by the Board of Directors of Transferee Company 2 or a committee thereof/person duly authorized by the Board of Directors, after the Effective Date, for the purpose of determining the members of Transferor Company 3 to whom the shares of Transferee Company 2 will be allotted pursuant to this Scheme;</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 21.08.2019 issued by the Ministry of Corporate Affairs</i></p>	
10.	<p>Paragraph no.2(g)</p> <p><i>All Petitioner Companies shall undertake to comply with the directions of the Income Tax</i></p>	<p>Paragraph no.4.10</p> <p><i>As regards the observation made in Paragraph 2(g) of the said Report is concerned, it is submitted that the Petitioner Companies hereby undertake to ensure compliance of all</i></p>

SR. No.	RD REPORT	REPLY TO RD REPORT
	<i>Department and the GST Authorities, if any</i>	<i>directions of the Income Tax Department and the GST authorities. Further, the approval of the Scheme by this Tribunal may not deter the Income Tax Department and the GST authorities to deal with any issues arising after giving effect to the Scheme and all issues arising out of the Scheme shall be met and answered in accordance with law</i>
11.	<p>Paragraph no.2(h)</p> <p><i>Petitioner Companies shall undertake to comply with the directions of the sectoral Regulatory Authority concerned</i></p>	<p>Paragraph no.4.11</p> <p><i>As regards the observation made in Paragraph 2(h) of the said Report is concerned, it is submitted that the Petitioner Companies hereby undertake to ensure compliance of all directions of the concerned sectoral regulators, if any. Further, the approval of the Scheme by this Tribunal may not deter the sectoral regulators to deal with any issues arising after giving effect to the Scheme and all issues arising out of the Scheme shall be met and answered in accordance with law</i></p>
12.	<p>Paragraph no.2(i)</p>	<p>Paragraph no.4.12</p>

SR. No.	RD REPORT	REPLY TO RD REPORT
	<p><i>ALLCARGO LOGISTICS LIMITED (“DEMERGED COMPANY”/“TRANSFEREE COMPANY-2”) and ALLCARGO GATI LIMITED (“TRANSFEREE COMPANY-1”/“TRANSFEROR COMPANY 3”) are listed companies with NSE and BSE, further NSE and BSE has pointed out certain observation vide letter dated 10.10.2024 & 09.10.2024 respectively. In this regard, Petitioner Companies shall undertake to comply with observations pointed by NSE and BSE as well as the SEBI (LODR) Regulation, 2016. The NSE vide their letter dated 10.10.2024 has not granted NOC under Regulation 37of LODR, 2016 and 6 months have been expired from observations letter dated 10.10.2024 & 09.10.2024 issued by NSE & BSE and Petitioner listed companies may be asked to obtain NOC from stock exchange and to clarify as to whether observation related to modification of scheme have been complied with. The NSE & BSE may also be directed to furnish</i></p>	<p><i>As regards the observation made in Paragraph 2(i) of the said Report is concerned, the Petitioner Companies confirm that Allcargo Logistics Limited and Allcargo Gati Limited are listed on BSE and NSE and BSE and NSE have given their observations vide letter dated October 9, 2024 and October 10, 2024 respectively and the same has been complied with. Further, the Petitioner Companies confirms that as required under regulation 37(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the scheme was submit-ted with the Hon’ble NCLT Bench within 6 months of the date of observations letter from BSE and NSE respectively.</i></p>

SR. No.	RD REPORT	REPLY TO RD REPORT
	<p><i>fresh observation letters / NOC in the matter two Partitioner listed companies in order to protect the non-promoters shareholder interest.</i></p>	
13.	<p>Paragraph no.2(j)</p> <p><i>Petitioner Companies have foreign shareholders; hence Petitioner Companies shall undertake to comply with guidelines, rules, regulations of RBI, FEMA and FERA.</i></p>	<p>Paragraph no.4.13</p> <p><i>As regards the observation made in Paragraph 2(j) of the said Report is concerned, it is submitted that the Petitioner Companies hereby undertake to ensure compliance with the Rules & regulations of FEMA (FERA) & RBI guidelines if applicable. However, in the instance case the issue and allotment of shares is through automatic route and therefore no permission is required. The Transferee Companies and the Resulting Company shall file form FC-GPR in compliance with RBI regulations post sanctioning of the scheme and allotment of shares</i></p>
14.	<p>Paragraph no.2(k)</p> <p><i>It is observed from the financial statements of the Petitioner Companies as on 31.03.2024 that the Petitioner Companies have issued</i></p>	<p>Paragraph no.4.14</p> <p><i>As regards the observation made in Paragraph 2(k) of the said Report is concerned, it is submitted that the Transferor Company 2 i.e., Gati</i></p>

SR. No.	RD REPORT	REPLY TO RD REPORT						
	<p><i>shares at Security Premium and collected total premium as follows: -</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sr. No.</th> <th style="text-align: center;">Name of the Company</th> <th style="text-align: center;">Total Amount of Securities Premium collected</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td style="text-align: center;">GATI EXPRESS & SUPPLY CHAIN PRIVATE LIMITED</td> <td style="text-align: center;">Rs. 17,836 Lakhs</td> </tr> </tbody> </table> <p><i>Petitioner Companies shall clarify regarding filling of Form-2/ PAS-3 with regard to issue of shares on premium as complete Form-2/PAS-3 are not available on MCA21 Portal and also comply with section 68 of Income Tax Act, 1961. And, if deems fit, comments of Chief Principal Commissioner of Income Tax Department, Mumbai may be obtained by the Hon'ble NCLT Bench</i></p>	Sr. No.	Name of the Company	Total Amount of Securities Premium collected	1.	GATI EXPRESS & SUPPLY CHAIN PRIVATE LIMITED	Rs. 17,836 Lakhs	<p><i>Express & Supply Chain Private Limited hereby submits that is has filed all the form 2 / PAS-3 on MCA21 Portal. Further, the Petitioner Companies submit the ques-tions regarding securities premium was raised by the Regional Director and the Petitioner Companies have given their response to the query vide letter dated May 9, 2025 giving particulars of shares issued at premium. The copy of form and challans of form 2 / PAS-3 is attached as Annexure C which includes break up of securities premium collected. Further during the relevant period when shares were issued at Premium there has been no addition to the income tax by the Income Tax Department and no orders have been passed under section 68 of the Income Tax Act, 1961.</i></p>
Sr. No.	Name of the Company	Total Amount of Securities Premium collected						
1.	GATI EXPRESS & SUPPLY CHAIN PRIVATE LIMITED	Rs. 17,836 Lakhs						

SR. No.	RD REPORT	REPLY TO RD REPORT																																																							
	<p><i>before deciding the matter on merit of the case.</i></p>																																																								
15.	<p>Paragraph no.2(l)</p> <p><i>As per shareholding pattern mentioned at financial statement as on 31.03.2024 submitted by the Petitioner companies, details of shareholding of body corporates are mentioned as follows:</i></p> <table border="0"> <thead> <tr> <th data-bbox="342 982 435 1014">Sr. No.</th> <th data-bbox="521 982 662 1014">Petitioner</th> <th data-bbox="678 982 836 1014">Compa-ny</th> <th data-bbox="792 1035 824 1066">%</th> <th data-bbox="613 1094 719 1125">Remark</th> </tr> <tr> <th data-bbox="342 1035 435 1066"></th> <th data-bbox="435 1035 613 1066">Name of Share-holder</th> <th data-bbox="613 1035 792 1066"></th> <th data-bbox="792 1035 824 1066"></th> <th data-bbox="613 1094 719 1125"></th> </tr> <tr> <th data-bbox="342 1094 435 1125"></th> <th data-bbox="435 1094 613 1125">of shares held</th> <th data-bbox="613 1094 792 1125"></th> <th data-bbox="792 1094 824 1125"></th> <th data-bbox="613 1094 719 1125"></th> </tr> </thead> <tbody> <tr> <td data-bbox="342 1230 358 1262">1</td> <td data-bbox="435 1230 662 1262">ALLCARGO ECU LIMITED</td> <td data-bbox="678 1230 836 1262">ALLCARGO LO-GISTICS LIMITED</td> <td data-bbox="792 1230 824 1262">100.00%</td> <td data-bbox="613 1230 719 1262">No Form</td> </tr> <tr> <td data-bbox="342 1283 358 1314"></td> <td data-bbox="435 1283 662 1314"></td> <td data-bbox="678 1283 836 1314"></td> <td data-bbox="792 1283 824 1314"></td> <td data-bbox="613 1283 719 1314">BEN-2 has been filed by any of the</td> </tr> <tr> <td data-bbox="342 1335 358 1367"></td> <td data-bbox="435 1335 662 1367"></td> <td data-bbox="678 1335 836 1367"></td> <td data-bbox="792 1335 824 1367"></td> <td data-bbox="613 1335 719 1367">Petitioner Companies as per records</td> </tr> <tr> <td data-bbox="342 1388 358 1419"></td> <td data-bbox="435 1388 662 1419"></td> <td data-bbox="678 1388 836 1419"></td> <td data-bbox="792 1388 824 1419"></td> <td data-bbox="613 1388 719 1419">avail-able at MCA21 Portal</td> </tr> <tr> <td data-bbox="342 1577 358 1608">2</td> <td data-bbox="435 1577 662 1608">ALLCARGO SUP-PLY CHAIN PRIVATE LIMITED</td> <td data-bbox="678 1577 836 1608">ALLCARGO LO-GISTICS LIMITED</td> <td data-bbox="792 1577 824 1608">100.00%</td> <td data-bbox="613 1577 719 1608"></td> </tr> <tr> <td data-bbox="342 1629 358 1661"></td> <td data-bbox="435 1629 662 1661"></td> <td data-bbox="678 1629 836 1661"></td> <td data-bbox="792 1629 824 1661"></td> <td data-bbox="613 1629 719 1661"></td> </tr> <tr> <td data-bbox="342 1682 358 1713"></td> <td data-bbox="435 1682 662 1713"></td> <td data-bbox="678 1682 836 1713"></td> <td data-bbox="792 1682 824 1713"></td> <td data-bbox="613 1682 719 1713"></td> </tr> <tr> <td data-bbox="342 1734 358 1766"></td> <td data-bbox="435 1734 662 1766"></td> <td data-bbox="678 1734 836 1766"></td> <td data-bbox="792 1734 824 1766"></td> <td data-bbox="613 1734 719 1766"></td> </tr> </tbody> </table>	Sr. No.	Petitioner	Compa-ny	%	Remark		Name of Share-holder					of shares held				1	ALLCARGO ECU LIMITED	ALLCARGO LO-GISTICS LIMITED	100.00%	No Form					BEN-2 has been filed by any of the					Petitioner Companies as per records					avail-able at MCA21 Portal	2	ALLCARGO SUP-PLY CHAIN PRIVATE LIMITED	ALLCARGO LO-GISTICS LIMITED	100.00%																	<p>Paragraph no.4.15</p> <p><i>As regards the observation made in Paragraph 2(l) of the said Report is concerned, it is submitted that the Petitioner Companies have filed form BEN-2 on MCA21 Portal, as and when the respective Petitioner Companies have received BEN-1 declarations from the Significant Beneficial Owners. The copy of form and challans of form BEN-2 for respective Petition Companies is attached as Annexure D.</i></p>
Sr. No.	Petitioner	Compa-ny	%	Remark																																																					
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SR. No.	RD REPORT	REPLY TO RD REPORT
	<p>3 <i>GATI EXPRESS & SUPPLY CHAIN PRIVATE LIMITED ALLCARGO GATI LIMITED 70%, ALLCARGO LOGISTICS LIMITED 30%</i></p> <p>4 <i>ALLCARGO GATI LIMITED , ALLCARGO LOGISTICS LIMITED 50.16%</i></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>	

11. The Authorised Representative of the Regional Director, Ms. Rujuta Bankar who is present at the time of the hearing has submitted that the explanation and clarifications given by the Petitioner Companies are found satisfactory. The Regional Director has no objections for approval of the scheme by this Tribunal.

12. On 24.09.2025, this Bench has passed the following order:

“This is the Company Petition filed under Section 230-232 of the Companies Act. Miss Rujuta Bankar, Deputy Director has logged in through the VC on behalf of the RD Western Region and submits that

after going through the rejoinder filed by the Petitioner Companies in respect of their observations / objections, they have no further observations / objections to the proposed scheme. She pointed out that they had two major issues, one was in respect of BEN-2 and other was in respect of shares issued at premium. She submits that in respect of BEN-2, the clarification which has been given by the Petitioner Company are acceptable and as regards shares issued at premium, since the Income Tax Department is present and any action that is to be taken in respect of the same is in the domain of Income Tax Authority and therefore she states that the RD has no further observations in respect of the same. Counsel for the Income Tax Department has logged in through the VC. They have submitted two reports one has been uploaded on 27.06.2025, and other has been uploaded on 19.09.2025. Ld. Counsel for the Income Tax Department submits that their rights to take any action keeping in view the provisions of Income Tax in respect of the Petitioner Companies be kept open and subject to such submissions and apart from what has been stated in the reports they have nothing further to say or submit. Matter is accordingly reserved for orders.”

13. The Pr. Commissioner of Income Tax (Central) – 4, Mumbai has filed its report dated 27th June, 2025 (“**IT Report**”). In paragraph nos. 3 to 13 of the IT Report, the Pr. Commissioner of Income Tax (Central) – 4, Mumbai has made certain observations *qua* the Petitioner/ Transferor Company with respect to the Scheme. In response to the observations made by the Pr. Commissioner of Income Tax (Central) – 4, Mumbai, the Petitioner/ Transferor Company has given necessary undertakings and clarification as per affidavit in reply dated 31st July 2025 (“**IT Reply**”). The observations of the Pr. Commissioner of Income Tax (Central) – 4, Mumbai and responses of the Petitioner/ Transferor Company are as under:

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
1.	<i>Paragraph 3 – That the restructuring exercise (i.e., the Composite Scheme of</i>	<i>(i) Paragraph 3 of the Report notes that during search proceedings conducted on the premises of the Applicant, under Section 132 of the Income Tax Act, 1961</i>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
	<p><i>Arrangement titled “Manthan 2.0”) was undertaken for the “primary or perhaps sole purpose of generating a tax benefit on Intangibles assets of INR 850 crores.”</i></p>	<p><i>(hereinafter referred to as “the Act”), a “loose paper” titled ‘Update on Manthan 2.0’ was recovered which noted a ‘Tax Benefit on Intangibles of INR 850 crores’. This was inferred by the department to wrongfully allege that a tax benefit of INR 850 crores on the intangibles directly links the restructuring to potential tax evasion strategies. To this extent, on account of this sole reference, the Department also wrongfully noted that the seized note suggests that the “restructuring’s primary or perhaps sole purpose is to generate a tax benefit on intangible assets”.</i></p> <p><i>(ii) It is submitted that a mere ‘loose paper’ noting a specific tax benefit as a result of a scheme, cannot be inferred to mean that the primary objective of the scheme is exclusively to obtain a tax benefit. It is further submitted that an ‘loose paper’ cannot qualify as evidence in the absence of any substantiating documentation to prove the said allegations.</i></p> <p><i>(iii) Without prejudice to the above, it is submitted that intangibles such as customer relationships, distribution networks, and brand name (which were historically recorded in the consolidated financial statements of Allcargo Logistics Limited), are required to be separately recorded in the standalone financial statements of the Demerged Company i.e., Allcargo Logistics Limited, upon the amalgamations under the Scheme taking effect) – in accordance with Indian Accounting Standards 103 (i.e., Ind AS 103). The rationale for the same is as set out below:</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>(a) Allcargo Logistics Limited has various subsidiaries across the globe. Hence, it is mandatory for Allcargo Logistics to prepare Consolidated Financial statement as per Section 133(2) of the companies act, 2013 and while preparing the company has to prepare consolidated financial statement as per Indian Accounting Standard 110. While preparing CFS, acquired companies have to be fair valued in accordance with IndAS 103 which gives rise to goodwill & certain intangibles (for instance, brand, customer relationship and distribution network) on acquisition. It is submitted that between FY 17 to FY 24, Allcargo Logistics Limited (i.e., Demerged Company / Transferee Company 2) acquired certain shareholding stakes in Allcargo GATI Limited (i.e., Transferor Company 3 / Transferee Company 1) and Avashya Supply Chain Private Limited (i.e., Transferor Company 1). Specifically, AllCargo Logistics Limited acquired a further stake of 26.03% in AllCargo GATI Limited (i.e., Transferor Company 3 / Transferee Company 1) on 08 April, 2020 (totaling percentage holding in AllCargo GATI Ltd to 46.86%); and acquired further stake of 38.87% in Transferor Company 1 (i.e., Avashya Supply Chain Private Limited) on 17th May, 2023 (thereby making the Transferor Company 1 a wholly-owned subsidiary of AllCargo Logistics Limited), on account of which the Demerged Company recorded intangible assets (in the nature of brand name, distribution networks, and goodwill) within its</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>consolidated financial statements. Such intangible assets were duly recognized in the consolidated financial statements (of the Demerged Company) in accordance with applicable accounting standards which required such recognition on the basis of a purchase price accounting methodology adopted and a valuation report obtained from a registered valuer in this respect.</i></p> <p><i>(b) Thus, it is submitted that these intangible assets (i.e., customer relations, brand, and distribution networks) were historically recognized in the consolidated financial statements of the Demerged Company. Consequent to the amalgamation of Transferor Company 1 and 3 into the Demerged Company, such intangible assets may then be recognized in the standalone financial statements of Allcargo Logistics Limited (i.e., the Demerged company) as required in accordance with IndAS 103 – Business Reorganizations (i.e., since this is a common control acquisition, the pooling of interests method will be used by Demerged Company to combine all balance sheet asset and liability items of Transferor Company 1 and 3, with its own).</i></p> <p><i>(c) Accordingly, it is submitted that any intangible assets (as set out above) which are being recorded in the standalone financial statements of Allcargo Logistic Limited (after the Scheme is effectuated), is not created on account of the amalgamations contemplated under the Scheme; but</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>instead, have been historically recorded and reflected in the consolidated financial statements of Allcargo Logistics Limited. It is further submitted that such amount of intangibles (as recorded in the standalone financial statements of the Demerged Company, on account of the amalgamation, as explained above) is (a) inclusive of 'goodwill' (on which no depreciation or amortization is in any case eligible at the hands of the Demerged Company, under the Act), and (b) such intangible figure (as recorded in the standalone financial statement post the amalgamation) is reduced substantially based on accounting depreciation already recorded in the consolidated financial statements of AllCargo Logistics Limited from the above-captioned dates when these intangibles were first recorded in the consolidated financial statements. As noted above in Paragraph 1 of this Affidavit, the main purpose of the Scheme is entirely commercial and business in nature; and it cannot be said that the Scheme has been devised for the purposes of avoiding taxes.</i></p> <p><i>(d) Further, any right of assessment or determination of the Department (in this respect), as per applicable provisions of the Act, continue to remain entirely intact; and to this extent, the Department is not prejudiced in any manner whatsoever from the Scheme being sanctioned by the NCLT. In this context, the New Delhi bench of the NCLT in Company Appeal (AT) No.98 of 2019 has held</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>that “It is well settled by a catena of Rulings that while sanctioning a scheme of arrangement the right of Tax Authorities remains intact to initiate appropriate proceedings regarding recovery of any tax.”</i></p> <p><i>(e) Thus, the question of obtaining a tax benefit on account of intangible assets, as a result of the Scheme, does not arise in any manner; and in no manner whatsoever triggers the provisions of the ‘General Anti-Avoidance Rules’ under the Act. As noted above, the main purpose of the Scheme is entirely commercial and business in nature, as captured in detail in Paragraph 1 of this Affidavit; and it cannot be said that the Scheme has been devised for the purposes of avoiding taxes.</i></p> <p><i>(f) Without prejudice to the above, it is submitted that even if there is an incidental tax benefit as a consequence of the Scheme, the same cannot be a reason to not sanction the Scheme (as held by the High Court of Delhi, in Vodaphone Essar Ltd (Company Petition No 334 of 2009); the High Court of Andhra Pradesh, in Goman Agro Farms Pvt Ltd (Company Petition No.s 179 to 193 of 2015), and the High Court of Bombay (in Company Scheme Petition No 670 of 2011) while approving the relevant schemes of arrangement); and any rights of the tax authorities to proceed against the involved entities continues to remain intact even after the sanctioning of the Scheme.</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
2.	<p>Paragraphs 4(a) and 4(b) – That based on findings from a ‘Search’ conducted under Section 132 of the Act, there is evidence to suggest that the subsidiaries of Allcargo Logistics Limited are controlled and managed from India; that the Scheme presents significant concerns for “potential tax avoidance concerning the POEM and the genuine nature of the demerger”; and that the Scheme is a “colorable device intended to avoid the POEM provisions” and “the Schemes may lack genuine commercial substance and primarily aims to circumvent tax obligation”, by an “alleged artificial shifting of POEM”.</p>	<p>(i) That the allegations (in Paragraph 4 (a) and (b) of the Report) with respect to the place of effective management of all foreign ECU companies, being in India as per Section 6(3) of the Act (entirely premised on the findings from the ‘Search’ conducted on the Applicant under Section 132 of the Act) - is entirely without merit, and lacks any substance whatsoever. Any allegations to this effect, have been responded to previously by the Applicant in detail in the submission of details as requested vide order sheet dated 21st April, 2025, to the Joint Director of Income Tax (submitted as on 23rd April, 2025; with Ref No: SCMA/Allcargo/Inv/25-26).</p> <p>(ii) Without prejudice to Paragraph (i) set out herein above, any determination with respect to the place of effective management, or the tax residency of any ‘foreign ECU company’ being in India is wholly immaterial, and irrelevant to the proceeding of the present Scheme. Specifically, any parallel proceedings with respect to the determination of tax residency of any group entities, should not be negatively impacted by way of this Scheme, on account of the following:</p> <p>(a) It is submitted that the alleged determination of tax residency being deemed to be in India pertains to foreign group subsidiaries of the Demerged Company, which are not direct participants under this Scheme. All such ‘foreign ECU companies’ (as referred to by the Department) will continue to exist as group companies</p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>post the sanctioning of the Scheme by the NCLT, and such proceedings may continue as against such foreign companies.</i></p> <p><i>(b) Accordingly, it is submitted that the proceeding of the Scheme, and its sanctioning by the NCLT, does not in any manner whatsoever effect or prejudice any proceedings initiated by the Department with respect to the tax residency of such foreign group entities being in India (which will very much continue to be in existence post the sanctioning of the Scheme).</i></p> <p><i>(c) Hence, the assertions made by the Department in paragraph 4(a) and 4(b) of the Report alleging that the Scheme is designed to avoid the POEM provisions (and artificial shift the POEM of group entities) under the Act, is erroneous and contrary to the tax residency provisions under the Act.</i></p>
3.	<p>Paragraph 4(c) – <i>That financial profile of Allcargo Ecu Limited (i.e., the Resulting Company) raises questions about the authenticity of the commercial justification behind the Scheme.</i></p>	<p><i>(i) Specifically, it has been noted that since Allcargo ECU Limited (i.e., the Resulting Company in Part B of the Scheme) was incorporated as of August 20, 2023, and has largely dormant – that transfer of the Allcargo Group’s leading business (i.e., Business Vertical A) into a dormant entity raises questions as to the authenticity of the commercial justification of the Scheme. To this extent, bit is submitted that, Allcargo ECU Limited was incorporated for the very purpose of effectuating Part B of the Scheme.</i></p> <p><i>(ii) It is also submitted that as is the case in all demergers (and as contemplated under</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>the law), the very purpose of a demerger is to hive off a specific business vertical (i.e., which qualifies as an ‘undertaking’ and is capable of operating as a self-standing business) into a new entity, such that the business vertical (i.e., the undertaking) can operate independently. This very objective of a ‘demerger’, which is contemplated and set out in law, cannot be fulfilled unless the demerger of the ‘undertaking’ is into a new entity, which allows the undertaking to operate as a separate self-standing business; or the demerger of the undertaking is into a separate pre-existing group entity which conducts and operates the same business (which does not exist in this instance).</i></p>
4.	<p>Paragraph 4(d) – <i>That while the ISC Business (i.e., Business Vertical A being demerged in Part B of the Scheme), by its scale and distinct operations, may qualify as an ‘undertaking’ within the meaning of a ‘demerger’ scheme as defined in section 2(19AA) of the Act, the transfer of the ‘undertaking’ into Allcargo Ecu Limited (given the dormant nature of Allcargo Ecu Limited) does not meets the spirit of a ‘business activity taken as a whole’ that is capable of independent functioning as a going concern in the</i></p>	<p><i>(i) It is submitted that Section 2(19AA) of the Act sets out the conditions required to qualify as a ‘demerger’. As per the said provision, the key qualifying requirement is for the demerged business vertical to qualify as an ‘undertaking’ (defined in Explanation 1 of the provision to “include any part of an undertaking, or a unit or division of an undertaking or a business activity taken as a whole, but does not include individual assets or liabilities or any combination thereof not constituting a business activity”). There is no requirement in law for the resulting company (i.e., the pre-existing company into which the said undertaking is demerged) to have any existing business in it. It is submitted that by very own admission of the department in Paragraph 4(d), the demerged undertaking (consisting of the ISC business, i.e., Business Vertical A), “by its scale and distinct operations, may qualify as an</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
	<p><i>hands of the Resulting Company.</i></p>	<p><i>‘undertaking’ within the meaning of a ‘demerger’ scheme as defined in Section 2(19AA) of the Act”. Consequently, it is submitted that once the demerged ISC business (i.e., Business Vertical A) qualifies as an ‘undertaking’ for the purposes of Section 2(19AA), and meets the other criteria set out there in – the authenticity of the demerger cannot be questioned on the basis of dormancy of the resulting company. It is submitted that such a line of question is entirely contrary to the construct of Section 2(19AA) of the Act.</i></p> <p><i>(ii) Accordingly, this allegation is not only without merit, but also lacks understanding of the law set out within the Act.</i></p>
<p>5.</p>	<p>Paragraph 5 - <i>That the purpose of the amalgamations under Part C and Part D of the Scheme, is to utilize “accumulated losses”.</i></p>	<p><i>(i) Is it submitted that Section 72A of the Act (as set out below), serves as the sole enabling provision to allow the carry forward of exclusively ‘business losses and unabsorbed depreciation’ (in accordance with the provisions of Section 72 of the Act) in the case of an amalgamation.</i></p> <p><i>“Provisions relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in amalgamation or demerger, etc.</i></p> <p><i>72A. (1) Where there has been an amalgamation of—</i></p> <p><i>a) a company owning an industrial undertaking or a ship</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>or a hotel with another company; or</i></p> <p><i>b) a banking company referred to in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949) with a specified bank; or</i></p> <p><i>c) one or more public sector company or companies with one or more public sector company or companies; or</i></p> <p><i>d) an erstwhile public sector company with one or more company or companies, if the share purchase agreement entered into under strategic disinvestment restricted immediate amalgamation of the said public sector company and the amalgamation is carried out within five years from the end of the previous year in which the restriction on amalgamation in the share purchase agreement ends,</i></p> <p><i>then, notwithstanding anything contained in any other provision of this Act, the accumulated loss and the unabsorbed depreciation of the amalgamating company shall be deemed to be the loss or, as the case may be, allowance for unabsorbed depreciation of the amalgamated company for the previous year in which the amalgamation was effected, and other provisions of this Act relating to set off and carry forward of loss and allowance for depreciation shall apply accordingly:</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>Provided that the accumulated loss and the unabsorbed depreciation of the amalgamating company, in case of an amalgamation referred to in clause (d), which is deemed to be the loss or, as the case may be, the allowance for un-absorbed depreciation of the amalgamated company, shall not be more than the accumulated loss and unabsorbed depreciation of the public sector company as on the date on which the public sector company ceases to be a public sector company as a result of strategic disinvestment.”</i></p> <p><i>(ii) Further, as per Section 72A of the Act, the limited scope of carrying forward ‘business losses and unabsorbed depreciation’ in the case of an amalgamation, is exclusively available to ‘industrial undertaking(s)’. ‘Industrial undertaking’ has been defined in Section 72A(7)(aa) of the Act to mean:</i></p> <ul style="list-style-type: none"> <i>(i) the manufacture or processing of goods; or</i> <i>(ii) the manufacture of computer software; or</i> <i>(iii) the business of generation or distribution of electricity or any other form of power; or</i> <i>(iv) the business of providing telecommunication services, whether basic or cellular, including radio paging, domestic satellite service, network of trunking, broadband network and internet services; or</i>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p>(v) <i>mining; or</i> (vi) <i>the construction of ships, aircrafts or rail systems”</i></p> <p>(iii) <i>The scheme of the enabling provisions under the Act are drafted for the purposes of exclusively allowing carry forward of ‘business losses and unabsorbed depreciation’, that too exclusively in the case of an amalgamation of an ‘industrial undertaking’. Accordingly, it is submitted that such tax losses cannot be carried forward in the case of the amalgamations envisaged in Parts C and D of the Scheme.</i></p> <p>(iv) <i>In light of the law as set out above, it is submitted that the Department has incorrectly (in law and in fact) noted that “scheme aims to merge the loss-making Gati Express and Supply Chain Pvt. Ltd. (GESCP) (the entity reported a loss of Rs. 28.01 crores in FY 2023-24 as per its annual report) into Allcargo Gati Limited, and subsequently into Allcargo Logistics Limited, thereby facilitating the utilization of GESCP's losses against the profits of the larger, profitable group entities.” This is on account of the following reasons:</i></p> <p>(a) <i>At the outset, it is submitted that the ‘reported losses’ are in the nature of accounting losses of Transfer Company 2 (i.e., Gati Express and Supply Chain Pvt. Ltd.), and not in the nature of tax losses. Thus, the question of devising the Scheme for the purposes of allowing inter-company offsetting of tax losses (which in any cases is not permitted as per the provisions of the Act) does not arise to begin with.</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>(b) Secondly, it is submitted that the demerged undertaking (i.e., Business Vertical A) is not in the nature of an ‘industrial undertaking’. Consequently, the carrying forward of ‘business losses or unabsorbed depreciation’ by the Transferor Companies 1, 2, or 3, to the Transferee Companies (by way of the amalgamations contemplated under Part C and D of the Scheme), is not permissible as per the provision of Section 72A of the Act.</i></p> <p><i>(c) Thus, the allegation of the Department, that Scheme is being implemented to facilitate “the utilization of GESCPL's losses against the profits of the larger, profitable group entities” is wholly erroneous, and contrary to the provisions of the Act.</i></p> <p><i>(d) In addition to the above, it is submitted that the Transferor Company 3 (i.e., Allcargo GATI Limited) currently has brought forward tax losses (i.e., business losses and capital losses) to the tune of [INR 246.72 crores], recorded in its books of accounts, which would generally have been carried forward by Transferor Company 3 in its ordinary course of business, in accordance with Section 72 and 74 of the Act. Contrary to the allegations of the Department as set out above, it is submitted that in the instance that this Scheme were hypothetically not being given effect to – these tax losses would have been available for offsetting future profits / capital gains of the Transferor</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>Company 3. However, on account of the amalgamation of Transferor Company 3 into Transferee Company 2 (i.e., Allcargo Logistics Limited), tax losses (i.e., business losses and capital losses) to the tune of [INR 246.72 crores], in the books of Transferor Company 3, which is a significant amount, will lapse, and not be available for being carried forward to the Transferee Company 2 two post the amalgamation.</i></p> <p><i>(e) Thus, in complete contradiction to the Department's allegations in Paragraph 5 of the Report, it is submitted that the group companies (as a result of the amalgamations in Part C and D of the Scheme) are in fact losing out on the ability to correctly carry forward substantial sums of tax losses, for offsetting with future profits / capital gains, in accordance with Section 72 and 74 of the Act. This directly results in a loss for the group companies, and a benefit to the Department, as they will collect a larger sum of tax revenue (in the absence of any available tax losses to be offset).</i></p> <p><i>(f) In light of the above, it is submitted in conclusion that by no stretch of imagination can the Department's allegations in Paragraph 5 of the Scheme (i.e., that the Scheme has been drafted as a tax avoidance strategy) be considered as having any merit whatsoever. As noted above, it is submitted that the objective and purposes of the Scheme are commercial in nature and as set out in</i></p>

S. No.	Allegation as per IT Report	Response of the Petitioner Companies (IT Reply)
		<p><i>Paragraph 1 of this response; and not for the purposes of obtaining any incidental tax benefits (as alleged by the Department in Paragraph 3 of the Objection Letter) that may arise by way of the Scheme.</i></p>
6.	<p>Paragraph 6 – <i>That the Department reserves its right to invoke the GAAR provisions under Chapter X-A of the Act if it is determined that the Scheme (or any part thereof) constitutes an ‘impermissible avoidance arrangement’.</i></p>	<p><i>Without prejudice to any of the other paragraphs of this response, it is submitted that than any allegations made by the Department to trigger the 'General Anti-Avoidance Rules' set out in chapter X-A of the Act, in Paragraph 6 of the Report, is unfounded, premature, and contrary to the procedural provisions set out in Chapter X-A of the Act. It is submitted that Section 144BA of the Act sets out a strict procedure for the applicability of the GAAR provisions (i.e., for an arrangement to be deemed as an ‘impermissible avoidance arrangement’), and requires such determination of an ‘impermissible avoidance arrangement’ to be made by an ‘Approving Panel’ (in accordance with the procedure under Section 144BA). Thus, it is submitted, that the Department (in the absence of having strictly adhered to the procedure set out in Section 144BA) does not have the power to declare an arrangement as being an ‘impermissible avoidance arrangement’ for the purposes of Chapter X-A of the Act. In addition, it is also submitted that the power of the Department to follow the procedure under Section 144BA (to deem the impugned arrangement as an ‘impermissible avoidance arrangement’) will in no way be impacted or prejudiced on</i></p>

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		<i>account of the NCLT sanctioning this Scheme.</i>
7.	<p>Paragraphs 7 and 8 – <i>That the search findings indicate multiple strategies for tax evasion by group companies, given that there are assessment proceedings against Allcargo Logistics Limited under Section 158BV of the Act (for AYs 20 to 25), as well as other ongoing proceedings against the entity as set out in the table in Paragraph 8 of the Report.</i></p>	<p><i>It is submitted that any allegations made by the Department that the sanctioning of the Scheme will negatively impact the power of the Department to make any determinations pertaining to tax liabilities of the group companies involved in the Scheme (whether under Section 158BC of the Act, as noted by the Department in Paragraph 7 of the Report, or otherwise under any of the other ongoing proceedings as set out in Paragraph 8 of the Report), is wholly erroneous and lacks understanding of the above-mentioned provisions of the law (especially Sections 170 and 170A, which specifically grant the power to the Department to assess the successor entities, with respect to taxes of the predecessor entities).</i></p> <p><i>(i) It is submitted that as per Section 170, read with Section 170A of the Act, tax proceedings as against a predecessor entity in the case of a business reorganization, may be carried on against the successor entity (and any requisite recoveries of taxes may be made from the successor entities).</i></p> <p>Section 170 - Succession to business otherwise than on death</p> <p><i>(1) Where a person carrying on any business or profession (such person hereinafter in this section being</i></p>

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		<p><i>referred to as the predecessor) has been succeeded therein by any other person (hereinafter in this section referred to as the successor) who continues to carry on that business or profession,— (a) the predecessor shall be assessed in respect of the income of the previous year in which the succession took place up to the date of succession; (b) the successor shall be assessed in respect of the income of the previous year after the date of succession.</i></p> <p><i>(2) Notwithstanding anything contained in sub-section (1), when the predecessor cannot be found, the assessment of the income of the previous year in which the succession took place up to the date of succession and of the previous year preceding that year shall be made on the successor in like manner and to the same extent as it would have been made on the predecessor, and all the provisions of this Act shall, so far as may be, apply accordingly.</i></p> <p><i>(2A) Notwithstanding anything contained in sub-sections (1) and (2), where there is succession, the assessment or reassessment or any other proceedings, made or initiated on the predecessor during the course of pendency of such succession, shall be deemed to have been made or initiated on the successor and all the</i></p>

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		<p><i>provisions of this Act shall, so far as may be, apply accordingly.</i></p> <p><i>(3) When any sum payable under this section in respect of the income of such business or profession for the previous year in which the succession took place up to the date of succession or for the previous year preceding that year, assessed on the predecessor, cannot be recovered from him, the Assessing Officer shall record a finding to that effect and the sum payable by the predecessor shall thereafter be payable by and recoverable from the successor, and the successor shall be entitled to recover from the predecessor any sum so paid.</i></p> <p>Section 170A - Effect of order of tribunal or court in respect of business reorganization</p> <p><i>(1) Notwithstanding anything to the contrary contained in section 139, in a case of business reorganization, where prior to the date of order of a High Court or tribunal or an Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016) (hereinafter referred to as order in respect of business reorganization), as the case may be, any return of income has been furnished by an entity to which such order applies under the</i></p>

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		<p><i>provisions of section 139 for any assessment year relevant to the previous year to which such order applies, the successor shall furnish, within a period of six months from the end of the month in which the order was issued, a modified return in such form and manner, as may be prescribed, in accordance with and limited to the said order.</i></p> <p><i>(2) Where the assessment or reassessment proceedings for an assessment year relevant to a previous year to which the order in respect of the business reorganization applies,—</i> <i>(a) have been completed on the date of furnishing of the modified return in accordance with the provisions of sub-section (1), the Assessing Officer shall pass an order modifying the total income of the relevant assessment year determined in such assessment or reassessment, in accordance with such order and taking into account the modified return so furnished; (b) are pending on the date of furnishing of the modified return in accordance with the provisions of sub-section (1), the Assessing Officer shall pass an order assessing or reassessing the total income of the relevant assessment year in accordance with the order of the business reorganization and taking into account the modified return so furnished.</i></p>

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		<p><i>(3) Save as otherwise provided in this section, in an assessment or reassessment made in respect of an assessment year under this section, all other provisions of this Act shall apply and the tax shall be chargeable at the rate or rates as applicable to such assessment year.</i></p> <p><i>Explanation.—In this section, the expressions— (i) "business reorganization" means the reorganization of business involving the amalgamation or demerger or merger of business of one or more persons; (ii) "successor" means all resulting companies in a business reorganization, whether or not the company was in existence prior to such business reorganization."</i></p> <p><i>(ii) Thus, the scheme of the Act itself sets out provisions to allow the Department to continue its proceedings, and make recoveries against the successor entity (in the case of a 'business reorganization'); as well as assess and reassess the income of the successor entity based on revised returns (to account for the transferred business undertaking). Amongst several similar rulings of the High Courts, and NCLT, the Hon'ble High Court of Bombay, in order dated May 9th 2024 (in Company Scheme Petition No. 106 OF 2014 in the matter of Trinity India Limited, and Ring Plus Aqua Limited), held that "all assessment proceedings shall continue against the Petitioner / Transferor Company even after the</i></p>

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		<p><i>sanction and merger, and the scheme of amalgamation will have no impact on the ongoing assessment proceedings”. Accordingly, the Court held that “In my view, the concerns of the Income Tax Department are more than sufficiently taken care of”. In this light, it is submitted that the allegations made by the Department that the sanctioning of the Scheme will negatively impact the power of the Department to make any other determinations pertaining to tax liabilities of the group companies involved in the Scheme (in Paragraph 7 of the Report) is wholly erroneous. It is further submitted that sanctioning of the Scheme, in no manner whatsoever will prejudice any of the powers of the Department to make any determinations pertaining to tax liabilities of the group companies involved in the Scheme. The New Delhi bench of the NCLT in Company Appeal (AT) No.98 of 2019 held that “The Tax Authorities concern is in regard to recovery of the outstanding tax dues and in the event of a scheme of arrangement / merger / amalgamation the Tax Authorities right to recover the outstanding tax dues must remain intact. Once a scheme has been sanctioned by a Tribunal in accordance with law, as admittedly in the instant case it is and the same goes unassailed, nothing precludes the Tax Authorities from recovering its legitimate and recoverable outstanding tax dues from the Transferor or the Transferee Company, as provided in the scheme. Where in a given case the liability has arisen or would arise or the demand would be raised against the Transferor Company for the relevant period after due scrutiny, assessment, review or determination through a due</i></p>

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		<p><i>judicial process and the Transferee Company undertakes to make payment of all outstanding tax dues as determined in the aforesaid manner, the scheme cannot be refused and has to be allowed”.</i></p> <p>(iii) <i>In addition to the above, and in any case, it is submitted that the predecessor entity in Part B of the Scheme (i.e., Demerged Company / Allcargo Logistics Limited) will in any case continue to remain in existence post giving effect to the Scheme of Arrangements, and accordingly, proceedings if any against Allcargo Logistics Limited should not be effected in any manner by sanctioning this Scheme. Accordingly it is submitted that the assertions made by the Department in Paragraph 8 of the Report with respect to pending proceedings against Allcargo Logistics Limited, is wholly irrelevant in the context of this Scheme, and is not impacted, affected, nor prejudiced in any aspect whatsoever by way of this Scheme being sanctioned by the NCLT.</i></p> <p>(iv) <i>To this extent, the Delhi High Court in Vodafone Essar (Supra) held that “There could be no limitations on the powers of the income tax department for recover, including imposition of penalties”, as it was agreed that the tax department must be permitted to retain its recourse for recovering in respect of any existing or future tax liabilities of the transferor-companies or the transferee company, in respect of assets sought to be transferred under the Scheme”. The Court further noted the Department’s stand that “that the approval of the scheme should in no manner affect the tax treatments of the transactions under the Income-tax Act,</i></p>

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		<p><i>1961 or any other applicable taxing statute, nor would sanction of the scheme or the effect thereof serve as a defense for the companies concerned against tax treatment under the aforementioned statutes”; to which the petitioner admitted that “any question of tax liability was within the purview of the income-tax department and that it would be free to pursue either the transferor-companies or the transferee-company, as it might be advised, notwithstanding the sanction of the scheme by the Court. Neither party sought a finding by the Court with regard to the tax implications of the proposed scheme. It was agreed that the scheme might be sanctioned whilst relegating the parties to the appropriate fora to determine the tax liability, if any, that might arise. No action which might be violative of a statute was being legitimized by approval of the scheme, and the income-tax authorities would be free to move against any of the parties concerned, in case, they would be belief that there had been any impermissible evasion of payment of tax by the petitioners.” The Court finally concluded while approving the Scheme that “If the court was indeed to sanction the scheme, the powers of the income tax department must remain intact”. Thus, it is submitted that all powers of the Department continue to remain intact, and are in no manner prejudiced on account of the sanctioning of this Scheme.</i></p>
8.	<p>Paragraph 9 – <i>That the Department should be granted further time of 60</i></p>	<p><i>At the outset, it is submitted that the Scheme was filed by the Applicant before the NCLT on 11th December, 2024 at application stage</i></p>

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	<p><i>days for a more detailed examination of the Scheme.</i></p>	<p><i>and on April 30th, 2025 at petition stage, and all relevant regulators, including the Department was informed of all details pertaining to the Scheme on 24th January 2025 and May 30, 2025. Accordingly, the Department has had ample time to review and scrutinize the specificities of the Scheme and filed detailed objections pertaining to the same. Any further time will unduly prejudice the Applicant due to the following practical concerns:</i></p> <p><i>(i) Allcargo Gati Ltd (i.e., the Transferor Company 3), Gati Express & Supply Chain Pvt Ltd (i.e., the Transferor Company 2) and Allcargo Supply Chain Pvt Ltd (i.e., the Transferor Company 1), which would form part of the Demerged Company (by way of amalgamation) post the implementation of the Scheme are currently implementing a financial ERP system viz. Oracle Fusion with Grant Thornton being the implementation partner. The ERP was to go-live w.e.f. 01 Aug 2025 which was the expected “Effective Date” of the merger of Transferor Company 3 with Transferee Company 2 (i.e., Allcargo Logistics Ltd), provided the NCLT would have approved the Scheme on 02 July 2025. This implementation of the ERP system would not be possible before the sanctioning of the Scheme, as implementing the ERP system in 3 different companies would significantly increase the implementation cost timelines. Specifically, it is submitted that three different ERP systems, relevant licenses for three different companies, and other related costs - would amount to approximately an INR 70,00,000 increase</i></p>

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		<p><i>in total implementation cost, and a six week increase in total timelines. Grant Thornton has dedicated five technical resources for this ERP system implementation. If the 'Go-Live' (i.e., implementation) for the Project is delayed by a further sixty days (on account of the additional timeline sought for by the Department), it is submitted that the ongoing costs of the resources would continue to be incurred through such durations (which would cost the Applicant an additional INR 20,00,000 per month or INR 40,00,000 for the sixty day delay).</i></p> <p><i>(ii) The Demerged Company's current statutory auditors (viz. SRBA & Associates) are retiring by rotation and their term is scheduled to end at the ensuing Annual General Meeting of the Demerged Company (i.e., Allcargo Logistics Ltd), which is likely to be scheduled on 2nd August 2025. With the Scheme expected to be approved on / by 2nd July 2025 which got further adjourned to 13th August 2025, Allcargo Logistics Ltd had circulated an 'Request For Quotation' to local Indian audit firms with a view that the Demerged Company (post implementation of the Scheme) would consist of exclusively the Domestic Supply Chain Business (i.e., Business Vertical B), as envisaged in the Scheme (i.e., the express and contracts logistics business contained in Transferor Company 2 and Transfer Company 1 respectively). It is submitted that any delays in approval of the Scheme would create substantial difficulties in identification of local audit firms as Statutory Auditors of the Demerged Company, as Allcargo Logistics Limited</i></p>

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		<p><i>(in its current form, i.e., without giving effect to the Scheme) has over 150 subsidiaries incorporated in across 180 countries globally. In other words, Allcargo Logistics Limited will have to urgently appoint a global audit firm; and subsequently, once the Scheme concludes (and is sanctioned), this appointment will need to be revisited and changed again. It is submitted that this creates unnecessary financial, administrative, and timeline burdens on the Applicant.</i></p> <p><i>(iii) It is submitted, when the Scheme was approved by Allcargo Logistics Limited’s Board of Directors in December 2023, it was reasonably expected that the entire process of the Scheme being sanctioned and implemented would conclude by January 2025. However, the Scheme faced initial regulatory approval delays before the stock exchanges, leading to a revision of the final NCLT approval timeline for the Scheme to 2nd July 2025 which got further adjourned to 13th August 2025. It is submitted that at this stage, allowing another further delay of sixty days to the Department would further delay the conclusion of the Scheme. It is submitted that such delays create an overall negative market sentiment, ultimately causing erosion in investor wealth and shareholder value (which is detrimental towards all stakeholders involved). Shareholders of the Demerged Company, and Transferee Company I have approved the Scheme on 18 February 2025 and a further 60 day delay would only add to their frustration.</i></p> <p><i>(iv) Allcargo Logistics Limited is currently unable to avail fresh loan facilities, as the</i></p>

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		<p><i>conclusion of the Scheme remains pending and is expected to be sanctioned in the near future. Post the Scheme coming into effect, the Demerged Company would cease to exist in its current form (i.e., as it would include only the Domestic Supply Chain business / Business Vertical B, which is currently operated by Transferor Companies 1 and 2, and Transferee Company 1). Accordingly, without the Scheme being sanctioned (but expected to be effective shortly), even the Resulting Company is unable to avail fresh loan facilities as it won't have substantial financial backing post the Scheme (i.e., strong balance sheet and credit rating) to avail such loans pertaining to Business Vertical A. The conclusion of the Scheme would bring the necessary financial heft to the Resulting Company which would enable it to avail loan funding. Permitting an additional sixty day period for the conclusion of the Scheme would mean that the Demerged Company and the Resulting Company would continue to be deprived of fresh funding for another sixty days (which would be detrimental to its business operations).</i></p> <p><i>(v) Credit rating agencies such as CRISIL & CARE have put the credit ratings of the Demerged Company, Resulting Company, Transferee Company 1, and Transferor Company 2 on a 'Ratings Watch' since December 2023. It is submitted that the sixty day delay in conclusion of the Scheme would mean that the 'Ratings Watch' would continue for the said period, making it that much more difficult for prospective lenders to take positive</i></p>

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		<i>lending decisions with respect to these companies.</i>
9.	Paragraphs 10 to 13 – <i>That the “proposed Scheme, taken as a whole, lacks commercial substance and appears to be designed with the principal purpose of obtaining tax benefits”; and accordingly, approval for the Scheme should be rejected.</i>	<i>As noted through the course of this Affidavit, the Scheme is entirely driven by business and commercial reasons as set out in Paragraph 1 of this Affidavit, and not for the purposes of obtaining any tax benefits. Accordingly, all the allegations as set out in the Report are entirely without merit, and lack any substance whatsoever.</i>

14. The Pr. Commissioner of Income Tax (Central) – 4, Mumbai has again filed its additional report (“**IT Report 2**”) on 19.09.2025 in response to Affidavit-in-Reply dated July 31, 2025 filed by the Petitioner Companies. In paragraph nos. 3 of the IT Report 2, the Pr. Commissioner of Income Tax (Central) – 4, Mumbai has made certain observations *qua* the Petitioner/ Transferor Company with respect to the Scheme which is self-explanatory. The observations of the Pr. Commissioner of Income Tax (Central) – 4, Mumbai are as under:

- a. *It is submitted that the Tax Neutrality of a scheme or restructuring of companies is subject to satisfaction of certain conditions stipulated in the Income-tax Act, 1961. The benefits of section 72A and other relevant provisions of the Income Tax Act are available only if the statutory conditions are strictly met. It has been held that the restructuring should be bona fide and in the public interest to qualify for the benefits of the relevant provisions of the Act. It is submitted that the Right or the Revenue to determine the tax liabilities remain intact even on approval of any scheme of arrangement by the Hon'ble Tribunal.*
- b. *Accordingly, in case the restructuring is found to be not tax neutral then taxability would be considered under different provisions of the Income-tax Act and the tax liability arising from corporate restructuring contemplated under the proposed scheme would be determined in any*

suitable proceedings under Income Tax Act including assessment proceedings. Therefore, the Revenue protects its right to determine any tax liability arising out of this scheme by conducting a suitable proceeding under the Income Tax Act including assessment proceeding.

- c. *Further, it is stated that in future if any part or the scheme is found to be repugnant to the provisions of the Income Tax Act 1961 and Income Tax Rules 1962, the same cannot be said to override the provisions of the law and the factum or the approval or the Hon'ble NCLT cannot be used as a ground by the applicant companies to avoid due taxes.*
- d. *Further, it is stated that the resultant/amalgamated company shall discharge all responsibilities and liabilities emanating in respect or the proceedings completed/pending/ likely to arise in respect of the transferor / demerged Company, apart from discharging its own tax liabilities.*
- e. *Further, it is stated that it shall be the duty of the resultant amalgamated company to bring to the notice or the department, approval or disapproval of the scheme by the Hon'ble Tribunal.*
- f. *Further, it is stated that the continuation or the proceedings or assessment or recovery or any other statutory action will be subject to the provisions of the Income-tax Act and the resultant/amalgamated company should not oppose such continuation of proceedings on the ground or merger or demerger.*
- g. *The resultant/amalgamated company shall ensure that no technical glitches arise due to any name mismatch between accounts of the transferor/demerged company and the resultant/amalgamated company. The resultant/amalgamated company should take suitable steps to change the name in the bank accounts or closure of the bank accounts or the transferor/ demerged company. The department is not liable to pay any interest due to the delay attributable to the assessee in informing such changes to different authorities including banks.*
- h. *A credit in respect or which tax at source was deducted/collected on inter-company transactions will be dealt with under the extant provisions of the Income tax Act and the date of remittance of such TDS/TCS remitted into the government account will be considered.*

15. The Income tax department will be free to examine the aspect of any tax payable as a result of the scheme and the department will be at liberty to initiate the appropriate course of action as per law. It is clarified that nothing stated in the scheme shall deter the Income Tax Authority to examine the returns filed by the Petitioners and all issues arising out of income tax will be met and answered in accordance with law subject to right of appeal as may be available to the Petitioner Companies.
16. The Official Liquidator has filed its report dated July 1, 2025 (“**OL Report**”). In paragraph no. 5 of the OL Report, the official Liquidator has stated that the affairs of the transferor companies in respect of Section B Allcargo Supply Chain Private Limited (“Transferor Company 1”) and Gati Express & Supply Chain Private Limited (“Transferor Company 2”) with Allcargo Gati Limited (“Transferee Company 1”) and Amalgamation in respect of Section C Allcargo Gati Limited (“Transferor Company 3”) into Allcargo Logistics Limited (“Transferee Company 2”) have not been conducted in a manner prejudicial to the interests of its creditors or to the public interest.
17. From the material on record, the Scheme appears to be fair and reasonable and does not violate any provisions of law and is not contrary to public policy.

ORDER

18. Consequently, sanction is hereby **granted** to the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder for the Scheme of Amalgamation with the following directions:
 - a. All the Transferor Companies be dissolved without winding up.
 - b. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition in Company Petition (CAA) No. 80 of 2025 filed by Petitioner Companies is made absolute.

- c. If there is any deficiency found or, the violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit in accordance with law, against the concerned persons, directors and officials of the petitioner companies.
- d. The Income Tax Department will be at liberty to examine the aspect of any tax payable by the Companies. It shall be open to the income tax authorities to take necessary action as permissible under the Income Tax Law. The decision of Income Tax Department shall be binding on the Transferee Company even for the concerns relating to Transferor Company.
- e. The Petitioner Companies are directed to file a certified copy of this Order along with the copy of Scheme with the concerned Registrar of Companies electronically in e-form INC-28 within 30 days or an extended timeline with payment of additional fees, as may be applicable, from the date of receipt of the Order duly certified by the Designated Registrar of this Tribunal. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.
- f. All the employees of the Transferor Companies in service, on the date immediately preceding the date on which the Scheme takes effect i.e. the Effective Date, shall become the employees of the Transferee Companies on such date, without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Transferor Companies on the said date.
- g. Any proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company.
- h. All the properties, rights, liabilities, duties and powers of the Transferor Companies, be transferred without further act or deed, to the Transferee Companies and accordingly the same shall, pursuant to Section 232 of the Companies Act, 2013, be transferred to and vest in the Transferee Companies.

- i. The Petitioner Companies shall lodge 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, if any, within a period of 60 working days from the date of the receipt of the certified Order from the Registry of this Tribunal.
 - j. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Designated Registrar, National Company Law Tribunal, Mumbai Bench.
 - k. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.
 - l. Any concerned authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
19. Ordered accordingly. Company Petition (CAA) No. 80 of 2025 connected with (CAA) No. 235 of 2024 stands **disposed of**.

Sd/-
Charanjeet Singh Gulati
Member (Technical)
/Ziyaul/

Sd/-
Mohan Prasad Tiwari
Member (Judicial)