

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.04
CP(CAA) No.35/BB/2025

IN THE MATTER OF:

Betterplace Safety Solutions Pvt Ltd ... Petitioner

Petition Under Sec 230-232 of CA 2013

Order delivered on: 15.06.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner : Shri. Naman G Joshi, PCS

ORDER

C.P (CAA) No.35/BB/2025 is allowed by separate order. File be consigned to record room

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

Jones

IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
(Through Physical Hearing/VC Mode (Hybrid))

CP (CAA)No.35/BB/2025
U/s 230 and 232 of Companies Act, 2013 R/w
Companies (CAA) Rules, 2016

In The Matter Of

M/s. OUST LABS INDIA PRIVATE LIMITED

CIN: U72900KA2015PTC083113

144,144/1, 1st Floor, Shubharam Complex,
M.G. Road, Bangalore,
Bengaluru, Karnataka,

**...PETITIONER COMPANY NO. 1 /
TRANSFEROR COMPANY/OLIPL**

M/s. MSERV TECHNOLOGIES PRIVATE LIMITED

CIN: U72200KA20116PTC096412

144,144/1, 1st Floor, Shubharam Complex,
M.G. Road, Bangalore,
Bengaluru, Karnataka.

**... PETITIONER COMPANY NO. 2 /
TRANSFEROR COMPANY/MTPL**

With

M/s. BETTERPLACE SAFETY SOLUTIONS PRIVATE LIMITED

CIN: U74900KA2015PTC078053

144,144/1, 1st Floor, Shubharam Complex,
M.G. Road, Bangalore, Bengaluru, Karnataka,
India, 560001.

**... PETITIONER COMPANY NO.3/
TRANSFEREE COMPANY/BSSPL**

Order delivered on: 15.06.2026

CORAM:

1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

COUNSELS PRESENT:

For the Petitioner Companies : Shri Naman G Joshi
For ROC & RD : Ms. Theju
For Income Tax Department : Shri Ganesh R. Ghale

ORDER

This second motion petition is filed on 13.11.2025 by **M/s. OUST LABS INDIA PRIVATE LIMITED** (for brevity, the "Petitioner Company no.1 / Transferor Company"), with **M/s. MSERV TECHNOLOGIES PRIVATE LIMITED** (for brevity, the "Petitioner Company No.2 / Transferee Company") under Sections 230 to 232 of the Companies Act, 2013 (for short to be referred hereinafter as the 'Act') and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity, 'Rules') by inter alia seeking for the sanction of Scheme of Amalgamation of M/s. OUST LABS INDIA PRIVATE LIMITED (for brevity, the "Petitioner Company no.1 / Transferor Company") and M/s. MSERV TECHNOLOGIES PRIVATE LIMITED (for brevity, the "Petitioner Company No.2 / Transferee Company") and their respective Shareholders. The petition is maintainable in terms of Rule 3 (2) of the Rules.

1. The First Motion Application bearing CA (CAA) No. 13/BB / 2024 filed by the Petitioner Companies before this Tribunal. And based on such application moved under section 230-232 of the Companies Act, 2013 necessary directions were issued vide order dated 26.06.2025, wherein meetings of the Equity shareholders, Secured and Unsecured Creditors of the Petitioner Companies were dispensed with.
2. The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the scheme and interest of employees have been discussed in detail in first motion order dated 26.06.2025. The Board Resolution of the Petitioners Company approving the Scheme of amalgamation is annexed as **Annexure-K, Annexure-L & Annexure-M** respectfully in the Series of the Petition.
3. The Auditors have certified that "upon examination of the Books of accounts and according to the information and explanations given to us, we are of the opinion that the proposed accounting treatment contained in Clause 12 of the Scheme is in compliance with the relevant provisions of

Companies Act 2013, and the rules made thereunder with reference to the applicable Accounting Standards notified under Section 133 of the Companies Act 2013 and Other Generally accepted Accounting Principles, as applicable”.

4. The Audited and Unaudited balance sheet as on 31.03.2024 & 31.03.2025 of the Transferor Company 1 are annexed in **Annexure C & Annexure D**. The Audited and Unaudited balance sheet as on 31.03.2024 & 31.03.2025 of the Transferor Company 2 is annexed in **Annexure G & Annexure F**.

5. As per the Scheme, “Appointed Date” as defined under the scheme **April 01st, 2024**.

6. Report of the ROC/RD:

The Regional Director (RD) has filed the report vide Dairy No. 5718 dated 16.10.2025. The RD has raised the following observations in the Para 3 of the report as following:-

3. That this Directorate has received letter No. ROCB/CAA-230-232/CP(CAA)No. 35/BB/2025/2346 dated 26.09.2025 from the Registrar of Companies, Karnataka, Bengaluru pointing out certain observations as under:-

- a. That as per the latest shareholders list attached to the last Annual Return filed as at 31.03.2024 of the Transferor Company-1 and Transferor Company-2, M/s. Betterplace Safety Solutions Private Limited, Transferor Company, holds 100% Equity Shares in the Transferor Company-1.
- b. That as per the latest shareholders list attached to the last Annual Return filed as at 31.03.2024 of the Transferee Company, Pravin Kumar Agarwala, an Individual holds the major Equity Shares of 42.38% in the Transferee Company.
- c. That as per clause 1.3 of Part I of the Scheme, the Appointed date is 01st April, 2024 and Petitioner Companies have filed statutory Returns upto 31.03.2024.

- d. That as per MCA record, Transferee Company has open charges. Hence, the Company has to obtain and furnish No Objection certificate/s from the concerned charge holder/s to the Hon'ble Tribunal before the Scheme is allowed.
- e. That as per MCA records, there are Common Directors in the Petitioner Companies.
- f. That as per MCA records, the Transferor Company-1 was originally incorporated on 05.10.2015 as a Private Limited Company with the name of OUST LABS INDIA PRIVATE LIMITED under the jurisdiction of Registrar of Companies, Karnataka and the Transferor Company-2 was originally Incorporated on 12.09.2016 as a Private Limited Company with the name M/s. MSERV TECHNOLOGIES PRIVATE LIMITED under the jurisdiction of Registrar of Companies, Karnataka. It is submitted further that as per MCA records, the Transferee Company was originally Incorporated on 01.01.2015 as a Private Limited Company with the name BETTERPLACE SAFETY SOLUTIONS PRIVATE LIMITED under the jurisdiction of Registrar of Companies, Karnataka.
- g. That as per the scheme, the Transferee Company has Paid-up capital of Rs. 3,67,57,573/-. As per the MCA records the paid-up capital does not match with the amount mentioned in scheme. The Transferee Company is requested to clarify the same before the Hon'ble Tribunal.
- h. That as per para 23 of Hon'ble NCLT, Bengaluru Bench order dated 26.08.2025, the meetings of the Equity Shareholders and Preference Shareholders of the Transferor and Transferee Companies have been dispensed with and the meetings of the Secured and Unsecured creditors of the Transferee Company have been dispensed with. There are no Secured and Unsecured Creditors in the Transferor Company.
- i. That as per Clause 11.1 of Part III of the Scheme, the Transferor Company is a Wholly Owned Subsidiary of the Transferee

Company, as the Transferee Company being the holding company of the Transferor Company, there shall not be any issue of shares as consideration to the shareholders of the Transferor Company and the shares held by the Transferee Company in the Transferor Company shall without any further application, act, instrument, or deed be deemed to have been automatically cancelled with effect from the date Effective.

- j. That as per the latest Audited Financial Statements for the year ending 31/03/2024, Transferor and Transferee Companies are loss-making entities.
- k. That as per Note no. 6 & 21 of the financial Statements for the year ending 31.03.2024, the Transferor Company 1 and Transferee Company have undisputed statutory dues to the tune of Rs. 46 thousand and 35058 million. The Transferee Company may be directed to furnish an undertaking to Hon'ble NCLT to the effect that it will settle the statutory dues immediately, as not settled so far.
- l. That as per Note no. 19 of the Audited Financial Statements for the year ending 31/03/2024, the Transferee Company has total outstanding dues to Micro Small and Medium Enterprises to the tune of Rs. 5.11 million respectively. The Company is requested to show as to how it has complied with Micro, Small and Medium Enterprises Development Act, 2006 and is also requested to furnish an undertaking to the Hon'ble NCLT to the effect that it will settle the dues as per the said Act immediately, if not settled so far.
- m. That as per the Financial Statements for the year ending 31.03.2024, the Transferee Company has Foreign Exchange Transactions. The company is requested to submit the relevant approvals and compliances made under FEMA/RBI regulations before the Scheme is allowed.
- n. That as per the reply of the petitioner companies to ROC dated

15.09.2025, the applicant companies are governed by RBI. It is requested that approval from RBI may be obtained before the Scheme is approved.

- o. That as per Clause 12.1 Part III of the Scheme and the provisions of Section 232(3)(1) of the Companies Act, 2013, the fee, if any, paid by the transferor company on its authorized capital subsequent to the amalgamation. In this regard, it is requested that the Transferee Company shall comply with the provisions of the Section and pay the difference fee, after setting off the fee already paid by the Transferor Company on its respective capital.
 - p. That the Accounting Treatment as mentioned in the scheme is as per the prescribed Accounting Treatment in the Companies Act, 2013 and the applicable Accounting Standards issued from time to time.
 - q. That the Petitioner Companies are requested to comply with the provisions of Section 239 of the Companies Act, 2013 with respect to preservation of books and papers of Amalgamated Company, The Hon'ble Tribunal may be pleased to direct the Petitioner Companies to furnish an undertaking in this regard.
 - r. That as per Section 240 of the Companies Act, 2013, the liability in respect of offences committed under the Companies Act by the Officers in default or directors or any person in connection to the Transferor Companies prior to merger, amalgamation or acquisition shall continue after such merger, amalgamation, or acquisition.
 - s. That there are no open Compliant, Prosecution, Technical Scrutiny/Inquiry, Inspection, and Investigation pending in this office against the Transferor and Transferee Companies.
6. On examination of the contents of the scheme, replies of the petitioner companies and apart from the observations stated in preceding para 3, the observations of the Deponent are as under:
- a) That both Transferor Companies are wholly owned subsidiaries

of the Transferee Company and present Scheme of Amalgamation is filed for amalgamation of wholly owned subsidiaries into the Holding Company.

- b) That the business objects of the Transferor Companies and Transferee Companies appears to be different in nature and as per Clause 13.1 of the Scheme, it is stated that main objects of the Transferor Companies shall be added to the existing main objects of the Transferee Company. In this regard, the Transferee Company may be directed to amend the objects of the Transferee Company by filing relevant forms with RoC upon approval of the Scheme.
- c) That as per Clause 14.1 of the Scheme, it is stated that upon the Scheme becoming effective, the Transferee Company shall account the amalgamation in the books of Transferee Company as per Pooling of interest method of accounting as prescribed under AS-14 as noticed in the Companies (Accounting Standard) Rules, 2021 issued by Ministry of Corporate Affairs and as may be amended from time to time.
- d) That as seen from the Master Data of the Transferee Company, there is a mismatch in the paid up capital of the Company upon comparing with the details of paid up capital given in the Scheme. In this regard, the Transferee Company may be directed to furnish the details with regard to the mismatch of the paid up capital before the Hon'ble Tribunal.
- e) That the Transferee Company has different classes of shares apart from equity shares.
- f) That as per the Master data of the Transferee Company, there are open charges against the Company. In this regard, the Transferee Company may be directed to obtain and furnish NOC from the Charge Holders before the Hon'ble Tribunal.
- g) That as seen from the Balance Sheet of the Transferor Companies and transferee Company as at 31-03-2024, both the

Transferor Companies have related party transactions during the last two years. In this regard, the Transferor companies may be directed to show the compliance of the provisions of Section 188 of the Companies Act, 2013 and furnish an undertaking before the Hon'ble Tribunal with regard to the compliance of the above provisions.

- h) That the transferee Company has made huge investments. In this regard, the Transferee Company may be directed to show the compliance of the provisions of section 185/186 of the Companies Act, 2013 before the Hon'ble Tribunal.
- i) That as per Clause 8.1 of the scheme, it is stated that the services of all the employees of the Transferor companies shall stand transferred to the Transferee Company on the terms and conditions not less beneficial to such employees than those subsisting with reference to the Transferor Companies. In this regard, the Transferee Company may be directed to furnish an undertaking before the Hon'ble Tribunal stating that the interests of the employees of the Transferor Companies shall be protected by the Transferee Company upon approval of the Scheme.
- j) That as per Clause 11.2 of the Scheme, it is stated that upon the Scheme becoming effective, the equality held by the Transferee Company in Transferor Companies shall be cancelled and no shares shall be issued or cash be paid whatsoever by the Transferee Company.
- k) That as per Clause 12.1 of the Scheme, upon approval of the Scheme, the authorized share capital 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 act and pay the differential fee after setting of the fee already paid by the Transferor Companies and furnish an undertaking before the Hon'ble Tribunal.

- l) That as seen from the reply of the company and list of equity/preference shareholders of the company, several foreign body corporates/foreign individuals have made investments in the Transferee Company and the company has issued compulsorily convertible preference shares. In this regard, the Transferee Company may be directed to state whether the company has complied with FEMS/RBI Regulations and furnish an undertaking before the Hon'ble Tribunal with regard to the above investments by the foreign body corporates.
- m) That as per the reply of the company dated 03-10.2025, the auditor's have made comments at Para vii(a) of the Balance Sheet for the period ended 2021-22, it is stated that the arrears/dues outstanding against ESI is "0" and the company has replied that the amount due on account of ESIC payable is very low and is mainly due to non-availability of Aadhar of employees and which is causing delays in some cases, however, the management will take necessary action for payment of the statutory dues within due dates and at Para xvii of the report, the company has incurred cash loss of Rs. 5820 lakhs in the financial year and had incurred cash losses of Rs. 1194 lakhs in immediately preceding financial year. In this regard, the company further stated that the company is currently investing into building the Team & Tech Platform that can support its future growth plans and the case losses of the current year in line with its future plans and the company estimates to be profitable by FY 2024 and further, for the Financial Year ended 2023-24, the auditor has made a remark at Note 42 to the standalone financial statements, as per which the company incurred net loss of Rs. 21804 lakhs during the year and the net worth of the company has fully eroded and the companies current liabilities exceeded its current assets by INR 26004 lakhs and the company's ability to continue as a going concern

is depending on the ability of the company to raise additional funds and these events or conditions along with other matters as set forth in Note 42 indicate that a material uncertainty exists that may cast significant doubt on the ability of the company to continue as a going concern. In this regard, the company has replied that subsequent to the year end, the company has raised funds amount to Rs. 833 lakhs through issue of Series D Preference shares and the debenture holders on a restructuring agreement for the pending principal payments and is in the process of negotiating the acquisition payouts with the respective shareholders of the target companies. It is further stated by the company that the payouts for these transactions will only be made after additional fundraise by the company and the company has also managed to significantly reduce its losses in the previous six months and is expected to achieve break-even within the next six months and the Company believes that it would be able to meet its financial requirements as and when they fall due, and no adjustments would be required in respect of the recoverability and classification of recorded assets and obligations and classification towards liabilities. Further, as seen from the latest equity/preference shareholders list of the Transferee Company, the company has allotted several class of shares and investments have been brought into the company. Hence, the Transferee Company may be directed to explain about the present status of the Company before the Hon'ble Tribunal.

6.1. Reply to the RoC/RD report:

Reply affidavit to the report of RD/ROC has been filed by the petitioner companies vide diary No. 5861 dated 27.10.2025 , inter alia stating as under:-

2. In reference to Para No. 1 and 2 of the report submitted by the Registrar of companies, Karnataka along

with Regional Director, South East Region, Hyderabad dated 13-10-2025 ("Common Report"), the petitioner Companies respectfully submit that the contents of the said paragraph are factual in nature and requires no response.

3. **In response to Para 3-** points (a) to (f) are factual in nature and requires no response.

4. **In reference to Point 3(g)** it is submitted that the paid-up capital amount considered in the scheme is as per the scheme is as on 06.03.2025 ("Cutoff date") which was Rs. 3,70,60,163/- (Rupees Three crore Seventy lakhs sixty Thousand one hundred Sixty-Three only) however additional capital was raised after such date, and the shares were allotted to the extent of Rs. 3,81,57,742/- (Rupees Three Crore Eighty-One Lakhs Fifty-Seven Thousand Seven Hundred Forty-Two Only). There has been following incidents post the cut of date to increase paid up capital.

1. Conversion of Series C CCCPS of Rs 100 each to Equity Shares of Rs. 10 each

Date of Allotment	Allotted to	No of shares	SRN-PAS 3
12/07/2024	UV III GP LLC	3251 equity Shares of Rs. 10 each	AB1762043

Due to the conversion of CCPs into Equity paid up capital of the company stand reduced to 367,57,573/-

2. Fresh Issue of Series D CCCPs

Date of Allotment	Allotted to	No of shares	SRN-PAS 3
10/03/2025	Capria SPV VII LLC	3715 Preference Shares of Rs. 100 each at a premium of Rs. 30.74 per share	AB2933070
12/03/2025	Jungle Venture IV VCC	6859 Preference share of Rs. 100 each at a premium of Rs. 30,074, per share	AB2963819

3. Fresh Issue of Series D CCCPs

Date of Allotment	Allotted to	No of shares	SRN-PAS 3
01/07/2025	3One4Capital Continuum-I, a scheme of 3One4Capital Trust, represented by its Trustee, Vistra ITCL (India)Ltd	3314 Preference Shares of Rs. 100 each at a premium of Rs. 30,074 per share	AB5247009

4. Fresh Issue of Series VD2 CCCPs:

Date of Allotment	Allotted to	No of shares	SRN-PAS 3
03/09/2028	InnoVen Capital India Fund(Acting through its trustee Vistra ITCL (India Limited)	1369 Preference Shares of Rs. 10 each at a premium of Rs. 30,164 per share partly paid Rs. 1per share	AB6468577

5. **In response to Para 3-points (h) to (j)** are factaul in nature and requires no response.

6. **In response to Para 3-points(k).** As per the clause 6 of scheme, on the scheme becoming effective all the liabilities of the wholly owned subsidiaries become the parent entity in position of the same on the schem becoming effective and same can be paid from the holding company as subsidies are not having much revenue to settle tha liability including statutory dues, therefore, I hereby undertake to settle the said statutory dues, as the subsidies are not having much business to settle the statutory dues.

7. **In response to Para 3-points (l)** I hereby submit that the transferee company has duly complied the MSME Development Act, 2006 by filing FORM MSME to MCA and further undertake to settle the remaining MSME dues at the earliest on the scheme becoming effective

so that holding company may clear all the pending liabilities.

In response to para 3(m) we are hereby attaching the copy of the Acknowledgement for filing final Foreign Liabilities and Assets (FLA) for FY 2023-24 for transferee company as **Annexure 2**.

8. In response to Para 3-points (n) to (p) are factual in nature and requires no response.

9. In response to Para 3(q) I, hereby undertake to comply with the section 239 of companies Act, 2013

10. In response to Para 3-points (r) & (s) are factual in nature and requires no response.

11. In response to Para 4 are factual in nature and require no response.

12. Further in response to Para 5- I, on behalf of the Transferee company undertake that, if any demand arises from the Income Tax Department with respect to Transferor Companies and Transferee Company, Transferee Company is ready to pay the said dues in line with the provisions of the Income Tax Act.

13. In response to Para 6 it is hereby submitted that:

Para 6(a): is factual in nature and requires nor response.

Para 6(b): as per the scheme of amalgamation, since the Transferor companies will cease to exist as on the approval of the scheme, the objectives of such company shall also stand cancelled, and the objectives of the Transferee company shall be carried on accordingly.

Para 6(c): I hereby undertake that upon the scheme becoming effective, the transferee company shall account for the amalgamation in the books of Transferee company as per pooling of interest method of accounting as prescribed under AS-14.

Para 6(d): we hereby submit that the clarification of the same is hereby provided in point 4 of this affidavit to common report.

Para 6(e): Para 6(a)is factual in nature and requires no response.

Para 6(f) :it is submitted that, there shall be no material effect

on the charge holders of the Transferee company thereore, it is hereby humbly submitted that, no NOC from Charge holders is required and the hon'ble Tribunal may be pleased to direct the same.

Para 6(g): I hereby submit that the Transferor companies in the Annual filings have submitted AOC -2 in compliance as an annexure to AOC 4 and the attached AOC-2 details the compliance under section 188. Same is attached as **ANNEXURE 3.**

Para 6(h): I hereby submit that the company has filed **MGT 14** in compliance with section 186 of the Companies Act, 2013 the copy of the Form MGT 14 is hereby attached as **ANNEXURE 4**

Para 6(i): I hereby undertake to protect the interests of the employees of the Transferor Companies shall be protected by the Transferee company upon approval of the scheme.

Para 6(j): is factual in nature and requires no response.

Para 6(k) I hereby undertake to comply with the provisions of section 232(3)(i) of the Act and pay the differential fees after setting of the fees already paid by the Transferor companies and furnish an undertaking before this Hon'ble Tribunal is attached as **ANNEXURE I**

Para 6(l) I hereby state that the Transferee company has complied with all applicable FEMA/RBI regulations and hereby submit the acknowledgment of filing FLA for FY 2023-24 in **ANNEXURE 2.**

Para 6(m) it is hereby submitted that

- a. Company has no outstanding in payment of ESI unless the employes fails to provide the Aadhar. As on date some of the employees' account has been credited and some employees have yet to provide Aadhar with details to remit the amount to their account.
- b. Company is one of the First startup in the India recognized and appreciated under Startup India scheme

of the India Government, helping blue color employees to find there job through tech platform and it has backed my many investor and its business will be driving to positive margin in some days and these deep losses will be not have impact on the operation of the company.

- 7. OL REPORT:** The Official Liquidator attached to the Hon'ble High Court of Karnataka most respectfully submits his report with respect of Transferor Companies.
1. That the Transferor Companies and the Transferee Company have filed a petition U/s. 230 to 232 of the Companies Act, 2013 before the Hon'ble Tribunal Bangalore Bench in C.P.(CAA) No. 35/BB/2025 seeking approval for sanction of scheme of amalgamation of Transferor Companies with the Transferee Company.
 2. That as per petition and further information/documents provided by the Transferor Companies, the requisite report of the Official Liquidator in respect of Transferor Companies is furnished in succeeding paras of the instant report.
 3. Transferor companies No. 1, 2 and Transferee Company are registered in the State of Karnataka.
 4. The proposed appointed date of the scheme is 01.04.2024. Transferor Company No.1 &2 have filed their Balance sheet as at 31.03.2024 with the Registrar of Companies, Bengaluru.
 5. That the Transferor Companies vide their letter dated 30.09.2025 intimated that no inquiry, inspection and investigation ordered by the MCA or ROC against Transferor Company under the provision of the Companies Act, 1956/2013.
 6. The Transferor Companies are wholly owned subsidiaries

- Company of Transferee Company.
7. That M/s. Oust Labs India Private Limited – Transferor Company No. 1 was incorporated on 05.10.2015 in terms of the provisions of the Companies Act, 2013 and is having its registered office at 144,144/1, 1st Floor, Shubharam Complex, M.G. Road, Mahatma Gandhi Road, Bangalore - 560001. The CIN of the company is U72900KA2015PTC083113.
 8. That the Audit for Transferor Company No.1 for the year ended 31.03.2024, was completed by R.S. Mutha & Co., Chartered Accountants.
 9. That M/s. Mserv Technologies Private Limited – Transferor Company No. 2 was incorporated on 12.09.2016 in terms of the provisions of the Companies Act, 2013 and is having its registered office at No. 144,144/1, 1st Floor, Shubharam Complex, M.G. Road, Mahatma Gandhi Road, Bangalore-560001. CIN of the Company is U72200KA2016PTC096412.
 10. That the Audit for Transferor Company No. 2 for the year ended 31.03.2024 was completed by Vagrecha & Associates, Chartered Accountants.
 11. That M/s. Betterplace Safety Solution Private Limited- Transferee Company was incorporated on 01.01.2015 in terms of the provisions of the Companies Act, 2013 and is having its registered office at 144,144/1, 1st Floor, Shubharam Complex, M.G.Road, Mahatma Gandhi Road, Bangalore-560001. CIN of the Company is U74900KA2015PTC078053.
 12. The Directors of Transferor Company are also holding directorship in Transferee Company and Resulting Company.
 13. As per the master date of MCA no charge is subsisting

against the assets of Transferor Company No. 1 & 2.

14. An undertaking may be obtained from the Petitioner Companies that will pay applicable stamp duty and other charges to the State Government within a reasonable time of 6 months.

15. **Observations of the Official Liquidator:**

a) The Board of Directors of Transferor Company No. 1 & 2 approved of the scheme on 12.02.2025. The Transferor Companies No. 1 & 2 vide their letter dated 30.09.2025 have informed that there are 2 Equity Shareholders, no Secured Creditors and Unsecured Creditors as on 31.03.2025.

b) From the Financial Statement of the Transferor Company No. 1 for the FY ending 31.03.2023 & 31.03.2024 it is observed that the company is a going concern and has Revenue from operations to the extent of Rs.3,24,86,000/- & Rs. 2,36,50,000/- respectively.

c) From the Financial Statement of the Transferor Company No. 2 for the FY ending 31.03.2023 & 31.03.2024 it is observed that the company has Revenue from operations to the extent of Rs.16,72,100/- & Rs. 80,700/- respectively.

d) That as per the Financial Statements of the Transferor Company No. 1 & 2 as at 31.03.2024, there is no Expenditure incurred towards Employees' salaries and wages. Further, in the scheme **as per Part 'II' Clause 8 of the proposed Scheme Transfer of Employees:**

On the Effective Date:

8.1 The services of all employees- of the Transferor Companies, if any, shall stand transferred to the Transferee Company such employees than those

subsisting with reference to the Transferor Companies. The position, rank, and designation of the employees would be decided by the Transferee Company.

e) As per Part 'III' Clause 11 of the proposed Scheme: Consideration For the Amalgamation and Increase in Authorized Capital of Transferee Company: Cancellation of Shares Held by Transferee Company in Transferor Companies:

11.1 The equity share capital of Transferor Companies is held by the Transferee Company. The Transferor Companies undertake not to effect any change in their equity share capital till this Scheme comes into effect. Accordingly, upon coming into effect of this Scheme, the investment made by the Transferee Company in the equity share capital of the Transferor Companies shall stand cancelled and no shares shall be issued or cash be paid whatsoever by the Transferee Company, without there being any further act or deed in furtherance thereof.

11.2 Upon the Scheme becoming effective, the share certificates held by the Transferee Company shall stand cancelled without any further act, deed required for that purpose.

f) As per the Part 'III' Clause 12 of the proposed Scheme: Combination and Reclassification of Authorised Share Capital of the Transferee Company:

12.1 Upon the Scheme becoming effective, the authorized share capital of all the Transferor Companies shall stand combined with and be deemed to be added to the authorized share capital of the Transferee Company without any further act, deed or procedure, formalities or

payment of any stamp duty and registration fees. Filing fees and stamp duty, if any, paid by the Transferee Company on the combined authorized share capital. Any additional fees or stamp duty, if any, to be paid on the consolidation of the authorized share capital of the Transferor companies with the authorized share capital of the Transferee Company, the same will be paid to the Ministry of Corporate Affairs, Government of India to that extent.

12.2 Consequent to the clubbing of the Authorized Share Capital of the Transferor Companies with the Transferor Companies with the Transferee Company shall be increased to INR 4,81,08,410 (Rupees Four Crore Eighty One Lakhs Eight Thousand Four Hundred and Ten Only) which comprises of INR 91,73,890 (Rupees Ninety One Lakhs Seventy Three Thousand Eight Hundred and Ninety only) divided into 9,17,389 Equity Shares of INR 10/- each, INR 9,90,340 (Rupees nine Lakhs Ninety Thousand Three Hundred and Forty Only) divided into 99,034 Convertible Cumulative Preference Share Shares of INR 10/- each, INR 3,45,40,000 (Rupees Three Crore Forty Five Lakhs Forty Thousand Only) divided into 3,45,400 Compulsory Convertible Cumulative Preference Share Shares of INR 100/- each, INR 1,84,840 (Rupees One Lakhs Eighty Four Thousand Eight Hundred and Forty Only) divided into 9,242 Compulsory Convertible Non-Cumulative Preference Shares of INR 20/- each, INR 32,00,000 (Rupees Thirty Two Lakhs only) divided into 1,60,000 Compulsory Convertible Cumulative Preference Shares of INR 20/- each and INR 19,340 (Rupees Nineteen Thousand Three Hundred and Forty only) divided into 1,934 unclassified shares of INR 10/- each.

7.1 REPLY TO OL REPORT:

The Director of the Petitioner Companies in the above mentioned matter filed Reply to the OL Report vide Diary No. 5860 dated 27.10.2025, in the following manner:-

1. In reference to Para 1 and 13 of the report submitted by The Official Liquidator dated 30.09.2025("Report"), that I, on behalf of petitioner Companies respectfully submit that the contents of the said paragraphs are factual in nature and requires no response.
2. In response to Para 14-I hereby undertake to pay applicable stamp duty and other charges to the State government within the reasonable time of 6 months.
3. In response to Para 15 we Humbly submit that –
Point (a) to (c) are factual in nature and require no response.

Point (d) we submit that the employees of the employees of the transferor companies are primarily engaged on an agency basis, where they are controlled and managed by the transferee company. These employees are already integrated into the transferee company structure in terms of their functional responsibilities and operations.

However, Clause 8 of the proposed Scheme of Transfer of Employees, as mentioned, ensures that if there are any employees of the transferor company who are not yet fully integrated or are not part of the transferee company, their services will still be transferred under the same terms and conditions ensuring they are not disadvantaged.

We undertake to protect the interest of the employees of all petitioner companies

In response to point (f) we state that upon the scheme

becoming effective, the authorized share capital of the Transferor companies shall stand combined with the authorized capital of the Transferee company.

Thereby I undertake to comply with all necessary compliance in combining of the authorized capital and make all such stamp duty payments and filing of forms to give effect to this clause in accordance with law upon approval of the scheme.

8. REPORT OF THE INCOME TAX DEPARTMENT:

The Petitioner Companies had filed a Memo for filing IT Report vide Diary No. 6976 dated 11/12/2025.

In compliance with the report dated 17.11.2025, bearing **Ref. No. R.No.33/acit-c-2(1)(1)/BLR/2025-26**, the Practicing Company Secretaries, as counsel on behalf of the Petitioner Companies, respectfully submitted that the report does not record any discrepancies. However, the Income Tax Officer has directed the Transferee Company to confirm the compliance of provisions of the Income-tax Act for filing revised returns under Section 170A pursuant to the earlier merger under C.P.(CAA) NO. 24/BB/2023.

In compliance with the requirements of Section 170A of the Income-tax Act post-merger, Transferee company has duly complied the said provisions by filing revised return and proof of the same has been attached as **Annexure A** as proof of such compliance.

The Income Tax Department has filed its report in respect of the Petitioner Companies vide Diary No. 1033 dated 02.03.2026 stating that against M/s. MSERV Technologies Private Limited, PAN – AAKCM5894R (Transferor Company-2)

- a. There are no Proceedings pending
- b. There are no Demands Pending and
- c. There is no Inquiry or Verification Pending
- d. The carried forward of losses of the assessee company
M/s MSERV Technologies Private Limited, PAN –

AAKCM5894R (Transferor Company-2), should not be allowed to be amalgamated with Transferee Company, as per provisions of section 72A of IT Act.

8.1 REPLY TO THE INCOME TAX REPORT: The Petitioner Companies have filed an Undertaking Reply Affidavit to the IT Report under the provisions of the Income Tax Act, vide Diary No. 1090 dated 04.03.2026, inter alia stated the following:

2. The Applicant Companies accordingly state and undertake that the accumulated business losses and unabsorbed depreciation of Transferor Company-2 shall not be claimed as eligible for carry forward or set-off in the hands of the Transferee Company under Section 72A of the Income-tax Act, 1961.

9. The reports of ROC/RD, OL and IT are taken on record. The reply filed by the petitioner companies to the report of ROC/RD, OL and IT are also taken on record.
10. Heard Shri Naman G Joshi, Learned Counsel for the Petitioner Companies, Ms. Theju, Ld. Counsel for the ROC/RD and Shri Ganesh R. Ghale, Ld. Counsel for the I.T Department and carefully perused the file.
11. The observations of statutory authorities and responses thereto of the Petitioner Companies have been reproduced above in sufficient detail where after, no further issues have been raised reflecting their satisfaction with the responses/compliance by the Petitioner Companies. It thus leaves no impediment to the approval of Scheme.
12. Hence, the Scheme of Amalgamation is **approved** with the appointed date being **01.04.2024** and we hereby declare that the same is binding on all the shareholders and creditors of the Transferor as well as Transferee Companies. While approving the Scheme, it is clarified that this order should not be construed as an order in anyway granting exemption from payment of any stamp duty, taxes, or any other charges, if any, and payment in accordance with law or in respect of any permission/compliance with any other requirement which may be

specifically required under any law. With the sanction of the Scheme, the Transferor Company shall stand dissolved without being wound-up, without any further act or deed.

AND THIS TRIBUNAL DOES FURTHER ORDER:

- (i) That the Petitioner Company do, within 30 days after the date of receipt of this Order, cause a certified copy of this Order to be delivered to the Registrar of Companies, Karnataka for registration. The concerned Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file relating to the Petitioner Company registered with him on the file relating to the said Petitioner Company and the files relating to Petitioner Company shall be consolidated accordingly, as the case may be; and
- (ii) The Petitioner Company is directed to make compliance to the provisions of Section 170A of the Income Tax Act, 1961 within the stipulated period of time.
- (iii) The Petitioner Company is directed to Comply with provisions of TDS on the amounts being paid out and also comply with the provisions relating to FEMA in case of any outgoing amounts being paid to persons residing outside the Country.
- (iv) That any person interested shall be at liberty to apply this Tribunal in the above matter for any directions that may be necessary.
- (v) The approval/sanctioning of the Scheme shall not be construed as an exemption from any of the provisions under the Income Tax Act, 1961 or the Companies Act, 2013 and that the authorities under both the Acts, are at liberty to take appropriate action, in accordance with law, if so advised.
- (vi) The Petitioner Company have given various undertaking in response to observations made in ROC/RD, IT Department & OL reports. They are directed to ensure compliance of the same.

13. As per the directions, Form No.CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, formal orders be

issued on the Petitioner Company on filing of the Schedule Property
i.e.,

- (i) freehold property of the Transferor Company and
- (ii) leasehold property of the Transferor Company by way
of affidavit of the Transferor Company respectively.

**14. With the above Directions, C.P. (CAA) No.35/BB/2025 is
disposed of.**

15. Copy of this Order be provided to the Petitioner Company through
their Counsel.

**-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

**-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**