

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – II  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
16.06.2026 AT 10:30 A.M.**

**IA(CA)/66/2026 in CP (CAA)/22/230/HDB/2025  
U/s 230 of Companies Act**

**IN THE MATTER OF:**

**Hyderabad Securities Pvt Ltd (Demerged Company) and Sri Ramachandra Builders Pvt Ltd (Resulting Company-1) and Sri Moulika Vishwa Builders Pvt Ltd (Resulting Company-2)**

**...Petitioners**

**C O R A M:-**

**SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)  
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

**O R D E R**

**IA (CA)/66/2026**

Orders pronounced, recorded vide separate sheets. In the result, this Application is dismissed.

**Sd/-  
MEMBER (T)**

**Sd/-  
MEMBER (J)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH - II**

**IA(CA) 66/2026 in CP(CAA) No.22/230/HDB/2025  
Connected with CA(CAA) 12/230/HDB/2025**

**&**

**IA(CA) 67/2026 in CP(CAA) No.20/230/HDB/2025  
Connected with CA(CAA) 13/230/HDB/2025**

*[U/s.230 to 232, 420 of the Companies Act, 2013 r/w Rule 11 of the NCLT Rules, 2016]*

**1. IA(CA) 66/2026 - Date of Institution: 04.05.2026**

**In the matter of Demerger and Transfer of Demerged Undertaking  
Between:**

M/s. Hyderabad Securities Private Limited  
Regd. Office: 8-2-703/A/6/B  
Road No.12, Banjara Hills  
Hyderabad – 500 034  
Represented by Mr. G. Sridhar Reddy, Director  
CIN: U67120TG1982PTC003694

**.... Applicant / Demerged Company**

**And**

M/s. Sri Ramachandra Builders Private Limited  
Regd. Office: 8-2-703/A/6/B  
Road No.12, Banjara Hills  
Hyderabad – 500 034  
Represented by Mr. G. Sridhar Reddy, Director  
CIN: U77303TS2024PTC186359

**.... Applicant / Resulting Company -1**

**And**

M/s.Sri Moulika Vishwa Builders Private Limited  
Regd. Office: 8-2-703/A/6/B  
Road No.12, Banjara Hills  
Hyderabad – 500 034  
Represented by Mr. G. Sridhar Reddy, Director  
CIN: U43299TS2024PTC186394

**.... Applicant / Resulting Company -2**

Date of Order: 16.06.2026

2. IA(CA) 67/2026

- Date of Institution: 04.05.2026

**In the matter of Demerger and Transfer of Demerged Undertaking  
Between:**

M/s. Uma Estates and Infrastructure Private Limited  
Regd. Office: 8-2-703/A/6/B  
Road No.12, Banjara Hills  
Hyderabad – 500 034  
Represented by Mr. G. Sridhar Reddy, Director  
CIN: U15540TG1996PTC023820

.... Applicant / Demerged Company

**And**

M/s. Sri Ramachandra Builders Private Limited  
Regd. Office: 8-2-703/A/6/B  
Road No.12, Banjara Hills  
Hyderabad – 500 034  
Represented by Mr. G. Sridhar Reddy, Director  
CIN: U77303TS2024PTC186359

.... Applicant / Resulting Company

**Date of Order: 16.06.2026**

**Coram:**

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)  
Shri Sanjay Puri, Hon'ble Member (Technical)

**Counsel present:**

For the Applicants : Mr. Y. Suryanarayana alongwith  
Mr.Puttaparthi Jagannatham, Advocates

**Date of Order: 16.06.2026**

1. The present Applications have been filed by the Applicants seeking recall of the separate final Orders dated 16.10.2025 passed by this Tribunal in CP No.22/230/HDB/2025 and CP No.20/230/HDB/2025, whereby the Schemes of Arrangement by way of Demerger and Transfer of Demerged Undertaking between **M/s. Hyderabad Securities Private Limited (Demerged Company)** and **M/s. Sri Ramachandra Builders Private Limited (Resulting Company-1)** and **M/s.Moulika Vishwa Builders Private Limited (Resulting Company-2)**; and between **M/s. Uma Estates and Infrastructure Private Limited (Demerged Company)** and **M/s.Sri Ramachandra Builders Private Limited (Resulting Company)**, respectively, were sanctioned under the provisions of Sections 230 to 232 of the Companies Act, 2013.
2. The Applicants submit that the aforesaid Orders sanctioning the Schemes are liable to be recalled as, upon a subsequent evaluation of the commercial, financial, tax and other attendant implications, it has been found that the Schemes are no longer feasible or desirable for implementation and would not achieve the objectives for which they were originally conceived.
3. The assets proposed to be transferred under the Schemes may not satisfy the definition of an "undertaking" within the meaning of Section 2(19AA) of the Income Tax Act, 1961, thereby giving rise to a substantial apprehension of loss of tax neutrality and consequential benefits, including exemption from capital gains tax and stamp duty, exposing the Applicants to unintended fiscal consequences.

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4. In IA No.66 of 2026, it is further submitted that, during the intervening period and in the ordinary course of business, certain assets of Applicant No.1/Demerged Company have been sold, resulting in a material change in the asset profile of the Demerged Company. In view of the changed circumstances, the transfer of the remaining major housing project/assets to Applicant No.2 (Resulting Company No.1) and Applicant No.3 (Resulting Company No.2) is stated to be no longer commercially warranted and would not serve the original rationale underlying the Scheme.
5. In the aforesaid circumstances, it is submitted that modification of the Schemes under Section 231 of the Companies Act, 2013, is neither feasible nor practicable, as the very basis and commercial rationale underlying the Schemes have undergone a material change. The Applicants, therefore, seek recall of the sanction Orders rather than modification of the Schemes.
6. It is further submitted that no prejudice would be caused to any shareholder, creditor or other stakeholder by the recall of the sanction Orders, as the Schemes have not been implemented and no third-party rights have crystallized pursuant thereto. It is also stated that the respective Boards of Directors of the Applicant Companies have approved the proposal for recall of the Schemes and have authorized the filing of the present Applications.
7. On the question of jurisdiction, the Applicants contend that this Tribunal is vested with inherent powers under Rule 11 of the National Company Law Tribunal Rules, 2016, to make such Orders as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Tribunal. According to the Applicants, compelling implementation of a Scheme which has subsequently become impracticable and commercially unviable would

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result in undue hardship and adverse consequences. Therefore, in the peculiar facts and circumstances of the case, the inherent jurisdiction of this Tribunal is liable to be invoked for recalling the Orders dated 16.10.2025 sanctioning the Schemes.

## **FINDINGS**

8. The short question that arises for consideration is whether this Tribunal possesses the jurisdiction to recall a final Order sanctioning a Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013, merely on the ground that, subsequent to sanction, the parties have found the Scheme to be commercially unviable, impracticable, or otherwise undesirable for implementation.
9. Before examining the merits of the reasons assigned by the Applicants for seeking recall, it is necessary to consider the maintainability of the present Applications. It is a settled principle that the power of review is a creature of statute and can be exercised only when specifically conferred by Law, like under Code of Civil Procedure, 1908 (**CPC**). The Companies Act, 2013 does not confer any power upon this Tribunal to review or reconsider a final Order sanctioning a Scheme under Sections 230 to 232 of the Act. Section 424 of the Companies Act, 2013 merely prescribes the procedure to be followed by the Tribunal and does not vest it with the power to review its own Orders.
10. Rule 11 is akin to Section 151 of the Code of Civil Procedure, 1908, while Rule 154 is analogous to Section 152 thereof. Rule 154 is confined to correction of clerical or accidental errors and has no bearing on the power of

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review or recall of a final Order. The Hon'ble NCLAT, after examining the Law on the subject, has authoritatively delineated the scope of the powers of review and recall exercisable by the National Company Law Tribunal in ***Union Bank of India v. Dinakar T. Venkatasubramanian & Ors., I.A. No.3961 of 2022 in Company Appeal (AT) (Ins.) No.729 of 2022***, wherein it was observed:

20.The above judgments of the Hon'ble Supreme Court clearly lays down that there is a distinction between review and recall. The power to review is not conferred upon this Tribunal but power to recall its judgment is inherent in this Tribunal since inherent power of the Tribunal are preserved, powers which are inherent in the Tribunal as has been declared by Rule 11 of the NCLT Rules, 2016. Power of recall is not power of the Tribunal to rehear the case to find out any apparent error in the judgment which is the scope of a review of a judgment. Power of recall of a judgment can be exercised by this Tribunal when any procedural error is committed in delivering the earlier judgment; for example; necessary party has not been served or necessary party was not before the Tribunal when judgment was delivered adverse to a party. There may be other grounds for recall of a judgment. Well known ground on which a judgment can always be recalled by a Court is ground of fraud played on the Court in obtaining judgment from the Court. We, for the purpose of answering the questions referred to us, need not further elaborate the circumstances where power of recall can be exercised.

11.The aforesaid judgment was affirmed by the Hon'ble Supreme Court in ***Dinakar T. Venkatasubramanian & Ors. v. Union Bank of India (2023) ibclaw. in 85 SC***. The legal position thus stands settled that while the National Company Law Tribunal does not possess the power of review in the absence of a statutory conferment, the power of recall survives as an inherent power exercisable in limited and exceptional circumstances.

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12.As regards the circumstances in which such power may be exercised, the Hon'ble NCLAT in *Union Bank of India v. Dinakar T. Venkatasubramanian & Ors.* (supra), after indicating certain illustrative situations, did not exhaustively enumerate all possible instances. In this context, the Hon'ble Supreme Court, following *A.R. Antulay v. R.S. Nayak, (1988) 2 SCC 602*, held in *Budhia Swain & Ors. v. Gopinath Deb & Ors., (1999) 4 SCC 396*, as under:

"6. What is a power to recall? Inherent power to recall its own order vesting in tribunals or courts was noticed in *Indian Bank Vs. M/s.Satyam Fibres India Pvt Ltd. AIR 1996 Supreme Court 2592* vide para 23, this Court has held that the courts have inherent power to recall and set aside an order.

- (i) obtained by fraud practised upon the Court.
- (ii) when the Court is misled by a party, or
- (iii) when the Court itself commits a mistake which prejudices a party.

8. In our opinion a tribunal or a court may recall an order earlier made by it if (i) the proceedings culminating into an order suffer from the inherent lack of jurisdiction and such lack of jurisdiction is patent, (ii) there exists fraud or collusion in obtaining the judgement, (iii) there has been a mistake of the court prejudicing a party."

13.The Hon'ble Supreme Court in *Greater Noida Industrial Development Authority v. Prabhjit Singh Soni & Anr. (Civil Appeal Nos. 7590-7591 of 2023)* while considering the scope of Rule 11 of the NCLT Rules, observed as follows:

50..... Rule 11 of the NCLT Rules, 2016 preserves the inherent power of the Tribunal. Therefore, even in absence of a specific provision empowering the Tribunal to recall its order, the Tribunal has power to recall

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its order. However, such power is to be exercised sparingly, and not as a tool to re-hear the matter. A Tribunal or a Court is invested with such ancillary or incidental powers as may be necessary to discharge its functions effectively for the purpose of doing justice between the parties and, in absence of a statutory prohibition, in an appropriate case, it can recall its order in exercise of such ancillary or incidental powers. Ordinarily, an application for recall of an order is maintainable on limited grounds, inter alia, where the order is without jurisdiction; the party aggrieved with the order is not served with notice of the proceedings in which the order under recall has been passed; and the order has been obtained by misrepresentation of facts or by playing fraud upon the Court /Tribunal resulting in gross failure of justice.

(Own emphasis)

14. From the aforesaid decisions, the circumstances in which the power of recall may be exercised can broadly be summarized as follows:

- a) When there is a procedural error in the delivery of the judgment;
- b) When the judgment or order has been obtained by fraud;
- c) When the order has been obtained by misrepresentation of facts;
- d) When the Court or Tribunal commits a mistake prejudicing a party;
- e) When an order has been passed without affording an opportunity of hearing to an affected party;
- f) When an order adversely affects a person who was not impleaded as a party; and
- g) When the order has been passed without jurisdiction.

15. The distinction between review and recall is also relevant for adjudicating the present Applications. In a review, the Court or Tribunal re-examines the correctness of a decision on merits, whereas in a recall proceeding, the Court does not enter into the merits but merely examines whether the Order suffers

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from defects warranting its withdrawal. In *Vishnu Agarwal v. State of U.P. & Anr.*, AIR 2011 SC 1232, the Hon'ble Supreme Court observed:

"9. Apart from the above, we are of the opinion that the application filed by the respondent was an application for recall of the Order dated 2.9.2003 and not for review. In *Asit Kumar v. State of West Bengal and Ors.*, 2009 (1) SCR 469 : (AIR 2009 SC (Supp) 282), this Court made a distinction between recall and review which is as under:-

"There is a distinction between..... a review petition and a recall petition. While in a review petition, the Court considers on merits whether there is an error apparent on the face of the record, in a recall petition the Court does not go into the merits, but simply recalls an order which was passed without giving an opportunity of hearing to an affected party. We are treating this petition under Article 32 as a recall petition because the order passed in the decision in *All Bengal Licensees Association v. Raghendra Singh & Ors.* [2007 (11) SCC 374] : ( AIR 2007 SC 1386) cancelling certain licences was passed without giving opportunity of hearing to the persons who had been granted licences."

(Own emphasis)

16. Thus, while review entails reconsideration of the correctness of a decision on merits, recall is ordinarily exercised in limited circumstances such as where an Order has been obtained by fraud, passed without notice to a necessary party, suffers from lack of jurisdiction, or where principles of natural justice have been violated. The power of recall is not intended to enable a party to avoid the consequences of a validly passed final order merely because subsequent events have rendered the transaction commercially inconvenient or less advantageous.

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17. In the present case, the Applicants do not contend that the Orders dated 16.10.2025 were obtained by fraud, misrepresentation or suppression of material facts. There is no allegation that the sanction proceedings suffered from any jurisdictional defect or violation of principles of natural justice. The Schemes were considered and sanctioned after following the procedure prescribed under the Companies Act, 2013. The grounds urged in the present Applications are entirely founded upon subsequent commercial reassessment, perceived tax implications, changes in business circumstances and the Applicants' present view that implementation of the Schemes may no longer be beneficial.
18. Such grounds, howsoever genuine they may be from a commercial perspective, do not furnish a legal basis for recalling a final Judicial Order. Acceptance of the Applicants' contention would effectively permit parties to seek annulment of a sanctioned Scheme whenever they subsequently reconsider its commercial wisdom, thereby undermining the finality attached to Orders passed under Sections 230 to 232 of the Companies Act, 2013.
19. It is also pertinent to note that a Scheme sanctioned under Sections 230 to 232 of the Companies Act, 2013 does not remain a mere arrangement between the parties. Upon sanction by the Tribunal, the Scheme acquires statutory force and becomes binding upon the companies, their shareholders, creditors and other stakeholders in the manner contemplated by the Act. Therefore, a final Order sanctioning a Scheme cannot be recalled merely because the parties subsequently reassess its commercial viability or desirability.

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20. The Applicants have also contended that modification of the Schemes under Section 231 of the Companies Act, 2013 is not feasible in view of the changed circumstances. However, the existence or otherwise of a remedy under Section 231 is not determinative of the issue before this Tribunal. The question is not whether modification is feasible, but whether the grounds pleaded fall within the limited parameters governing recall of a final Judicial Order. The inability or unwillingness of the parties to pursue modification cannot enlarge the scope of the Tribunal's inherent power of recall. Commercial inconvenience, changed business circumstances, adverse tax consequences or a subsequent change in the parties' perception of the utility of the Scheme cannot by themselves constitute grounds for recall of a final Judicial Order.

21. The submission that no prejudice would be caused to any stakeholder and that no third-party rights have crystallized also does not alter the legal position. The issue before this Tribunal is not one of prejudice but of jurisdiction. The absence of prejudice may be a relevant consideration where a valid ground for recall otherwise exists; however, it cannot by itself create a jurisdiction to recall a final Order. In the absence of any legally recognized ground warranting recall, the mere fact that stakeholders may not object to the proposed course of action cannot justify setting aside a final sanction Order.

22. We are, therefore, of the considered view that the grounds urged by the Applicants pertain exclusively to post-sanction commercial considerations and do not constitute valid grounds for invoking the limited inherent power of recall. The relief sought, if granted, would in substance amount to reopening and nullifying the final sanction Orders dated 16.10.2025 on grounds relating solely to subsequent commercial considerations. Such

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&  
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Connected with CA(CAA) 13/230/HDB/2025

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grounds do not fall within the limited ambit of the Tribunal's inherent power of recall. What is sought in substance is not recall of the sanction Orders on any recognized legal ground, but their annulment on account of subsequent commercial developments. Such relief is outside the scope of Rule 11 of the NCLT Rules, 2016. Consequently, the present Applications are devoid of merit and are liable to be dismissed.

### **FINAL ORDER**

23. In view of the foregoing discussion, IA (CA) 66 of 2026 in CP(CAA) 22/230/HDB/2025 connected with CA(CAA) 12/230/HDB/2025; and IA(CA) 67 of 2026 in CP(CAA) 20/230/HDB/2025 connected with CA(CAA) 13/230/HDB/2025 are dismissed. No order as to costs.

**Sd/-**

**(SANJAY PURI)  
MEMBER (TECHNICAL)**

**Sd/-**

**(RAJEEV BHARDWAJ)  
MEMBER (JUDICIAL)**

Syamala