

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI
COURT-IV

CA(CAA)-29/MB/2026

*In the matter of
Section 230 of the Companies Act, 2013*

and

*In the matter of
Scheme of Arrangement*

between

Brookprop Management Services Private Limited

and

their respective Shareholders.

Brookprop Management Services Private Limited
[CIN: U74999MH2018FTC306865]

....Applicant Company

Pronounced: 07.07.2026

CORAM:

SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)

SHRI K.R. SAJI KUMAR
HON'BLE MEMBER (JUDICIAL)

Appearance : *Hybrid*

For the Applicant : Adv. Hemant Sethi a/w Adv. Tanaya Sethi.

ORDER

1. This is an Application filed under Section 230 of the Companies Act, 2013 seeking necessary directions of this Tribunal for notices and convening meetings/dispensation of meetings with respect to the Scheme of Arrangement between Brookprop Management Services Private Limited (Applicant Company) and its Shareholders.
2. The Applicant stated that the Board of Directors of the Applicant Company, in its meeting held on 04.11.2025, has approved the Scheme. A copy of the relevant resolution is part of the Application. The Appointed Date fixed for the Scheme is

31.03.2025.

3. The Applicant stated that it is proposed to transfer “Contribution received from group companies in relation to reimbursement of employee benefits expense” (hereinafter referred to as “Employee Benefit Reserve”) into Retained Earnings of Brookprop Management Services Private Limited under a Scheme of Arrangement under Section 230 and other applicable provisions of the Companies Act, 2013.
4. Salient feature of the Scheme:
- a) Upon the Scheme becoming effective and with effect from Appointed Date, amount of Rs.479.32 million standing to the credit of the Employee Benefit Reserve, as appearing in books of accounts of the Company as on the Appointed Date, shall be transferred to and shall form part of the Retained Earnings of the Company for the previous financial years, arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed in the manner provided in the Act and other Applicable Laws.
- b) Pursuant to the Scheme, there is no outflow of / payout of funds from the Company in the form of any consideration, and hence, the interest of the shareholders/creditors is not adversely affected.
- c) This Scheme does not envisage transfer or vesting of any of the properties and/or liabilities of the Company to or in any Person.
5. Details of Other Equity, including Employee Benefit Reserve of the Company as on 31.03.2025, pre and post the proposed Scheme, are as under:

Particulars	Pre-Scheme (Rs. in million)*	Post-Scheme (Rs. in million)*
Other equity:		
Retained Earnings	25.92	505.24
Securities Premium	55.30	55.30
<u>Other reserves, includes the following:</u>		

Capital Contribution	0.62	0.62
Restricted Stock units	45.95	45.95
Employee Benefit Reserve	479.32	-
TOTAL	607.11	607.11

6. **Nature of Business:** It is submitted by the Applicant Company that it is engaged in the business of providing management-related services, being the manager of Brookfield India Real Estate Trust, as per the Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014.

7. **Rationale of the Scheme:** The Applicant Company stated that the rationale of the Scheme is as under:

- With a view to motivate and improve performance, and retain key employees, Group Companies desired to incentivise employees of the Company with a long-term view. To achieve the same, the said Group Companies and the Company had entered into an agreement for payment of incentives to the key employees of the Company. Accordingly, Employee Benefit Reserve represents contributions received from Group Companies in cash for the payment of long-term incentives to the employees of the Company.
- Basis the terms of the aforesaid agreement, the Company was entitled to receive an amount equal to incentive payable to its employees from its Group Companies, which immediately upon receipt of such amount, was supposed to be paid off to its employees in accordance with their respective entitlement. Further, the Company was not allowed to retain any proportion of the incentive amount subject to withholding tax obligation and any other tax liability of the Company in lieu of such incentive.
- Accordingly, the Company honoured the commitments of the said agreement and paid off the amounts to the employees on receipt of the sum from Group Companies. However, in order to do so, the Company from time to time recorded the receipt of money as an 'Other Equity' component as Employee

Benefit Reserve and paid off the amounts to its employees from its P&L Account.

- Over the period of time, this Employee Benefit Reserve has been accumulated in excess, and since the employees have been paid off by the Company out of its P&L Account, the said commitment stands fulfilled, and such reserve is no longer needed. Further, such amount received from Group Companies is already offered to tax by the Company, and therefore, it is free for utilisation for any corporate purpose.
 - Further, the Appointed Date proposed in the Scheme is to ensure that the Scheme is implemented with reference to the latest audited financial statements.
 - The Company is of the view that the balance lying in the Employee Benefit Reserve is in excess of the Company's anticipated operational and business needs in the foreseeable future; thus the balance outstanding in the Employee Benefit Reserve as at the appointed date can be transferred to Retained Earnings, thereby strengthening the Company's ability to declare and distribute dividends as and when required.
 - The Scheme is in the interest of all stakeholders of the Company.
8. The Applicant stated that the Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on 30.09.2025 is as under:

Particulars	Amount (Rs.)
<u>Authorised Share Capital</u>	
50,00,000 equity shares of Rs.10/- each	5,00,00,000
TOTAL	5,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
10,70,000 equity shares of Rs.10/- each fully paid-up	10,70,000
TOTAL	10,70,000

9. The Applicant Company has filed an additional affidavit dated 01.04.2026 and it is confirmed that there are no outstanding dues payable under the Employee Benefit Reserve, which has since been terminated on 25.04.2023.

10. ***Meetings of Shareholders and Creditors:***

10.1 The Ld. Counsel for the Applicant Company submitted that there are 2 (Two) Equity Shareholders in the Applicant Company and both the two Equity Shareholders have given their consent affidavits to the proposed Scheme. The Chartered Accountant's Certificate on the number of Equity Shareholders of the Applicant Company and the consent affidavits of individual shareholders of the Applicant Company are part of the Scheme Application. In view of the consent affidavit, the meeting of the Equity Shareholders of the Applicant Company is dispensed with.

10.2 The Ld. Counsel for the Applicant Company further submitted that there are no Secured Creditors in the Applicant Company. A certificate of a Chartered Accountant certifying *nil* Secured Creditors in the Applicant Company is part of the Application. In view of the same, no meeting of the Secured Creditors is required.

10.3 The Ld. Counsel for the Applicant Company further submitted that there are 38 (Thirty-eight) Unsecured Creditors having Rs. 2,13,69,241/- (Two Crore Thirteen Lakh Sixty-Nine Thousand Two Hundred Forty-One Rupees) in value as on 30.09.2025. The Ld. Counsel further submitted that out of the total unsecured creditors, nine unsecured creditors having value of Rs.1,95,29,815/- representing 91.39% of the total unsecured creditors in value have given their consent affidavits to the proposed Scheme. In view of the same, the holding of meeting of the Unsecured Creditors of the Applicant Company is hereby dispensed with. However, the Applicant is directed to issue notice to the remaining Unsecured Creditors by Courier/Registered AD/Speed Post and e-mail with a direction that they may submit their representations, if any, to the Tribunal with a copy served upon the Applicant. If no representation is made, it is presumed that they have

no objection to the scheme. A certificate of the Chartered Accountant certifying the list of Unsecured Creditors, as well as the consent affidavits of nine unsecured creditors of the Applicant Company, are part of the Application.

11. The Applicant Company is directed to serve notice along with a copy of the Scheme upon the -
 - i. Central Government through the office of the Regional Director, Western Region, Mumbai;
 - ii. Jurisdictional Registrar of Companies;
 - iii. Jurisdictional Income Tax Authority within whose jurisdiction the respective Applicant Company's assessment is made, indicating PAN of the Company;
 - iv. Concerned Nodal Officer in the Income Tax Department i.e., Pr. CCIT, Mumbai, Address: 3rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020.
 - v. Concerned Goods and Service Tax Authorities;
 - vi. Any other Sectoral Regulator or Authority to which the Applicant Company is subject as per the laws in force.
12. The above notice shall be served through R.P.A.D./Speed Post and e-mail pursuant to section 230(5) of the Companies Act, 2013 and rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The said notice will contain a statement that *"If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme"*.
13. The Applicant Company shall submit to the Tribunal, if there are (a) any investigation pending against the Applicant Companies under sections 210 to 226 of the Companies Act, 2013, and (b) proceedings under the Insolvency and Bankruptcy Code, 2016.
14. The Applicant Company shall host the notice along with a copy of the Scheme on its website, if any.

15. The Applicant Company to file an Affidavit of Service and Compliance Report within 10 working days after serving notice to all the Regulatory Authorities as stated above.
16. With the above directions, **CA(CAA)/29/2026** is **allowed**.

Sd/-
ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

Sd/-
K. R. SAJI KUMAR
MEMBER (JUDICIAL)

/pvs