

S.No.1

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
20-05-2026 AT 12:35 PM**

CP (CAA) No. 48/230/HDB/ 2025
U/s. 230 R/w Section 232 of Companies Act, 2013

IN THE MATTER OF:

M/s. Lakshmi Techno Solutions Pvt., Ltd., (Transferor Company) , Sri Jayalakshmi Automotives Pvt Ltd., (Transferee Company) & Respective Shareholders & Creditors
...Petitioner

C O R A M:-

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

ORDER

Present: Ms. Grishma Kalantri, Ld. PCS for the Petitioner.

Orders pronounced, recorded vide separate sheets.

In the result, this CP (CAA) No. 48/230/HDB/ 2025 is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

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

CP (CAA) No.48/230/HDB/2025
Connected with
C.A. (CAA) No.33/230/HDB/2025

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

IN THE MATTER OF SCHEME OF AMALGAMATION BETWEEN

**M/s LAKSHMI TECHNOSOLUTIONS PRIVATE LIMITED
(Transferor Company)**

AND

**M/s SRIJAYALAKSHMI AUTOMOTIVES PRIVATE LIMITED
(Transferee Company)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

M/s LAKSHMI TECHNOSOLUTIONS PRIVATE LIMITED

[CIN: U45100TG2003PTC041833]

Having its registered office at
H.No.1-10-127, Street No.9,
Ashok Nagar, Hyderabad – 500 020,
Telangana, India.

.... Transferor Company

M/s SRIJAYALAKSHMI AUTOMOTIVES PRIVATE LIMITED

[CIN: U34300TG1998PTC029447]

Having its registered office at
3-5-436/437/438, Naspur Road,
Himayatnagar, Hyderabad – 500 029,
Telangana, India.

.... Transferee Company

DATE OF ORDER: 20.05.2026

CORAM

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

Appearance:

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

PER : BENCH

ORDER

1. This Joint Company Petition has been filed by M/s Lakshmi Technosolutions Private Limited (Transferor Company) and M/s Srijayalakshmi Automotives Private Limited (Transferee Company) (hereinafter referred to as "**Petitioner Companies**") under Section 230 to 232 read with the applicable provisions of the Companies Act, 2013 read with applicable provisions of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016 praying for sanction the Scheme of Amalgamation annexed to the Petition as Annexure - 5 so as to be binding on all the Members, Employees and Creditors of the Petitioner Companies.

AVERMENTS IN BRIEF AS PER THE PETITION: -

2. PARTICULARS OF TRANSFEROR COMPANY:

(A) **M/s LAKSHMI TECHNOSOLUTIONS PRIVATE LIMITED** (hereinafter referred to as “**Transferor Company**”) is a Private Limited Company incorporated on 09.10.2003 with CIN U45100TG2003PTC041833 under the provisions of the Companies Act, 1956. The Registered Office of the Transferor Company is same as mentioned in the cause title. A copy of the Certificate of Incorporation along with the Memorandum and Articles of Association of the Transferor Company are annexed to the Petition and marked as **Annexure – 1.**

(B) The main objects of the Transferor Company as set out in the Memorandum of Association are given at **Page No.4** of the Petition.

(C) The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company is as under:

Particulars	Amount (in INR)
Authorized Share Capital	
2,10,00,000 Equity Shares of Face Value of INR 10 each	21,00,00,000
Total	21,00,00,000

Issued, Subscribed and Paid-up Share Capital	
2,07,91,080 Equity Shares of Face Value of INR 10 each	20,79,10,800
Total	20,79,10,800

Subsequent to the above, there has been no change in the Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company.

A copy of the limited review Audited Financial Statements as on 30.09.2024 of the Transferor Company are annexed to the Petition and marked as **Annexure - 2** and the Audited Financial Statements for the Financial Year ended on 31.03.2025 are annexed to the Petition and marked as **Annexure - 2A**.

A copy of the latest Provisional Financial Statements as on 30.09.2025 of the Transferor Company are annexed to the Petition and marked as **Annexure - 2B**.

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

(A) **M/s SRIJAYALAKSHMI AUTOMOTIVES PRIVATE LIMITED** (hereinafter referred to as “**Transferee Company**”) is a Private Limited Company incorporated on 21.05.1998 with CIN U34300TG1998PTC029447 under the provisions of the Companies Act, 1956. The Registered Office of the Transferor Company is same as mentioned in the cause title. A copy

of the Certificate of Incorporation, Memorandum and Articles of Association of the Transferee Company are annexed to the Petition and marked as **Annexure - 3**.

- (B) The main objects of the Transferee Company as set out in the Memorandum of Association are given at **Page Nos.5-7** of the Petition
- (C) The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company is as under:

Particulars	Amount (in INR)
Authorized Share Capital	
3,00,00,000 Equity Shares of Face Value of INR 10 each	30,00,00,000
Total	30,00,00,000
Issued, Subscribed and Paid-up Share Capital	
2,12,50,000 Equity Shares of Face Value of INR 10 each	21,25,00,000
Total	21,25,00,000

Subsequent to the above, there has been no change in the Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company.

A copy of the limited review Audited Financial Statements as on 30.09.2024 of the Transferee Company are annexed to the Petition and marked as **Annexure - 4** and the Audited

Financial Statements for the Financial Year ended on 31.03.2025 are annexed to the Petition and marked as **Annexure – 4A.**

A copy of the latest Provisional Financial Statements as on 30.09.2025 of the Transferee Company are annexed to the Petition and marked as **Annexure – 4B.**

4. **RATIONALE BEHIND THE AMALGAMATION:**

- (a) To achieve synergistic integration and consolidation of the businesses presently being carried on by the Transferor Company and the Transferee Company which shall be beneficial to the Shareholders, Creditors and Employees of such Companies.
- (b) The Amalgamation would create greater synergies between the businesses of the Transferor Company and the Transferee Company and would enable them to have access to better financial resources as well as increase the managerial efficiencies, while effectively pooling the technical, distribution and marketing skills.
- (c) Simplification of group structure by elimination of multiple entities.

- (d) Enhancement of net worth of the combined business to capitalize on future growth potential, optimum utilization of resources and better administration and cost reduction.
- (e) The Transferor Company is a subsidiary of the Transferee Company. A combined entity will prove to generate immense benefits of large scale of economies and combined entity will have powers to negotiate with vendors, customers and stakeholders.
- (f) Greater financial strength and flexibility for the Transferee Company which would result in optimizing the leveraging capability which in turn will allow Transferee Company to undertake large expansion strategies.
- (g) Larger integrated entity will improve the competitive position of the Transferee Company.
- (h) 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.
- (i) Improved Shareholders value for the Transferee Company by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.

5. **CONSIDERATION / ISSUE OF SHARES:**

Upon the Scheme becoming effective and in consideration of the Amalgamation of Transferor Company into and with the Transferee Company including the transfer and vesting of the Transferor Company into and with the Transferee Company, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot Equity Shares to the Equity Shareholders of the Transferor Company, whose name is recorded in the Register of Members and whose names appear as the beneficial owners of the Shares of the Transferor Company in the records of the depositories as on the Record Date:

“1 (One) Equity Share of the Transferee Company for each Equity Share held in the Transferor Company of a Face Value of INR 10 (Rupees Ten only) credited as Fully Paid-up to the Equity Shareholders of the Transferor Company, other than the Equity Shares already held by the Transferee Company in the Transferor Company.”

6. **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 copy of the Certificate issued by Karvy & Co, Chartered Accountants, dated 29.05.2025 certifying the same is annexed to the Petition and marked as **Annexure - 6**.

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

The Boards of Directors of the Petitioner Companies in their respective meetings held on 19.05.2025 have approved the Scheme of Amalgamation with the **Appointed Date as 01.10.2024** subject to the approval / directions of this Tribunal as may be required.

A copy of the resolutions of the Transferor Company and the Transferee Company approving the Scheme of Amalgamation is annexed to the Petition and marked as **Annexure - 7** and **Annexure - 8** respectively.

8. **OVERVIEW OF THE SCHEME:**

Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets, liabilities and undertaking(s) of the Amalgamating Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Amalgamated Company under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act and also in accordance with Section 2(1B) of the IT Act without any further deed or act, subject to existing charges or *lis pendens*, if any thereon, in favour of banks / financial institutions.

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

(a) There are no proceedings / investigation pending against the Petitioner Companies under Section 210 – 217, 219, 220, 223, 224, 225, 226 and 227 of the Companies Act, 2013.

(b) There is no winding up petition has been filed or is pending against the Petitioner Companies.

10. The Petitioner Companies have filed the First Motion Application bearing C.A.(CAA) No.33/230/HDB/2025 praying for dispensing with the requirement of convening the meeting of the Equity Shareholders of the Applicant Companies and for convening the meeting of the Secured Creditors, Unsecured Creditors and Trade Creditors of the Transferee Company. This Tribunal vide order dated 31.10.2025, disposed of the said application by dispensing with requirement of convening the meetings of Equity Shareholders of the Applicant Companies and stated that the requirement of convening the meeting of creditors of the Transferor Company does not arise as there are no creditors in the Transferor Company. This Tribunal ordered to convene the meeting of the Secured Creditors, Unsecured Creditors and Trade Creditors of the Transferee Company on 06.12.2025 and appointed Mr. Ramakrishna Rudrabhatt, Advocate as the Chairman and Mr. Mahadev Tirunagiri, PCS as Scrutinizer for the said meetings. A

copy of the order dated 31.10.2025 passed by this Tribunal is annexed to the Petition and marked as **Annexure - 21**.

11. The Chairperson reported to this Tribunal that the resolution proposed for approval of the Scheme of Amalgamation was approved unanimously by the Secured Creditors, Unsecured Creditors and Trade Creditors of the Transferee Company. A copy of the Chairperson's Report dated 13.12.2025 is annexed to the Petition and marked as **Annexure - 23**.
12. Subsequent to the filing of the present Petition, this Tribunal by an order dated 09.01.2026, issued notices 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 21.01.2026. Proof of Publication and Proof of Service of notice of hearing have been filed by way of an Affidavit dated 13.03.2026.
13. **OBSERVATIONS BY INCOME TAX DEPARTMENT:**
 - (i) The Income Tax Department had filed Affidavits dated 23.01.2026 and 13.02.2026 stating that as per the available records of the office, there is a pending demand of **Rs.3,57,69,540/-** in case of **Transferor Company** for the Assessment Year 2017-18,2018-19, and 2019-2020 and with regard to the **Transferee Company** there is a pending demand of **Rs.5,81,50,380/-** in respect of the earlier Assessment years

and further submitted that no Assessment proceedings are pending in case of Transferee Company for any Assessment year.

- (ii) It is submitted by the Income Tax Department that since there is a pending demand as per records, Adjudicating Authority may pleased to pass orders that the Resultant Company shall be liable to pay and honour all the dues in respect of Transferor Company and Transferee Company or pass any such order in the interest of revenue and recovery.
- (iii) 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.

OBSERVATIONS BY OFFICIAL LIQUIDATOR:

- 14. The Official Liquidator vide his report dated 07.04.2026 has made certain observations. The Learned Counsel for the Petitioner Companies has filed reply Affidavit dated 13.04.2026, in response to the observations made by the Official Liquidator. The Official Liquidator vide his further report dated 23.04.2026 has submitted further observations in response to the Affidavit of Petitioner Companies dated 13.04.2026. The details are given below:

Para No.	Official Liquidator's Observations Dated 07.04.2026	Ld. Counsel for the Petitioner Companies Reply Affidavit Dated 13.04.2026	Official Liquidator's further Observations Dated 23.04.2026
22(1)	Clause 1.20 of Part-I of the Scheme dealing with "Record Date" leaving it as undetermined and seeking to vest the entire power to fix the Record Date completely with the Board of Directors of Amalgamated Company alone without involvement of Amalgamating Company and hence, this Tribunal may direct the Amalgamated Company to submit an undertaking to this Tribunal to the effect that the Record Date would be decided and fixed mutually by the Board of Directors of Amalgamating & Amalgamated Companies.	The Transferee Company undertakes to fix the Record Date in mutual agreement with the Board of Directors of the Transferor Company in accordance with the provisions of the Scheme and applicable Law.	The Petitioner Companies have submitted the reply.
22(2)	As per Clause 1.2(xiv) of Part-II of the Scheme "All staff, workmen and employees of the Amalgamating Company in service as on the Effective Date, shall become the staff, workmen and employees of the Amalgamated Company with effect from the Appointed Date or their respective joining date or whichever is later, on the same terms and conditions". Hence, this Tribunal may direct the Amalgamating and Amalgamated Companies to submit an undertaking to the effect that there would be no retrenchment of any employees who were in service as on Appointed Date (i.e. 01.10.2024) as well.	It is submitted that the Petitioner Companies undertake that there will be no retrenchment of any employees who were in service as on the Appointed Date pursuant to the merger.	The Petitioner Companies have submitted the reply.
22(5)	Clause 1.7 of Part-I of the Scheme provide the Appointed Date as 01.10.2024 which is old as of now. Moreover, there is no justification for fixing the old Appointed Date in	It is submitted that the said Appointed Date, being mid financial year, was considered appropriate and	The Petitioner Companies have submitted their reply

	<p>the Scheme. Hence, this Tribunal may direct the Amalgamated Company to change the Appointed Date to the latest one or such date as may deem fit and proper by this Tribunal since the Petitioner Companies have filed their Annual Statutory Returns of the Financial Year 2024-25.</p>	<p>beneficial to the Transferee Entity to facilitate effective consolidation of the Books of Accounts, integration of operations and seamless implementation of accounting, statutory and other compliances pursuant to the Scheme. The Appointed Date enables efficient alignment of financial reporting and ensures an orderly transition without disruption of business operations and to ensure a smooth transition pursuant to the Scheme.</p> <p>It is further submitted that the Annual Statutory Returns were filed strictly in compliance with applicable statutory timelines as the merger process could not be completed before the prescribed due dates. Due to unforeseen delays in the merger process and in adherence to legal requirements, the Petitioner Companies proceeded with timely filings to ensure continued statutory compliances.</p> <p>It is further submitted that the Appointed Date is intended to serve as an accounting reference point for implementation of the Scheme and does not cause any prejudice</p>	<p>which is not convincing since they have not justified as how it helps and facilitate for effective consolidation of Books of Accounts etc., as replied by them (since they have followed the Financial Year as Accounting Year). This Tribunal may kindly look into it.</p>
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		<p>to the interests of any Stakeholders.</p> <p>In view of the above, the Petitioner Companies submit that the Appointed Date of 01.10.2024 is reasonable, justified and appropriately chosen. Accordingly, the Appointed Date was fixed on sound commercial and accounting considerations and the filings were made in conformity with the law without prejudice to the proposed Scheme.</p>	
22(6)	<p>Clause 1.1 of Part -III of the Scheme provides for clubbing of Authorized Capital. However, as per the Clause, the Authorized Capital of the Amalgamating Company shall be deemed to be added to the Authorized Share Capital of Amalgamated Company without any requirement of a further act or deed on the part of the Amalgamated Company (including payment of stamp duty and / or fees payable to the relevant RoC) such that upon the effectiveness of Part-II of the Scheme the Authorized Share Capital of Amalgamated Company shall be INR 51,00,00,000 (Rupees Fifty One Crores only) comprising of 5,10,00,000 (Five Crores and Ten Lakh only) Equity Shares of INR 10 (Rupees Ten only) each without any further act, deed, resolution or writing. This term in the Scheme is not in line with the provisions of Section 232(3)(i) of the Companies Act, 2013. Hence, this Tribunal may direct the Amalgamated Company to comply</p>	<p>The Transferee Company submits and undertakes that upon sanction of the Scheme of Amalgamation and consequent consolidation of the Authorized Share Capital of the Transferor Company with that of the Transferee Company, the Transferee Company shall discharge only such differential fee, as may be payable in accordance with Section 232 of the Companies Act, 2013 after giving due credit for the fees already paid by the Transferor Company on its Authorized Share Capital.</p>	<p>The Petitioner Companies have submitted the reply.</p>

	with the provisions of the aforementioned Section and pay the difference fees, if any, after setting off the fee already paid by the Amalgamating Company on its respective capital.		
22(7)	As per the latest Financial Statements as at 31.03.2025 filed by the Petitioner Companies, it is found that the Transferor Company is a loss making Company (also defunct) and the Transferee Company is a profit making Company having high turnover (as per the Financial Statements as on 31.03.2025, its total turnover of the FY 2024-25 is Rs 1362.83 crores). However, in the Scheme the Share Exchange Ratio has been recommended as 1:1. This Tribunal may look into the matter.	The Ld. Counsel for the Petitioner Companies submitted the reply at Page Nos.5-7 of his Memo dated 13.04.2026.	The reply of the Petitioner Companies are not convincing since the networth / future earnings of the Transferor Company and Transferee Company are not considered while the Independent Valuer has recommended the Exchange Ratio as 1:1. All the Shareholders of the Transferor Company are not the Shareholders of the Transferee Company in equal shareholdings, hence the Scheme does not give rational holdings to all the Shareholders of the

			<p>Transferee Company.</p> <p>Hence, this Tribunal may look into the matter and pass order as deemed fit and proper in this regard since there is no exemption for valuation of Shares to arrive the Exchange Ratio in case of merger of Subsidiary Company with its holding Company.</p>
22(8)	<p>It is observed that Amalgamated / Transferee Company holds 55% Shares of the Amalgamating Company / Transferor Company and remaining 45% Shares are owned by a single Shareholder and consenting to the Scheme. Under Accounting Standing-14, if this Shareholder receives Equity Shares in the Amalgamated Company the condition for Amalgamation in the nature of Merger (Pooling of Interest Method) appears to be satisfied and hence, Pooling of Interest Method of Accounting shall be applicable. However, Clause 7.1 and 7.2 of the Scheme proposes the Purchase Method and seeks to record the assets at Fair Market Value. Further, the fair Valuation report of Fixed Assets and Liabilities are stated in the Scheme. Thus, it is inconsistent with Pooling of Interest Method</p>	<p>The Petitioner Companies submit that the Financial Statements of the Transferor Company have, at all material times, been consolidated with those of the Transferee Company. Accordingly, the implementation of the Scheme does not result in any material impact on the accounting position or financials of the group at the consolidated level.</p> <p>It is further submitted that the accounting treatment proposed under the Scheme is in conformity with Accounting Standard (AS)-14 – Accounting for Amalgamations, which is mandatory in its</p>	<p>The reply of the Petitioner Companies stating to follow Business Purchase Method of Accounting stipulated under AS-14 by ascertaining fair value of Assets & Liabilities is not convincing since no such valuation of Assets & Liabilities (to arrive at their Fair Value) is found in the</p>

	<p>read with Accounting Standard-14 which mandates recording of assets and liabilities at Book Value in the Books of Transferee Company. Hence, this Tribunal may direct the Petitioner Companies to suitably amend the Scheme.</p>	<p>application. However, AS-14 does not mandate a uniform accounting treatment for all Amalgamations. The Standard requires that the accounting method be determined based on the classification of the Amalgamation and compliance with the conditions prescribed therein. The accounting principles do not mandate a particular accounting treatment merely on account of the nature of the transaction.</p> <p>The present case, the Scheme does not qualify as an Amalgamation in the nature of Merger under AS-14, inter alia, since the Petitioner Companies intend to recognize the assets and liabilities of the Transferor Company at values other than their existing Book Values. Accordingly, the Scheme falls to be treated as an Amalgamation in the nature of purchase and the accounting treatment proposed under the Scheme is in accordance with AS-14.</p> <p>It is submitted that the assets of the Transferor Company are reflected in its Books of Account at values lower than their respective fair Market Values. In order to present a true and fair</p>	<p>Scheme which are to be taken as base to ascertain the Exchange Ratio of Shares.</p> <p>In view of the above, this Tribunal may kindly look into it and may pass order in this regard.</p>
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		<p>view of the economic value of the undertaking being transferred, the Petitioner Companies have considered it appropriate to recognize the assets and liabilities of the Transferor Company at their respective fair values as permitted under AS-14 in cases of Amalgamation in the nature of purchase.</p> <p>The aforesaid accounting treatment does not result in any prejudice to the interests of Shareholders, Creditors or other Stakeholders and does not have the effect of altering the substantive economic position of the group, particularly in view of the fact that the financials were always consolidated. The Petitioner Companies submit that the accounting treatment proposed under the Scheme is reasonable, justified and fully compliant with the applicable accounting standards and statutory provisions.</p>	
22(9)	<p>The Valuation Report dated 16.05.2025 submitted by the Petitioner Companies enclosed with the Petition, mentioned at Para 6.3 that:</p> <p>“No Valuation may be required in this case as it is a Merger of a Subsidiary Company i.e. LTPL into and with its holding Company i.e. SAPL and the Shareholders of the</p>	<p>The Ld. Counsel for the Petitioner Companies submitted the reply at Page Nos.5-7 of his Memo dated 13.04.2026.</p>	<p>The Petitioner Companies have not replied about single beneficial interest of the Shareholder namely Mr. Jairam Kambhampati</p>

<p>Transferor Company and the Transferee Company are related to each other / part of the group entity”.</p> <p>However, in the Scheme Swap Ratio, it is recommended as 1:1 to be adopted to issue Shares to the single Shareholder i.e. Mr. Jairam Khambhampati holding 92,00,000 Shares in Transferor Company (since the balance Shares of 1,15,91,080 nos. are held by the Transferee Company).</p> <p>Further, the Shareholding pattern of the Transferee Company is as follows:</p> <table border="1" data-bbox="386 886 799 1377"><thead><tr><th>Sl.</th><th>Name of the Equity Shareholder of Transferee Company</th><th>No. of Shares held</th></tr></thead><tbody><tr><td>1</td><td>Mr. Jairam Kambhampati</td><td>90,68,265</td></tr><tr><td>2</td><td>Mr. Rama Mohan Rao Kambhampati</td><td>20,97,935</td></tr><tr><td>3</td><td>Mrs. Lakshmi Kambhampati</td><td>20,98,235</td></tr><tr><td>4</td><td>Mrs. Swathi Kolla</td><td>79,85,565</td></tr><tr><td></td><td>Total</td><td>2,12,50,000</td></tr></tbody></table> <p>From the above, it is clear that from the present Scheme, the Shares of single Shareholder (Mr. Jairam Kambhampati) has to be increased and he is the ultimate beneficiary of the Scheme. It is material to state that there is no legal provision under the Companies Act, 2013 which provides exemption for valuation of Shares to decide the Exchange Ratio where there is required to issue Shares to the Shareholders of</p>	Sl.	Name of the Equity Shareholder of Transferee Company	No. of Shares held	1	Mr. Jairam Kambhampati	90,68,265	2	Mr. Rama Mohan Rao Kambhampati	20,97,935	3	Mrs. Lakshmi Kambhampati	20,98,235	4	Mrs. Swathi Kolla	79,85,565		Total	2,12,50,000		<p>as reported in our report.</p> <p>This Tribunal may kindly direct the Valuation of Shares from any Independent Valuer from IBC Panel to arrive the Exchange Ratio by which justice be rendered to all the Shareholders of the Petitioner Companies.</p>
Sl.	Name of the Equity Shareholder of Transferee Company	No. of Shares held																		
1	Mr. Jairam Kambhampati	90,68,265																		
2	Mr. Rama Mohan Rao Kambhampati	20,97,935																		
3	Mrs. Lakshmi Kambhampati	20,98,235																		
4	Mrs. Swathi Kolla	79,85,565																		
	Total	2,12,50,000																		

	<p>the Transferor Company as purchase consideration in case of Amalgamation / Arrangement. This Tribunal may kindly look into the matter since the Transferor Company is a loss making Company also defunct since last 03 years.</p>		
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OBSERVATIONS BY REGIONAL DIRECTOR (SER):

15. The Regional Director (SER) vide report dated 06.04.2026 has made certain observations. The Learned Counsel for the Petitioner Companies has filed reply Affidavit dated 13.04.2026, in response to the observations made by the Regional Director (SER). The Regional Director (SER) vide report dated 20.04.2026 has submitted further observations in response to the Affidavit of Petitioner Companies dated 13.04.2026. The details are given below:

Para No.	Regional Director (SER)'s Observations Dated 06.04.2026	Ld. Counsel for the Petitioner Companies Reply Affidavit Dated 13.04.2026	Regional Director (SER)'s further Observations Dated 20.04.2026
3(d)	<p>This Tribunal may direct the Petitioner Companies to ensure statutory compliance of all applicable laws and on sanctioning of the present Scheme the Applicant Companies shall not absolve from any of its statutory liability in any manner.</p>	<p>It is submitted that the Petitioner Companies undertake to ensure statutory compliance with all applicable laws and shall not absolve from any of its statutory liability in any manner on sanction of the Scheme</p>	<p>The Petitioner Companies have undertaken to comply with the same.</p>

4	<p>With reference to the RD's letter dated 09.03.2026 issued to the Addl. Commissioner of Income Tax, Hyderabad, till date no reply / comments in the matter has been submitted to the RD office. 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 Companies and Transferee Company, Transferee Company is ready to pay the said statutory dues.</p>	<p>It is submitted that the Petitioner Companies have individually served notices dated 19.01.2026 to the Income Tax Department as directed by this Tribunal's Order dated 09.01.2026. However, no reply / comments have been received from them. In this regard, the Transferee Company undertakes to pay any demand that arises from the Income Tax Department with respect to the Petitioner Companies.</p>	<p>The Petitioner Companies have undertaken to comply with the same.</p>
5	<p>The report of the Official Liquidator shall be filed separately before this Tribunal. Hence, this Tribunal may kindly consider the report of the Official Liquidator and direct the Petitioner Companies to comply with the observations of the Official Liquidator, if any, before the Scheme is approved by this Tribunal.</p>	<p>The Petitioner Companies submit that the Report of the Official Liquidator is being addressed, answered and clarified in a separate Affidavit dated 13.04.2026 to this Tribunal. A copy of the said Affidavit is being served to the RD office as Annexure 1.</p>	<p>No further observations.</p>
6(b)	<p>The Appointed Date mentioned in the Scheme is 01.10.2024. In this regard, the Petitioner Company may be directed to change the Appointed Date to a later practical</p>	<p>It is submitted that the Appointed Date of 01.10.2024, as provided in the Scheme, was fixed after careful consideration and based on sound commercial, accounting and operational considerations.</p>	<p>No further observations.</p>

	<p>date or any other date as may be approved by this Tribunal.</p>	<p>It is submitted that the said Appointed Date, being mid-financial year, was considered appropriate and beneficial to the Transferee Entity to facilitate effective consolidation of the Books of Account, integration of operations and seamless implementation of accounting, statutory and other compliances pursuant to the Scheme. The Appointed Date enables efficient alignment of financial reporting and ensures an orderly transition without disruption of business operations and to ensure a smooth transition pursuant to the Scheme.</p> <p>The Petitioner Companies further submit that the Appointed Date is intended to serve as an accounting reference point for implementation of the Scheme and does not cause any prejudice to the interests of any Stakeholders.</p> <p>In view of the above, the Petitioner Companies submit that the Appointed Date of 01.10.2024 is reasonable, justified and appropriately chosen. Accordingly, the Appointed Date was fixed on sound commercial and accounting considerations.</p>	
6(c)	<p>As per Clause 1.2(xiv) of the Scheme, all the staff, workmen and employees of the Amalgamating Company shall become the staff, workmen and employees of the Amalgamated Company. In this regard, the Amalgamated Company may be directed to furnish an undertaking stating that the interests of the staff, workmen and</p>	<p>It is submitted that the Transferee Company undertakes that the interests of all staff, workmen and employees of the Transferor Company will be protected by the Transferee Company in accordance with the provisions of the Scheme and applicable law.</p>	<p>The Petitioner Companies have undertaken to comply with the same.</p>

	employees of the Amalgamating Company shall be protected by the Amalgamated Company.		
6(d)	As per Clause 1.1 of Part-III of the Scheme, it is stated that the Authorized Share Capital of Amalgamating Company shall be deemed to be added to the Authorized Share Capital of the Amalgamated Company without any requirement of a further act or deed on the part of the Amalgamated Company including payment of stamp duty and / or fees payable to the relevant RoC. In this regard, the Amalgamated Company may be directed to comply with the provisions of Section 232(3)(i) of the Act and pay the differential fee after setting off the fee already paid by the Amalgamating Company and the Petitioner Companies may be directed to furnish an undertaking before this Tribunal in this regard.	The Petitioner Companies submits and undertakes that upon sanction of the Scheme of Amalgamation and consequent consolidation of the Authorized Share Capital of the Transferor Company with that of the Transferee Company, the Transferee Company shall discharge only such differential fee, as may be payable in accordance with Section 232 of the Companies Act, 2013 after giving due credit for the fees already paid by the Transferor Company on their respective Authorized Share Capital.	The Petitioner Companies have undertaken to comply with the same.
6(f)	The objects of both the Petitioner Companies are not similar. Hence, the Amalgamated Company may be	The Transferee Company submits and undertakes to amend the objects suitably upon sanction of the Scheme and file the requisite e-form with the Registrar of Companies.	The Petitioner Companies have undertaken to

	directed to amend the objects suitably upon sanction of the Scheme and file requisite e-form with RoC.		comply with the same.
6(g)	<p>The Transferor Company has shown Revenue from operations as “NIL” during the last two years and also a loss making company which is amalgamating with profit making company. Hence, Transferee Company may be directed to take care of the tax implications, if any, post sanction of the Scheme.</p>	<p>The Petitioner Companies submit that it is true that the Transferor Company has reported NIL revenue from operations during the last two financial years and has incurred losses during the said period.</p> <p>It is submitted that the merger of the Transferor Company with the Transferee Company is undertaken as part of an internal group reorganization with the object of business consolidation, administrative efficiency, optimal utilization of resources and elimination of multiple legal entities and is not driven by short-term profitability considerations.</p> <p>Without prejudice to the above, the Transferee Company submits that the Transferee Company shall duly examine and comply with all applicable provisions of the Income Tax Act, 1961 and other relevant tax laws in respect of the Scheme, including any tax implications, if applicable, arising post sanction and implementation of the Scheme.</p> <p>It is further submitted that:</p> <ul style="list-style-type: none"> • The Scheme does not contemplate any impermissible set-off or unintended availing of tax benefits. Any tax losses, if existing in the hands of the Transferor Company, shall lapse and shall not be available to the Transferee Company. • All statutory filings, disclosures and compliances required under 	No further observations.

		<p>applicable tax laws shall be duly made by the Transferee Company.</p> <ul style="list-style-type: none"> The merger is not intended to circumvent or evade tax liability and shall be implemented strictly in accordance with law. <p>Accordingly, the apprehension raised by the Regional Director with reference to tax implications is noted and it is submitted that the Transferee Company shall take due and necessary steps to ensure full compliance with applicable tax laws and the observation may kindly be taken on record.</p>	
6(h)	<p>As seen from the Balance Sheet as at 31.03.2025, the Transferor Company has given loans to the parties in which Directors are interested. In this regard, the Petitioner Companies may be directed to show the compliance of the provisions of Section 185 / 186 & 188 of the Companies Act, 2013 and furnish an undertaking before this Tribunal with regard to the compliance of the above provisions of the Act.</p>	<p>The Petitioner Companies submit that the loans referred to in the Balance Sheet of the Transferor Company as at 31.03.2025 have been granted in compliance with the applicable provisions of the Companies Act, 2013 including Sections 185, 186 and 188 as applicable.</p> <p>It is submitted that all requisite Board approvals, disclosures and compliances have been duly made in accordance with law. The Petitioner Companies further undertake before this Tribunal that the said transactions are in full compliance with the aforesaid provisions of the Act.</p>	<p>No further observations.</p>
6(i)	<p>There are open charges pending against Petitioner Companies. In this regard, the Companies may be directed to furnish NoCs obtained from the charge</p>	<p>The Petitioner Companies submit that the meetings of the respective Creditors were duly convened in accordance with the directions of this Tribunal and the Creditors have already accorded their consent to the proposed Scheme of Amalgamation.</p>	<p>No further observations.</p>

	holders before this Tribunal	<p>It is further submitted that the open charges reflected against the Petitioner Companies pertain to existing borrowings which shall continue with the Transferee Company by operation of law upon sanction of the Scheme, without any modification to the rights or security interests of the charge holders.</p> <p>Since the Scheme does not adversely affect the rights of the charge holders and the Creditors have already consented to the merger, the Petitioner Companies submit that separate No Objection Certificates from the charge holders are not required to be furnished.</p>	
6(j)	This Tribunal may direct the Petitioner Companies to preserve its Books of Accounts and papers and records and shall not be disposed off without the prior permission of the Central Government in terms of the provisions of Section 239 of the Companies Act, 2013.	The Petitioner Companies submit and undertake to preserve the Books of Accounts, papers and records of the Petitioner Companies and such Books of Accounts, papers and records shall not be disposed off without the prior permission of the Central Government.	The Petitioner Companies have undertaken to comply with the same.
6(k)	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 of or any person in connection to the Transferor Companies prior to merger, amalgamation or acquisition shall continue after such merger, amalgamation or acquisition.	<p>The Petitioner Companies submit that as on date there are no offences pending or initiated against the Transferor Company, its Directors, officers in default or any other person in connection with the Transferor Company under the provisions of the Companies Act, 2013.</p> <p>The Petitioner Companies undertake that in the event of any such liability or proceedings arise in future, the same shall be dealt with strictly in accordance with the provisions of the Companies Act, 2013 and other applicable laws.</p>	No further observations.

6(l)	This Tribunal may direct the Petitioner Companies involved in the Scheme to comply with Rule 17(2) of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 with respect to filing of order for confirmation of Scheme to be filed in e-form No.INC-28 with the office RoC by the Petitioner Company.	The Petitioner Companies submit that they shall comply with the requirements of Rule 17(2) of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.	The Petitioner Companies have undertaken to comply with the same.
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16. From the above report of Regional Director (SER) dated 20.04.2026, 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:

17. We have heard the Learned Counsel for Petitioner Companies and perused the material papers on record.
18. As regards to the observations pointed out by the Regional Director and compliance filed by the petitioner company, the Petitioner Companies undertake to comply the necessary observations whenever required. The Official liquidator had also raised certain observations for which the Petitioner Companies filed its reply by way of Affidavit stating that the petitioner companies will comply

with the observations whenever required. With regard to Income Tax Department there are certain dues pending by the petitioner Companies, wherein the petitioner companies have not filed any reply to the Income Tax Department.

19. After going through the record, we are of the view that there are no tenable observations which will come in the way of Scheme. Scheme is not opposed to public interest and the proposed Scheme is in the interests of the Transferor Company, the Transferee Company and their respective shareholders, employees, creditors and all persons concerned. Hence the scheme can be approved with Appointed Date as 01.10.2024. All the statutory compliances have been made under Section 230 to 232 of the Companies Act, 2013.

ORDER

20. After hearing the Counsel for the Petitioner Companies and after considering the material on record, this Tribunal passed the following order:

- (A) The Scheme of Amalgamation is hereby sanctioned with Appointed Date as 01.10.2024 and shall be binding on all the members, employees, creditors and all other stakeholders of the Petitioner Companies.
- (B) While Approving the Scheme, it is made clear that this Order should not be construed as an order in anyway granting

exemption from payment of Stamp Duty, taxes or any other charges, if any, payable in accordance with law or in respect of any permission/compliance with any other requirement which may be specially required under any law.

- (C) The whole of the assets, property, rights and liabilities of the Transferor Company shall be transferred without the requirement of any further act or deed to the Transferee Company.
- (D) We direct the petitioner Companies to comply with all the observations pointed out by the statutory authorities including Regional Director (SER) and Official Liquidator.
- (E) 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.
- (F) 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.

- (G) All the legal proceedings pending by or against the Transferor Company shall be continued by or against the Transferee Company.
- (H) There is pending demand from the petitioner Companies as per the report received from the Income Tax Authorities. The Transferee Company will be liable to bear the liabilities.
- (I) The Petitioner Companies are directed to strictly comply with the Accounting Treatment Standards prescribed under Section 133 of the Companies Act, 2013.
- (J) The sanction of the Scheme by this Tribunal shall not forbid the revenue authority from taking appropriate recourse for recovering the existing and previous tax liabilities of the Transferor and Transferee Companies.
- (K) We direct the Transferee Company to comply with the provisions of Section 2(41) of the Companies Act, 2013, if applicable.
- (L) The Transferor Company shall be dissolved without going through the process of winding up.
- (M) The Petitioner Companies shall until the completion of the Scheme of Amalgamation, file a statement in such form and within such time as prescribed with the Registrar every year

duly certified by a Chartered Accountant or a Cost Accountant or a Company Secretary to the effect that the Scheme of Amalgamation is being complied with in accordance with the orders of the Tribunal as required under Section 232(7) of the Companies Act, 2013.

- (N) 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.
- (O) Any person shall be at the liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
- (P) Accordingly, the Company Petition **C.P.(CAA) No.48/230/HDB/2025** is allowed and the same is disposed.

Sd/-
(SANJAY PURI)
Member (Technical)

Sd/-
(RAJEEV BHARDWAJ)
Member (Judicial)

Saida / Pavani