

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT - 2

ITEM No.301
CA(CAA)/2(AHM)2026

Proceedings under Section 230 - 232 of Co.Act,2013

IN THE MATTER OF:

Palco Recycle Industries Limited
Palco Metals Limited

.....Applicant

.....Respondent

Order delivered on: 16/06/2026

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)
Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

This case is fixed for pronouncement of order

The order is pronounced in open court vide separate sheet.

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT-II,
AHMEDABAD**

CA(CAA) 2/(AHM)/2026

[Application under Sections 230-232 and with other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016].

Memo of Parties

Palco Recycle Industries Limited

(CIN: U27209GJ2007PLC051853)

PAN: AAACP4645F

Registered office:

No. 72, 73, 75 Opp Super British
Alloys Nr. Jalaram Mandir, Ankhol,
Ta-Kadi, Dist- Mahesana -382715
Gujarat, India

..... Applicant Company No.1/
Transferor Company

Palco Metals Limited

(CIN: L27310FJ1960PLC000998)

PAN: AAACP9154D

At 1715, Saiprasad Industrial Park-II,
Besides Ramol Police Station,
CTM-Ramol Road, Ramol, Ahmedabad,
Gujarat, India-382449

..... Applicant Company No.2/
Transferee Company

Order Pronounced on 16.06.2026

Coram:

MRS. CHITRA HANKARE

HON'BLE MEMBER (JUDICIAL)

MR. VELAMUR G VENKATA CHALAPATHY

HON'BLE MEMBER (TECHNICAL)

Sd/-

Sd/-

Appearance:

For the Petitioner : Mr. Pawan Godiawala, Adv.
Companies

JUDGMENT

1. This company application has been filed under section 230 – 232 of the Companies Act, 2013 r.w. Rule 3 of the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, jointly by the applicant companies, viz. Palco Recycle Industries Limited (Transferor Company) and Palco Metals Limited (Transferee Company) for the proposed Scheme of Arrangement and Amalgamation. The appointed date is stated to be 01.04.2025.
2. It is represented that registered offices of both the applicant companies are situated within the territorial jurisdiction of Registrar of Companies, Ahmedabad Gujarat, which is falling under the jurisdiction of this Tribunal.
3. The Board of Directors of the Transferor company have approved the Scheme through Board Resolution dated 28.06.2025 passed in their Board Meeting and The Board of Directors of the Transferee company have approved the Scheme through Board Resolution dated 30.06.2025 passed in their Board Meeting.
4. The applicant companies in this Company Application have sought for the following reliefs:

	Equity Shareholders	Preference Shareholders	Secured Creditors	Unsecured Creditors
Palco Recycle Industries Limited	Dispensation of the	NIL	Convening of the meeting	Convening of the meeting

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(Transferor Company / Applicant No. 1)	meeting			
Palco Metals Limited (Transferee Company/ Applicant No.2)	Convening of the meeting	NIL	NIL	Convening of the meeting

5. Palco Recycle Industries Limited (Transferor Company/Applicant Company No.1) :

- i. The Applicant Companies submitted that details of Share Capital prior to the filing of the scheme is as under:-

Particulars	Amount (INR)
Authorized Share Capital	
2,00,00,000 equity shares of Rs.10/- each	20,00,00,000,-
TOTAL	20,00,00,000,-
Issued, subscribed and paid-up share capital	
80,70,000 equity shares of Rs.10/- each	8,07,00,000/-
TOTAL	8,07,00,000/-

- ii. There are 7 Equity Shareholders as on 28.05.2025. All the Equity Shareholders of the said company has approved the proposed Scheme of arrangement in the form of written consent letters on affidavit and have further waived their right to attend the meeting.
- iii. As submitted there are no preference shares issued by the Applicant Company No. 1.
- iv. As per CA certificate certifying the list, there are 4 secured creditors and 62 unsecured creditors of the Transferor Company as on 31.05.2025. However, the applicant has mentioned that there are 3 secured creditors as on 31.05.2025.

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Palco Recycle Industries Limited (Transferor Company) is seeking dispensation of meetings of its equity shareholders and convening meeting of the secured and unsecured creditors for approval of the scheme.

6. Palco Metals Limited (Transferee Company/ Applicant Company No.2) :

i. The Applicant Companies submitted that details of Share Capital prior to the filing of the scheme is as under:-

Particulars	Amount (INR)
Authorized Share Capital	
1,00,00,000 equity shares of Rs.10/- each	10,00,00,000 /-
TOTAL	10,00,00,000 /-
Issued, subscribed and paid-up share capital	
40,00,000 equity shares of Rs.10/- each	4,00,00,000 /-
TOTAL	4,00,00,000 /-

ii. It is submitted that the Scheme of Amalgamation was submitted for approval before the Regional Director, Ahmedabad on 05.05.2025 vide Form RD-1 bearing SRN AB3826010 under Section 233 of the Companies Act, 2013, pursuant to its unanimous approval by the members in the Extra-Ordinary General Meeting held on 30.04.2025. It is further submitted that the said meeting was attended by 19 members holding 75.33% of the equity share capital. As per Section 233(1)(b) of the Companies Act, 2013, the Scheme is required to be approved by members holding at least ninety per cent of the total number of shares. Since the requisite threshold prescribed under Section 233(1)(b) was not met, however, it is submitted that the Scheme was approved

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unanimously by the members present and voting at the said meeting and, therefore, satisfies the requirement of Section 230(6) of the Companies Act, 2013, which mandates approval by a majority of persons representing three-fourths in value of the members present and voting, either in person or by proxy present at the meeting. It is submitted that, as on 30.04.2025, the Transferee Company had 3386 equity shareholders. However, the scheme under Sec 232 of Companies Act was not submitted to the RD as the shareholders had not approved by 90% majority.

- iii. Pursuant to the directions of this Tribunal vide order dated 26.03.2026, a certified copy of the minutes of the said meeting evidencing such approval has been placed on record vide affidavit dated 13.04.2026.
- iv. As submitted there are no preference shares issued by the Applicant Company No. 2.
- v. The Applicant Company No. 2 had no secured creditors and 13 unsecured creditors as on 31.05.2025.

In the pleadings Palco Metals Limited (Transferee Company) is seeking dispensation of meeting of its equity shareholders as the shareholders have approved by shareholders having equity share capital of 75.39% who were present by 100% majority in e voting conducted on 30.04.2025 and seeks convening of meeting of its unsecured creditors for approval of the scheme.

7. Rationale for the proposed Scheme of Arrangement is as under:
The Board of Directors (defined herein) of Transferor Company, and Transferee Company believes that the following benefits will accrue, pursuant to the amalgamation of the Transferor Company into the Transferee Company:-

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- 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) Maximizing shareholder value;*
- 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 rationalization and consolidation of support functions;*
- h) business processes, elimination of duplicate expenses, etc.; and*
- i) Reduction of administrative responsibilities, multiplicity of records and legal & regulatory compliances.*

8. This company application is filed on 22.11.2025. The Board of Directors of the applicant companies have agreed upon the Appointed Date as 01.04.2025. The applicants have annexed the Scheme of Arrangement with the petition and the material provisions of the proposed scheme are mentioned in the petition.
9. The applicant companies have produced certificates issued by N.S. Saraf & Associates, Chartered Accountants confirming the list of the Equity Shareholders as on 28.05.2025, Secured Creditors and Unsecured Creditors as on 31.05.2025 of each of the Applicant Company. It is observed that there is no

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certificate certifying list of equity shareholders of transferee company.

10. It is submitted that the Statutory Auditors for the applicant companies No. 1, have examined the Scheme in terms of provisions of Sections 230 to 232 of Companies Act, 2013 and the rules made thereunder and certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013. The accounting treatment is proposed in clause 13 of Part II of the Scheme.
11. The Transferor Company is the Wholly Owned Subsidiary of Transferee Company which holds its 100 % paid-up share capital alongwith its Nominees as on 28.06.2025. Hence valuation report is not required.
12. It is submitted that the Equity Shares of the Transferee Company are listed on BSE and that the Transferee Company on 30.06.2025, submitted a copy of the Scheme to the BSE. It is contended that in terms of Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Regulation 37 of the said regulations in relation to obtaining no-objection letter from the Stock Exchanges do not apply to the Scheme as the Scheme solely provides amalgamation of wholly owned subsidiary with its holding company. It is submitted that neither of the companies are the Non-Banking Financial Company (NBFC) and here there is no requirement to issue notice to the Reserve Bank of India. It is further submitted that as the companies does not fall within the ambit of Competition Act and hence no notice is required to be directed to be issued to CCI
13. It is submitted that the Scheme is in the interest of the companies and their respective shareholders, creditors,

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employees and all other concerned and the Scheme shall not in any manner be prejudicial to the interest of concerned shareholders, directors or creditors or key managerial personnel or any other stakeholder of either of the companies or general public at large.

14. It is submitted that there are no proceedings pending under the Companies Act, 2013. Further, from the Effective Date, all legal proceedings involving the Transferor Companies related to the business shall continue against the Transferee Company as if originally filed against it. After the Appointed Date, any proceedings against the Transferor Companies shall be defended at the Transferee Company's cost, which will reimburse and indemnify the Transferor Companies for any liabilities incurred.
15. Taking into consideration, the application filed by the Applicant Companies and the documents and submissions filed therewith as well as the position of law, this Tribunal propose to admit the application and issue the following orders with the assumptions based on the documents submitted that no separate scheme under Sec 233 of Companies Act on the proposed scheme was filed before the RD, pending, or rejected, before filing this application under Sec 230-232 of Companies Act 2013.:-

ORDER

- i. Company Application i.e., CA(CAA)2/(AHM)/2026, is allowed.
- ii. In relation of Applicant Company No.1 i.e. Palco Recycle Industries Limited (Transferor Company) (Applicant Company No.1) :-
 - a. With respect to Equity Shareholders:
Convening of the meeting of equity shareholders of the company is hereby dispensed with.

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- b. With respect to Secured Creditors:
The Applicant Company No. 1 is directed to convene and hold meeting of the Secured Creditors on any date within 45 days from the issue of this order.
- c. With respect to Unsecured Creditors:
The Applicant Company No. 1 is directed to convene and hold meeting of the unsecured Creditors on any date within 45 days from the issue of this order
- iii. In relation of Applicant Company No.2- Palco Metals Limited (Transferee Company):-
- a. With respect to Equity Shareholders:
Convening of the meeting of equity shareholders of the company is hereby directed as sought in prayers within 45 days from the issue of this order as no list of shareholders is provided.
- b. With respect to Secured Creditors:
There are no secured creditors hence no meeting is to be conducted.
- c. With respect to Unsecured Creditors:
The Applicant Company No. 2 is directed to convene and hold meeting of the unsecured Creditors on any date within 45 days from the issue of this order.
- iv. At least one month before the date of the aforesaid meetings, an advertisement about convening of the said meetings of the Creditors of the Applicant Companies, indicating the date, place and time as aforesaid, shall be published in "Jai Hind Gujarati" (Ahmedabad edition) in Vernacular and "Business Standard" in English. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act read with Sections

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230 to 232 of the Act can be obtained free of charge from the registered office of the Applicant Companies.

- v. In addition, at least one month before the date of the aforesaid meeting of the secured Creditors of the Applicant Company to be held as aforesaid, a notice convening the said meeting, indicating the day, date, place and time as aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent to the each of the secured Creditors of the Applicant Company at their respective registered or last known addresses either by Registered Post or Speed Post / Airmail or E-Mail or by Courier or by Hand Delivery. The Notice shall be sent to the secured Creditors of the Applicant Company with reference to the list of the persons appearing on the record of the Applicant Company.
- vi. Mr. Laxman Madnani, Adv. & Ex Presiding Officer, DRT, Member Judicial, RCT shall be the Chairman of the aforesaid meeting of the secured Creditors of the Applicant Company in respect of any adjournment thereof.
- vii. Mr. Vedant Dave, Adv, his email ID vedantdavem22@gmail.com is appointed as Scrutinizer for the aforesaid meeting of the Secured Creditors of the Applicant Company in respect of any adjournment thereof.

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- viii. The Chairman appointed for the aforesaid meeting of the Secured Creditors of the Applicant Company shall issue advertisement, if necessary and send out the notice of the meeting referred to above. The Chairman / Chairperson is free to avail the services of the Applicant Companies or any agency for carrying out the aforesaid directions.
- ix. The Chairman shall have all powers under the Articles of Association of the Applicant Company and also under the Rules in relation to the conduct of meeting, including for deciding any procedural questions that may arise at the meeting or adjournment(s) thereof proposed at the said meeting, amendment(s) to the aforesaid scheme or resolutions, if any, proposed at the aforesaid meeting by any person(s) and to ascertain the decision of the meeting of the secured Creditors of the Applicant Company.
- x. The quorum for the meeting of the secured Creditors shall be as per Rule 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- xi. The meeting shall be held physically or through video conferencing and voting shall be conducted through poll by polling paper or e-voting facility and the secured Creditors present in person or by proxy shall be entitled to vote thereat. Subject to the directions and matters dealt with herein, the procedure for remote e-voting and voting by polling paper at the venue of the meeting shall be in so far as the same is prescribed by the Companies Act, 2013 read with the Companies (Management and

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Administration) Rules, 2014, Secretarial Standards on General Meetings and the forms prescribed thereunder shall be followed with such variations as may be required in the circumstances and in relation to the resolution for approval of the Scheme of Arrangement.

- xii. The Chairman shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA-4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (Seven) days of the conclusion of the meetings. The Chairperson would be fully assisted by the Authorized Representative/Company Secretary of the Applicant Companies and the Scrutinizer in preparing and finalizing the reports.
- xiii. All the aforesaid directions shall be complied with in accordance with the provisions of the Companies Act, 2013, and the Rules made thereunder, as applicable for the proposed Scheme of arrangement and any related or incidental matters, including but not limited to forms or formats as may be prescribed under the Rules, guidelines, standards, etc.
- xiv. We direct the applicants to pay a sum of Rs.1,00,000/- to the Chairman and a sum of Rs.50,000/- to the Scrutinizer as their fees.
- xv. In compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (CAA) Rules, 2016, the applicant companies shall send a notice in Form No.CAA.3 along with a copy of the Scheme of Amalgamation, explanatory statement and the disclosures mentioned under Rule 6, to (i) the Central

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Government through the Regional Director, North Western Region; (ii) the Registrar of Companies, Gujarat, Ahmedabad; (iii) Official Liquidator; and (iv) Income Tax Department along with full details of assessing officer and PAN numbers of all the Applicant Companies with copy also to the Principal Chief Commissioner of Income Tax Office, to such other sectoral regulatory authorities who may govern the working of the Applicant Companies, stating that representations, if any, to be made by them shall be made within a period of 30 days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the proposed Scheme. The said notices shall be sent forthwith by email or by registered post or by speed post or by courier or by hand delivery at the office of the authority as required by sub-rule (2) of Rule 8 of the Companies (CAA) Rules, 2016. The aforesaid authorities, who desire to make any representation under sub-section (5) of Section 230 of the Act, shall send the same within 30 days to this Tribunal with a copy of the same to be supplied to the Applicant Companies.

- xvi. All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

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xvii. The applicant companies shall file a compliance affidavit with the Registry with regard to the directions within 7 days of this order.

16. Company Application i.e. CA(CAA)2/(AHM)/2026, is disposed of accordingly.

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

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Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)