

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
10-06-2026 AT 01:10 P.M.**

CP (CAA) No. 06/230/HDB/ 2026
U/s. 230 R/w Section 232 of Companies Act, 2013

IN THE MATTER OF:

M/s. Kilaru Naturals Pvt Ltd., (Transferor Company) ,
M/s. Nutrivative Foods Pvt Ltd., (Transferee Company) & Their Respective
Shareholders & Creditors **...Petitioner**

CORAM:-

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

ORDER

Present: Mr. Tapasvilal Deora, Ld. PCS for the Petitioner.

Orders pronounced, recorded vide separate sheets.

In the result, this CP (CAA) No. 06/230/HDB/2026 is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - 1**

CP (CAA) No.6/230/HDB/2026
Connected with
C.A. (CAA) No.49/230/HDB/2025

U/s. 230 to 232 of the Companies Act, 2013

IN THE MATTER OF SCHEME OF AMALGAMATION BETWEEN

**M/s KILARU NATURALS PRIVATE LIMITED
(Transferor Company)**

AND

**M/s NUTRIVATIVE FOODS PRIVATE LIMITED
(Transferee Company)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

M/s KILARU NATURALS PRIVATE LIMITED

[CIN: U01403TG2011PTC075861]

Having Registered Office at
H.No.8-2-293/82/C/16/A,
Plot No.16, 3rd Floor,
Susheela Pride, Road No.7,
Jubilee Hills, Hyderabad,
Telangana – 500 033.

**.... Petitioner Company - 1/
Transferor Company**

M/s NUTRIVATIVE FOODS PRIVATE LIMITED

[CIN: U15122TG2014PTC095075]

Having Registered Office at
H.No.8-2-293/82/C/16/A,
Plot No.16, 3rd Floor,

Susheela Pride, Road No.7,
Jubilee Hills, Hyderabad,
Telangana – 500 033.

.... **Petitioner Company - 2 /
Transferee Company**

DATE OF ORDER: 10.06.2026

CORAM

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

Appearance:

For Petitioner Companies : Shri Mr. Tapasvilal Deora,
Ld. PCS
For RD (SER) Office : Smt. Kusum Yadav,
Dy. Director
For OL Office : Shri Deowarat Vasantrya Meshram,
Assistant OL
For IT Dept. : Ms. Bokaro Sapna Reddy,
Ld. Sr. Standing Counsel

PER : BENCH

ORDER

1. This Joint Petition is filed by M/s Kilaru Naturals Private Limited (Transferor Company) and M/s Nutrivative Foods Private Limited (Transferee Company) under Section 232 read with Section 230 of the Companies Act, 2013 and all other applicable provisions and read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 seeking the following reliefs in connection with the proposed Scheme of Amalgamation:

- (a) The Scheme of Amalgamation between M/s Kilaru Naturals Private Limited (Transferor Company) and M/s Nutrivative Foods Private Limited (Transferee Company) and their respective Shareholders and Creditors be sanctioned and confirmed by this Tribunal with effect from the Appointed Date 01.04.2025 so as to be binding on all the members, employees and creditors of the Petitioner Companies.
- (b) The Petitioner Companies do within 30 (thirty) days after the date of receipt of certified copy of the Order(s), cause a certified copy of the Order to be filed with the Registrar of Companies for registration as specified under Sub-Section 5 of Section 232 of the Companies Act, 2013 and on such certified copy being filed or such date as this Tribunal may deem fit, the Registrar of Companies shall take all necessary consequential action in respect of the Petitioner Companies.
- (c) The parties to the Scheme of Amalgamation or any other person interested shall be at liberty to apply this Tribunal for any direction that may be necessary with regard to carrying out the Scheme of Amalgamation.

AVERMENTS IN BRIEF AS PER THE PETITION: -

2. **PARTICULARS OF TRANSFEROR COMPANY:**

- (A) **M/s Kilaru Naturals Private Limited** (hereinafter referred to as "**Transferor Company**") was incorporated on 08.08.2011

as a Private Limited Company under the provisions of the Companies Act, 2013 having CIN No.U01403TG2011PTC075861. The Registered Office of the Transferor Company is same as mentioned in the cause title. A copy of the Certificate of Incorporation along with Memorandum and Articles of Association of the Transferor Company are annexed to the Petition and marked as **Annexure-A1.**

- (B) The main objects of the Transferor Company as set out in the Memorandum of Association are mentioned at **Page Nos.2-3** of the Petition.
- (C) The Authorized, Issued, Subscribed and Paid-Up Share Capital of the Transferor Company as on **30th June, 2025** is as follows:

Authorized Share Capital	Amount (in Rs.)
60,00,000 Equity Shares of Rs 10 each	6,00,00,000
1,50,000 Preference Shares of Rs 10 each	15,00,000
Total	6,15,00,000
Issued, Subscribed and Fully Paid-Up Capital	Amount (in Rs.)
16,94,010 Equity Shares of Rs 10 each	1,69,40,100
1,34,713 Preference Shares of Rs 10 each	13,47,130
Total	1,82,87,230

Subsequent to 30th June, 2025 and till the date of filing of the Petition, there has been no change in the Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company.

A copy of the Audited Financial Statements as on 31.03.2025 and Provisional Financial Statements as on 30.06.2025 of the Transferor Company are annexed to the Petition and marked as **Annexure – A2** and **Annexure – A3** respectively.

3. **PARTICULARS OF THE TRANSFeree COMPANY:**

- (A) **M/s NUTRIVATIVE FOODS PRIVATE LIMITED** (hereinafter referred to as “**Transferee Company**”) was incorporated on 30.07.2014 as a Private Limited Company under the provisions of the Companies Act, 2013 having CIN No.U15122TG2014PTC095075. The Registered Office of the Transferee Company is same as mentioned in the cause title. A copy of the Certificate of Incorporation along with Memorandum and Articles of Association of the Transferee Company are annexed to the Petition and marked as **Annexure-A4**.
- (B) The main objects of the Transferee Company as set out in the Memorandum of Association are mentioned at **Page Nos.5-7** of the Petition.

(C) The Authorized, Issued, Subscribed and Paid-Up Share Capital of the Transferee Company as on **30th June, 2025** is as follows:

Authorized Share Capital	Amount (in Rs.)
20,000 Equity Shares of Rs 10 each	2,00,000
5,000 Preference Shares of Rs 10 each	50,000
Total	2,50,000
Issued, Subscribed and Fully Paid-up Capital	Amount (in Rs.)
14,471 Equity Shares of Rs 10 each	1,44,710
1,187 Preference Shares of Rs 10 each	11,870
Total	1,56,580

Subsequent to 30th June, 2025 and till the date of filing of the Petition, there has been no change in the Authorized, Issued, Subscribed and Paid-up capital of the Transferee Company.

The Company has an ESOP Plan corresponding to 687 Equity Shares having Face Value of Rs 10 each, however, as on the date of the Petition, no Equity Shares have been allotted pursuant to the ESOP Plan.

A copy of the Audited Financial Statements as on 31.03.2025 and Provisional Financial Statements as on 30.06.2025 of the Transferee Company are annexed to the Petition and marked as **Annexure - A5** and **Annexure - A6** respectively.

4. **JURISDICTION:**

The Registered Offices of both the Petitioner Companies are situated in the State of Telangana and hence the subject matter of this Petition is within the jurisdiction of this Tribunal.

5. **LIMITATION:**

The present Petition is filed under Section 232 read with Section 230 of the Companies Act, 2013 pursuant to the Resolutions passed by the Board of Directors of the Transferor Company and the Transferee Company in their respective Board Meetings held on 01.07.2025 and hence the present Petition is within the Limitation.

6. **OVERVIEW OF THE SCHEME:**

- (i) The Transferor Company is proposed to be Amalgamated into the Transferee Company pursuant to Section 232 read with Section 230 of the Companies Act, 2013.
- (ii) Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be stand transferred to and vested in and / or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, so as to become on and from the Appointed Date, the estate, assets, rights, title,

interests and authorities of the Transferee Company, pursuant to Section 232 read with Section 230 and related rules of the Act.

- (iii) The Amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with the Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961 (including any amendment thereof). If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(1B) of the Income Tax Act, 1961 (including any amendment thereof), the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will, however, not affect the other parts of the Scheme.
- (iv) All debts, liabilities, duties, charges and obligations of the Transferor Company shall, as on the Appointed Date, whether or not provided in the Books of the Transferor Company, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the end of the Transition Period shall be deemed to be and shall become the debts, charges, loans raised and used, duties, liabilities and

obligations incurred by the Transferee Company by virtue of this Scheme.

7. **CONSENT OF THE BOARD OF DIRECTORS OF THE PETITIONER COMPANIES:**

The Board of Directors of the Petitioner Companies at their respective Board Meetings held on 01.07.2025 have approved the Scheme of Amalgamation of M/s Kilaru Naturals Private Limited (Transferor Company) and M/s Nutrivative Foods Private Limited (Transferee Company) and their respective Shareholders and Creditors. The Scheme is proposed to take effect from the **Appointed Date, i.e., 1st April, 2025.**

The copies of the Board Resolutions passed by the Board of Directors of the Transferor and Transferee Company are annexed to the Petition and marked as **Annexure-A10** and **Annexure-A11** respectively.

8. **ACCOUNTING TREATMENT:**

The accounting treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards as prescribed under the provisions of Section 133 of the Companies Act, 2013.

A Certificate issued by the Statutory Auditor confirming the Accounting Treatment proposed in the Scheme is annexed to the Petition and marked as **Annexure - A9**.

9. **RATIONALE BEHIND THE AMALGAMATION:**

The Merger of the Transferor Company with the Transferee Company will enable consolidation of business and assets and liabilities of both the Companies. This Amalgamation would enable Transferee Company to carry on and conduct its business more efficiently and advantageously with better economies of scale, more productive and optimum utilization of various resources, strengthen its financial position and enable it to raise resources for conducting business, achieve synergies in business activities, further development and growth of the business and to reduce costs. This Scheme of Amalgamation would enable:

- (a) Greater integration and flexibility for the Transferee Company;
- (b) The proposed Amalgamation will lead to the benefits such as technological advancement, besides other synergetic advantages particularly in view of the fact that the Companies involved in the Amalgamation are engaged in the businesses, which are akin and can be conveniently combined with one another for mutual benefit;
- (c) Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the

combined business which can be deployed more efficiently to fund growth opportunities and to further improve Shareholder's value;

- (d) Improved organizational capability and leadership arising from pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in a competitive industry;
- (e) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes and the elimination of duplication and rationalization of administrative expenses.
- (f) A copy of the Scheme of Amalgamation is annexed to the Petition and marked as **Annexure – A7**.

The Amalgamation is in the interest of the Shareholders, Creditors and all other Stakeholders of the respective Companies and is not prejudicial to the interests of any Shareholders, Creditors or the public at large.

10. **ISSUE OF SHARES CONSEQUENT TO AMALGAMATION:**

Upon this Scheme becoming effective and upon Amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any Petition,

act or deed, issue and allot Equity and Preference Shares, credited as fully paid up, to the extent indicated below, to the members of Transferor Company holding Fully Paid-up Equity Shares and Preference Shares of Transferor Company and whose names appear in the register of members of the Transferor Company as on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company / Transferee Company in the following proportion:

“1 (one) Fully Paid-up Equity Share of Face Value of Rs 10 (Rupees Ten Only) each of the Transferee Company shall be issued and allotted to the holders of Equity Shares of the Transferor Company for every 677 (Six Hundred and Seventy-Seven) Equity Shares of Rs 10 (Rupees Ten Only) each held in the Transferor Company” (“Equity Share Exchange Ratio”)

“1 (one) Fully Paid-up Preference Share of Face Value of Rs 10 (Rupees Ten Only) each of the Transferee Company to be issued and allotted to the holders of Preference Shares of the Transferor Company for every 677 (Six Hundred and Seventy-Seven) Preference Shares of Rs 10 (Rupees Ten Only) each held in the Transferor Company” (“Preference Share Exchange Ratio”)

A copy of the Valuation Report issued by the Registered Valuer specifying the Swap Ratio is annexed to the Petition and marked as **Annexure - A8.**

11. **DECLARATION BY THE PETITIONER COMPANIES:**

(a) No petition under Section 241 or 242 of the Companies Act, 2013 has been filed against any of the Petitioner Companies and there has been no material change in the affairs of any of the Petitioner Companies, except for what was done in the normal course of business.

(b) There are no proceedings pending under Section 210 to 227 of Companies Act, 2013 against any of the Petitioner Companies.

(c) The Scheme of Amalgamation between Transferor Company and Transferee Company and their respective Shareholders and Creditors does not have an adverse effect on any of the Shareholders or Creditors or other Stakeholders of the Petitioner Companies in any manner whatsoever.

12. The Petitioner Companies have filed the First Motion Application bearing C.A.(CAA) No.49/230/HDB/2025. The particulars of the Shareholders, Preference Shareholders, Secured Creditors, and Unsecured Creditors of the Transferor Company and the Transferee Company as on 30.06.2025, as disclosed in the said First Motion Application, are as follows:

	Equity Shareholders	Preference Shareholders	Secured Creditors	Unsecured Creditors
Transferor Company	03	01	01	18
Transferee Company	21	01	NIL	23

13. This Tribunal vide order dated 20.01.2026, disposed of the said application C.A.(CAA) No.49/230/HDB/2025 by dispensing with convening of the meetings of Equity Shareholders, Preference Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company and the Transferee Company. A copy of the order dated 20.01.2026 passed by this Tribunal is annexed to the Petition and marked as **Annexure - A12**.
14. Subsequently, as per directions of this Tribunal dated 12.02.2026, notices were issued to all statutory authorities. In compliance with the directions of this Tribunal, publication was carried out in the English daily *Business Standard* and the Telugu daily *Nava Telangana* on 25.02.2026. Proof of Publication and Proof of Service of notice of hearing have been filed by way of an Affidavit dated 15.04.2026.

OBSERVATIONS BY INCOME TAX DEPARTMENT:

15. **In respect of Transferor Company:**

The Learned Counsel for the Petitioner Companies in his Reply Affidavit dated 15.04.2026 submitted that there is NIL demand and no observations in respect of Transferor Company.

16. **In respect of Transferee Company:**

(i) The Income Tax Department had filed Affidavit dated 10.04.2026 stating that as per the available records, there is no outstanding demand in case of Transferee Company.

(ii) Further, as per available records, the Transferee Company had filed its last Return of Income for the Assessment Year 2025-26 on 30.10.2025 admitting a total income of Rs NIL. Further, as per "SCHEDULE CFL-DETAILS OF LOSSES TO BE CARRIED FORWARD TO FUTURE YEARS" in ITR for the AY 2025-26, total loss Carried Forward to future years stood at Rs 3,22,02,777 on account of current year losses.

(iii) Since, there are losses to be carried forward to future years, Income Tax Department is filing Report / Objection against the proposed Scheme of Amalgamation unless the interest of revenue is protected in recovery of demand along with interest and penalties, as applicable, from Transferee Company.

(iv) However, in case of any adverse finding or tax implication arising in future, the Transferee Company shall be liable for the same as per GAAR Provisions / Income Tax Act, 1961.

17. The Learned Counsel for the Petitioner Companies in his Reply Affidavit dated 15.04.2026 submitted that there is NIL demand in respect of the Transferee Company. It is further confirmed and affirmed that the interest of revenue shall stand protected in recovery of demand along with interest and penalties, as applicable, in accordance with law.
18. From the above report of Income Tax Department dated 10.04.2026, and the Reply Affidavit submitted by the Petitioner Companies dated 15.04.2026, it can be understood that there are no tenable objections raised and that the queries posed to the Petitioner Companies were also answered. Hence, the directions as sought for by the Income Tax Department would stand complied by the Petitioner Companies.

OBSERVATIONS BY OFFICIAL LIQUIDATOR:

19. The Official Liquidator vide his report dated 15.04.2026 has made certain observations. The Learned Counsel for the Petitioner Companies has filed reply Affidavit dated 11.05.2026. The Official Liquidator vide report dated 20.05.2026 has submitted further report in response to the Affidavit of Petitioner Companies dated 11.05.2026. The details are given below:

Para No.	Official Liquidator's Observations Dated 15.04.2026	Petitioner Companies Reply Affidavit Dated 11.05.2026	Official Liquidator's further Observations Dated 20.05.2026
22(1)	<p>Clause 2.21(b) speaks that:</p> <p><i>"all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date both present and future, whether provided for nor in the Books of Accounts or disclosed in the Balance Sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown due or to become due, whenever or however arising pertaining to the Transferor Company"</i>.</p> <p>In this regard, this Tribunal may direct the Transferor Company to furnish the details of all the debts, liabilities, duties and obligations of the Transferor Company whether provided for nor in the Books of Accounts or disclosed in the Balance Sheet.</p>	<p>It is submitted that Clause 2.21(b) stated that all debts, liabilities, duties and obligations, both present and future, of any kind whatsoever, whether provided for or not, shall be transferred from the Transferor Company to the Transferee Company.</p> <p>It is further submitted that the list of Secured Creditors and Unsecured Creditors along with respective Consent Affidavits of the Transferor Company and the Transferee Company were duly submitted before this Tribunal vide C.A.(CAA) No.49/230/HDB/2025. The Audited Financial Statements along with Provisional Financial Statements were also enclosed to the Company Petition as Annexures A2, A3, A5 and A6 respectively. It is further submitted that all the liabilities of the Petitioner Companies have been adequately disclosed in the aforementioned Financial Statements.</p> <p>This intent behind this Clause is to essentially confirm that all liabilities, whatsoever, will get</p>	<p>The reply seems to be convincing. No further clarification required and the reply of the Companies may be taken on record.</p>

		transferred from the Transferor Company to the Transferee Company, without there being any extinguishment, whatsoever.	
22(2)	<p>Clause 12.1 of Part-III of the Scheme speaks that:</p> <p><i>“Upon the Scheme becoming effective, the accounting for the amalgamation would be done in accounting principles generally accepted in India and shall comply with the accounting standards as applicable for accounting the amalgamation and the same shall not be impacted by the date on which the conditions specified under Clause 12 of this Scheme are fulfilled”.</i></p> <p>In the said Clause, the specific accounting treatment that has to be followed upon the sanction of the Scheme is not mentioned. Hence, this Tribunal may direct the Transferor and Transferee Companies to specify the accounting treatment that has to be followed by the Transferee Company upon the sanction of the Scheme.</p>	It is submitted and affirmed that, for the purpose of accounting for Amalgamation, the Company shall follow Purchase Method as specified under Accounting Standard – 14.	To follow the Purchase Method of Accounting, the Assets and Liabilities of the Company may required to be revalued to arrive at their respective fair values, also in the reply, the Petitioner Companies have admitted that they shall follow Purchase Method as specified in AS-14. The Scheme is silent about the Method of Accounting followed by the Transferee Company on post approval of the Scheme by referring AS-14,
22(3)	<p>Clause 12.2 mandates the recording of assets and liabilities at their respective Book Value a practice synonymous with the “Pooling of Interest Method” stated under Accounting Standard-14 (AS-14). However, Clause 12.5 contradicts this by directing that any shortfall be</p>	An undertaking given that for the purpose of accounting for Amalgamation, the Transferee Company shall follow Purchase Method. It is further submitted that as per Accounting Standard-14 under Purchase Method all assets and liabilities can be accounted for either at	To follow the Purchase Method of Accounting, the Assets and Liabilities of the Company may required to be revalued to arrive at their respective fair

	<p>recorded as goodwill, which is a characteristic of the Purchase Method, which requires assets to be recorded at Fair Value. Hence, it is proposing hybrid accounting treatment without clarifying the nature of accounting treatment proposed for amalgamation and it is not in conformity with the provisions of AS-14 and also this may lead to artificial inflation of Transferee's Balance Sheet. Hence, this Tribunal may direct the Petitioner Companies to explicitly mention the accounting treatment to be followed, ensuring that it is compliant with AS-14 and also direct them to modify the Clauses 12.2 and 12.5 accordingly (by deleting creation of Goodwill if adopting Pooling of Interest Method of Accounting for Amalgamation).</p>	<p>their existing carrying amounts i.e. Book Values or by allocating the consideration to individual identifiable assets and liabilities on the basis of their fair values at the date of amalgamation. IT is further undertook that the Transferee Company shall not follow hybrid accounting treatment and that all assets and liabilities shall be recorded at their respective Book Values and that the Petitioner Companies shall strictly follow accounting treatment in full compliance with Accounting Standard-14. It is further submitted that Clause 12.2 and 12.5 are in sync with each other and hence no modification is necessitated in the Scheme.</p>	<p>values, also in the reply, the Petitioner Companies have admitted that they shall follow Purchase Method as specified in AS-14. The Scheme is silent about the Method of Accounting followed by the Transferee Company on post approval of the Scheme by referring AS-14,</p>
22(4)	<p>Clause 12.7 of the Scheme states that:</p> <p><i>“Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with statutory auditors, is authorized to account for any of the balances in any other manner, if such accounting treatment is considered more appropriate”.</i></p> <p>Clause 12.7 of the Scheme grants the Board of Directors of the Transferee Company to account for the merger “in any other</p>	<p>It is submitted, clarified and affirmed that for the purpose of this Sub-Clause, the accounting treatment will be decided by the Board of Directors in consultation with the Statutory Auditors and that the accounting treatment which will be followed will strictly be within the boundaries of prescribed accounting standards and Generally Accepted Accounting Principles.</p>	<p>The Petitioner Companies have given clarification to the observation is noted, the text of the Clause 12.7 in the Scheme remains impermissibly broad and ambiguous. Therefore, this Tribunal may direct the Petitioner Companies to amend the Clause to</p>

	<p>manner” they deem fit and appropriate. This general provision is statutorily inconsistent and legally impermissible as it is overly broad and lacks necessary legal qualification and such treatment must remain within the boundaries of prescribed accounting standards, and Generally Accepted Accounting Principles (GAAP).</p> <p>Hence, this Tribunal may direct the Petitioner Companies to either delete Clause 12.7 or modify it to explicitly state that any alternative accounting treatment adopted by the board must be strictly in accordance with Accounting Standards and GAAP.</p>		<p>explicitly stating that they shall strictly follow Purchase Method of Accounting as committed by them in other submission or in the alternative direct that the said Clause be deleted entirely to ensure absolute statutory compliance.</p>
22(5)	<p>The Scheme proposes uniform share exchange ratio of 1:677 for both the Equity and Preference Shareholders of the Transferee Company. Specifically under Clause 13.1, the Transferee Company is to issue one Equity Share for every 677 Equity Shares and one Preference Share for every 677 Preference Shares.</p> <p>However, the Valuation Report submitted in support of the Scheme provides exchange ratio for Equity Shares only, remaining silent on valuation of Preference Shares. Hence, in the absence of specific valuation of Preference Shares, the adoption of</p>	<p>It is submitted that the Preference Shares are Compulsorily Convertible Preference Shares and that 1 (one) Preference Share is to be converted into 1 (one) Equity Share and hence for the purpose of arriving at the SWAP ratio, the Registered Valuer has considered the Compulsorily Convertible Preference Shares as converted into Equity Shares in the ratio of 1:1, the same can be seen at Page 10 and 13 of the Valuation Report issued by the Registered Valuer.</p> <p>It is further submitted that the Preference Shareholder is a financial institution who is also the Lead</p>	<p>The reply of the Petitioner Companies is not convincing since the Independent Valuer has not recommended any Exchange Ratio for allotment of Shares to Preference Shareholders in the Valuation Report. It has been clarified by the Petitioners that as per the terms of issue of Preference Shares, those will be converted into Equity in the</p>

	<p>identical SWAP ratio lacks a documented professional basis and may lead to unfair treatment to different class of Shareholders.</p> <p>Hence, this Tribunal may direct the Petitioner Companies to provide justification / explanation for the same.</p>	<p>Investor (the nominee of the Preference Shareholder / Lead Investor is also on the Board of Directors of the Transferor Company and Transferee Company) and that the instant Scheme of Amalgamation (including the Valuation Report and the SWAP Ratio) was duly approved / consented by the said Preference Shareholder by way of an Affidavit. It is further submitted that there is no unfair treatment to any class of Shareholders and the Scheme is just and fair to all classes of Shareholders.</p>	<p>ratio of 1:1 they stated in their reply that the Exchange Ration application for Equity Shares as applicable for Preference Shares. In absence of any such recommendation from Independent Valuer, it is not possible to give comment thereon.</p> <p>This Tribunal may kindly look into it and may pass order in this regard.</p>
22(6)	<p>As per Clause 16 of Part-IV of the Scheme <i>"on the Scheme becoming effective, the Transferor Company shall stand dissolved, without going through the process of winding up and without further acts and deeds by parties on such terms and conditions as the NCLT may direct or determine"</i>.</p>	<p>These are facts and hence no comments are required.</p>	<p>No further observations.</p>
22(7)	<p>As per the information submitted by the Transferor Company vide letter dated 25.03.2026, there are no pending litigations (under IBC, Companies Act etc) or prosecutions against the Directors / Company.</p>	<p>These are facts and hence no comments are required.</p>	<p>No further observations.</p>

OBSERVATIONS BY REGIONAL DIRECTOR (SER):

20. The Regional Director (SER) vide report dated 07.04.2026 has made certain observations. The Learned Counsel for the Petitioner Companies has filed reply Affidavit dated 15.04.2026, in response to the observations made by the Regional Director (SER). The Regional Director (SER) vide report dated 16.04.2026 has submitted further report in response to the Affidavit of Petitioner Companies dated 15.04.2026. The details are given below:

Para No.	Regional Director (SER)'s Observations Dated 07.04.2026	Petitioner Companies Reply Affidavit Dated 15.04.2026	Regional Director (SER)'s further Observations Dated 16.04.2026
3(a)	The Scheme is filed under Section 232 of the Act for the Amalgamation of M/s Kilaru Naturals Private Limited with M/s Nutrivative Foods Private Limited. Both the Companies are registered with RoC, Hyderabad	It is submitted that the said statement is fact and hence no comments are required.	No further observations.
3(b)	As per Clause 2.4 of Part-A of the Scheme, the Appointed Date is 01.04.2025 and the Companies have filed Statutory Returns i.e. Annual Returns and Balance Sheet upto 31.03.2025.	It is submitted that the said statement is fact and hence no comments are required.	No further observations.
3(c)	The Transferor and Transferee Company may be directed to comply with the provisions under Foreign Exchange Management Act, 1999 and other applicable provisions, if any applicable.	It is submitted that the Transferor and Transferee Company undertake to comply with the applicable provisions of Foreign Exchange Management Act, 1999 and other applicable provisions.	The Petitioner Companies have undertaken to comply with the same.

3(d)	The Transferor and Transferee Company may take necessary steps for the compliance under the provisions of Securities and Exchange Board of India Act, 1992, if the same are liable to be complied.	It is submitted that both the Petitioner Companies are unlisted private companies and hence Securities Exchange Board of India Act, 1992 is not applicable. The Petitioner Companies would comply with the same as and when the same gets applicable.	The reply of the Company may be considered in this regard by this Tribunal
3(e)	This Tribunal may direct the Petitioner Companies involved in the Scheme to comply with Rule 17(2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013 with respect to filing of order for confirmation of Scheme to be filed in Form No.INC-28 with the Office of RoC by the Petitioner Companies.	It is submitted that the Petitioner Companies undertake to comply with Rule 17(2) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and shall file the order for confirming the Scheme in Form INC-28 with the Registrar of Companies.	The Petitioner Companies have undertaken to comply with the same.
3(f)	This Tribunal may direct the Petitioner Companies to preserve its Books of Accounts and papers and records and shall not dispose of without the prior permission of the Central Government in terms of provisions of Section 239 of the Companies Act, 2013.	It is submitted that the Petitioner Companies undertake to preserve their Books of Accounts, papers and records and that the same shall not be disposed off without obtaining the prior permission of Central Government in terms of provisions of Section 239 of Companies Act, 2013.	The Petitioner Companies have undertaken to comply with the same.
3(g)	This Tribunal may direct the Petitioner Companies to ensure statutory compliance of all applicable laws and on sanctioning of the present Scheme, the Petitioner Companies shall not absolve any of its statutory liabilities in any manner.	It is submitted that the Petitioner Companies undertake to ensure statutory compliance of all applicable laws and that upon sanctioning of the present Scheme of Amalgamation, the Petitioner Companies shall not be absolved of any of its statutory liabilities in any manner.	The Petitioner Companies have undertaken to comply with the same.

4	With reference to the RD's letter dated 23.02.2026, issued to the Addl. Commissioner of Income Tax, Hyderabad, till date no reply / comments in the matter has been submitted to the RD office. Hence, this Tribunal may direct the Petitioner Companies to furnish an undertaking that, if any demand arises from the Income Tax Department with respect to Transferor Company and Transferee Company, the Transferee Company is ready to pay the said statutory dues	It is submitted that there has been no demand from Income Tax Department with respect to both the Petitioner Companies and in case any demand arises from the Income Tax Department with respect to Transferor Company post sanction of this proposed Amalgamation, the same shall be the liability of the Transferee Company in accordance with law.	In this regard, the reply of the Company may be considered by this Tribunal.
5	The Report of the Official Liquidator, Hyderabad shall be filed separately before this Tribunal and this Tribunal may consider the report of the Official Liquidator and direct the Petitioner Companies to comply with the observations, if any, before the approval of the Scheme.	It is submitted that the said statement is fact and hence no comments are required.	No further observations.
6(a)	The Transferee Company may be directed to ensure that statutory compliance of all applicable laws and shall not absolve from any statutory liability on approval of the Scheme.	It is submitted that the Petitioner Companies undertake to ensure statutory compliance of all applicable laws and that upon sanctioning of the present Scheme of Amalgamation, the Petitioner Companies shall not be absolved of any of its statutory liabilities in any manner.	In this regard, the reply of the Company may be considered by this Tribunal.
6(b)	As per Clause 7.1 of the Scheme, upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service as on the Appointed Date shall be deemed to have	It is submitted that upon the Scheme being effective, the interests of employees of Transferor Company shall be protected and there shall be no retrenchment of any	In this regard, the reply of the Company may be considered by this Tribunal.

	become staff, workmen and employees of the Transferee Company. In this regard, the Transferee Company may be directed to furnish an undertaking to the effect that the interests of the employees of the Transferor Company shall be protected by the Transferee Company on sanction of the Scheme by this Tribunal.	employee on account of the Amalgamation.	
6(c)	Upon approval of the Scheme, the Transferee Company shall allot Equity Shares and Preference Shares to the Shareholders of the Transferor Company.	It is submitted that upon the Scheme being effective, the Transferee Company shall allot Equity Shares and Preference Shares to the Shareholders of the Transferor Company.	In this regard, the reply of the Company may be considered by this Tribunal.
6(d)	As per Clause 13.3 of the Scheme, the Transferee Company may increase / modify its Authorized Shared Capital, if necessary, to facilitate allotment of its Equity Shares and Preference Shares to the Shareholders of the Transferor Company. In this regard, the Transferee Company may be directed to file requisite forms with RoC along with the applicable fee.	It is submitted that the Transferee Company has sufficient Authorized Share Capital for the purpose of allotment of Shares to the Shareholders of the Transferor Company and hence there is no requirement of separately increasing the Authorized Share Capital of the Transferee Company. It is further submitted that as and when required, for the purpose of increasing the Authorized Share Capital, the Transferee Company shall file requisite forms with the Registrar. It is also submitted that, in terms of the Scheme of Amalgamation, the Authorized Share Capital of the Transferor Company will be transferred to the Authorized Share Capital of the Transferee Company.	In this regard, the reply of the Company may be considered by this Tribunal.
6(e)	As per Clause 11 of the Scheme, it is stated that the	It is submitted that upon the Scheme becoming effective,	In this regard, the reply of

	Authorized Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company. In this regard, the Transferee Company may be directed to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and pay the differential fee after setting of the fee already paid by the Transferor Company and be directed to furnish an undertaking before this Tribunal in this regard.	for the purpose of clubbing of Authorized Share Capital of the Transferor Company with the Transferee Company, the Transferee Company shall pay the differential fee, if any, after setting off the fee already paid by the Transferor Company in compliance with the provisions of Section 232(3)(i) of the Companies Act, 2013. It is further submitted that as and when required, the Transferee Company shall pay the requisite fees for the purpose of increasing Authorized Capital.	the Company may be considered by this Tribunal.
6(f)	It is stated in the Petition that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards as prescribed under the provisions of Section 133 of the Companies Act, 2013. In this regard, the Petitioner Companies may be directed to furnish the details of the Accounting Standard that is followed for accounting the Amalgamation before this Tribunal.	It is submitted that upon the Scheme becoming effective, the Petitioner Companies shall follow Accounting Treatment as per the provisions of Accounting Standard 14: Accounting for Amalgamations – Purchase Method as prescribed in the Companies (Accounting Standards) Rules as prescribed under Section 133 of the Companies Act, 2013.	In this regard, the reply of the Company may be considered by this Tribunal.
6(g)	As per the order of this Tribunal, this Tribunal has dispensed with the meeting of Equity, Preference Shareholders, Secured and Unsecured Creditors of the Petitioner Companies.	It is submitted that the said statement is fact and hence no comments are required.	No further observations.
6(h)	As seen from the Balance Sheet of the Transferor Company as at 31.03.2025, the Company has to pay disputed statutory dues of Rs 1,01,594 towards Sales	It is submitted that the Transferee Company undertake to pay the statutory dues including disputed statutory dues of the Transferor Company, as	The Petitioner Companies have undertaken to

	Tax. In this regard,, the Transferee Company may be directed to furnish an undertaking stating that the dues will be paid by the Transferee Company as and when demand is made by the statutory authorities.	and when the same is crystalized by the statutory authorities, in due course of law.	comply with the same.
6(i)	As seen from the Balance Sheet of the Transferor Company as at 31.03.2025, the Company has transactions falling under Section 177 and 188 of the Companies Act, 2013. In this regard, the Company may be directed to show the compliance of the same and also furnish an undertaking before this Tribunal with regard to the compliance of the same.	It is submitted that the related party transactions entered by the Transferor Company have been entered in the ordinary course of business and at arms length basis in due compliance with the provisions of Section 188 of the Companies Act, 2013. Details of the same have been duly disclosed in the Audited Financial Statements and were submitted before the Regional Director (SER) vide our reply dated 23.03.2026. We further submit that both the Petitioner Companies are not required to form Audit Committees under Section 177 of Companies Act, 2013.	In this regard, the reply of the Company may be considered by this Tribunal.
6(j)	Both the Companies are showing trade payables in the Balance Sheet of both the Companies as at 31.03.2025. However, the meeting of Unsecured Creditors have been dispensed with by this Tribunal. In this regard, the Petitioner Companies may be directed to clarify the same before this Tribunal.	It is submitted that both the Petitioner Companies have submitted consents in the form of Affidavits from its Unsecured Creditors for approval of proposed Scheme of Amalgamation, based on which this Tribunal has ordered to dispense the meeting of Unsecured Creditors. We further submit that the Petitioner Companies makes payments to its Unsecured Creditors in its regular course of its business. It is further submitted that the outstanding Trade Payables, if any of the Transferor	In this regard, the reply of the Company may be considered by this Tribunal.

		Company shall become the liability of the Transferee Company.	
6(k)	The Transferor Company and Transferee Company are loss making Companies. In this regard, the Petitioner Companies may be directed to state as to how the rationale of the Scheme will be achieved through the proposed Scheme before this Tribunal	It is submitted that the proposed Amalgamation will lead to the benefits such as technological advancement, besides other synergetic advantages particularly in view of the fact that the Companies involved in the amalgamation are engaged in the businesses, which are akin and can be conveniently combined with one another for mutual benefit,, the amalgamation will help greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes and the elimination of duplication and rationalization of administrative expenses. The detailed rationale for the Scheme has been mentioned in the Company Petition.	In this regard, the reply of the Company may be considered by this Tribunal.
6(l)	As seen from the Balance Sheet of the Transferee Company as at 31.03.2025, the Company has advanced loan to the tune of Rs 24,09,789. In this regard, the Company may be directed to show the compliance of the provisions of Section 185 / 186 of the Companies Act, 2013 before this Tribunal	It is submitted that the said amount is advance given to unrelated parties and hence the said advance is outside the purview of Section 185 and 186 of Companies Act, 2013.	In this regard, the reply of the Company may be considered by this Tribunal.
6(m)	As seen from the Balance Sheet of the Transferee Company as at 31.03.2025, the Company has to pay disputed statutory dues of	It is submitted that and confirmed that the Transferee Company shall pay the statutory dues including disputed statutory	The Petitioner Companies have undertaken to

	Rs 1,31,680 towards VAT. In this regard, the Transferee Company may be directed to settle the dues as and when crystalized by the said statutory authorities.	dues, if any, as and when the same are crystalized by the statutory authorities, in due course of law.	comply with the same.
6(n)	The Transferee Company has allotted Equity and Preference Shares during the year 2024-25 in different tranches with a high premium of Rs 1,00,171 per Share. In this regard, the Company may be directed to furnish the details of issuance of the above Shares and the valuation thereof and the adjustment of the Share premium account along with full details in this regard.	It is submitted that the details of Shares allotted by the Transferee Company in FY 2024-25 are disclosed in the Board Resolutions for allotment of Shares . The said allotments were based on the Valuation Report issued by a Registered Valuer.	In this regard, the reply of the Company may be looked into by this Tribunal.
6(o)	As per the Balance Sheet as at 31.03.2025, it is stated that during the year 2023-24, the Company acquired the business of M/s Vegankare Enterprises Private Limited as a going concern on a slump sale basis, effective 01.10.2023 for a total consideration of Rs 4,91,60,913 and the consideration was discharged through the allotment of 983 Fully Paid-up Equity Shares of Face Value of Rs 10 each with a premium of Rs 50,011 per share. In this regard, the Company may be directed to furnish the entire details of the above transaction with details of the valuation and allotment of shares and details of the Shareholders etc.	It is submitted that the details of Shares allotted by the Transferee Company to M/s Vegankare Enterprises Private Limited are visible in the Board Resolution for allotment of Shares. The said allotment was made based on the Valuation Report issued by a Registered Valuer.	In this regard, the reply of the Company may be looked into by this Tribunal.

21. From the above report of Regional Director (SER) dated 16.04.2026, it can be understood that there are no tenable objections raised and that the queries posed to the Petitioner Companies were also answered. Hence, the directions as sought for by the Regional Director (SER) would stand complied by the Petitioner Companies.

OUR OBSERVATIONS:

22. We have heard the Learned Counsel for Petitioner Companies and perused the material papers on record. Considering the entire facts and circumstances of the case and on perusal of the Scheme, Report of the Income Tax Department, Official Liquidator, Regional Director (SER) and reply / undertakings of the Petitioner Companies thereon and the documents produced on record, the Scheme of Amalgamation appears to be fair and reasonable and is not contrary to public policy and not violative of any provisions of law. All the statutory compliances have been made under Section 230 to 232 of the Companies Act, 2013.

ORDER

23. After hearing the Learned Counsel for the Petitioner Companies and after perusing the documents filed, we pass the following Order: -

(A) The Scheme of Amalgamation which is filed as an **Annexure – A7** from **Page Nos.189 to 217** of the Petition filed

by the Petitioner Companies is hereby sanctioned and confirmed with **Appointed Date as 01.04.2025** and shall be binding on all the Members, Employees, Creditors and all other Stakeholders of the Petitioner Companies.

- (B) We direct the Petitioner companies to comply with all the observations pointed out by the Income Tax Department, Official Liquidator and the Regional Director (SER).
- (C) In order to safeguard the interests of the Income Tax Department, the Transferee Company shall be liable to pay and discharge all outstanding dues of the Transferor Company including recovery of any demand together with applicable interest and penalties, arising from Transferor Company.
- (D) We direct the Petitioner Companies to preserve the Books of Accounts and papers and records and the same shall not be disposed of without the prior permission of the Central Government in terms of provisions of Section 239 of the Companies Act, 2013.
- (E) We direct the Petitioner Companies to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme, the Petitioner Companies shall not be absolved for any of their statutory liability in any manner.

- (F) All the property, rights and powers of Transferor Company be transferred with effect from the Appointed date without further act or deed to Transferee Company and vest in Transferee Company.
- (G) All the legal proceedings which are pending or which are against the Transferor Company in so far as they relate to the Transferor Company shall be pursued by the Transferee Company.
- (H) The Petitioner Companies are directed to strictly comply with the Accounting Treatment Standards prescribed under Section 133 of the Companies Act, 2013.
- (I) The sanction of the Scheme by this Tribunal shall not forbid the revenue authorities from taking appropriate recourse for recovering the existing and previous tax liabilities of the Transferor Company and the Transferee Company.
- (J) We direct the Petitioner Companies involved in the Scheme to comply with Rule 17(2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013. The Petitioner Companies within 30 days, after the date of receipt of certified copy of the order, shall cause certified copy to be delivered in Form INC-28 to the Registrar of Companies concerned for registration and on such certified copy being delivered,

Registrar of Companies concerned shall take all necessary consequential action in respect of the Petitioner Companies.

- (K) The Petitioner Companies are further directed to take all consequential and statutory steps required in pursuance of the approved Scheme of Amalgamation under the provisions of the Companies Act, 2013.
- (L) Any person shall be at the liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
- (M) Accordingly, the **CP(CAA)No.6/230/HDB/2026** is hereby allowed and disposed of.

Sd/-
(SANJAY PURI)
Member (Technical)

Sd/-
(RAJEEV BHARDWAJ)
Member (Judicial)

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