

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/VC Mode (Hybrid)]*

**ITEM No.2**  
**CP(CAA) No. 27/BB/2025**

**IN THE MATTER OF:**

Amulya Exim Pvt Ltd & Ors

... Petitioners

**Petition under Sec 230-232 of CA 2013**

**Order delivered on: 18.06.2026**

**CORAM:**

**SHRI. SUNIL KUMAR AGGARWAL**  
**HON'BLE MEMBER (JUDICIAL)**

**SHRI. RADHAKRISHNA SREEPADA**  
**HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the Petitioners : Adv. Abhipsa Baral

**ORDER**

**CP(CAA) No. 27/BB/2025 is disposed of vide separate order. File be consigned to record room.**

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

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

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH,**  
**(Hybrid mode)**

**C.P.(CAA) No.27/BB/2025**

U/s. 230, 231 & 232 r/w Section 66 & other  
Applicable provisions of the Companies Act, 2013  
R/w Companies (Compromises, Arrangements and  
Amalgamations) Rules, 2016.

**IN THE MATTER OF:**

**AMULYA EXIM PRIVATE LIMITED**

Registered Office: Sy. No. 173, Village- Chikkanthapura,  
Sandur Taluk, Toranagallu,  
Bellary, Sandur - 583123.

**...Petitioner Company No.1/  
Transferor Company No.1**

**GOEL FERRO ALLOYS PRIVATE LIMITED**

Registered Office: Sy. No. 173, Village- Chikkanthapura,  
Sandur Taluk, Toranagallu,  
Bellary, Sandur - 583123.

**...Petitioner Company No.2/  
Transferor Company No.2**

**PADMAVATI COKE PRIVATE LIMITED**

Registered Office: No. 14, JVSL Tumshipp. O. Vidyanagar  
Thorangallu Taluk,  
Bellary - 583275.

**...Petitioner Company No.3/  
Transferor Company No.3**

**PADMAVATI FERROUS LIMITED**

Registered Office: Sy. No. 173, Village- Chikkanthapura,  
Sandur Taluk, Toranagallu,  
Bellary, Sandur - 583123.

**...Petitioner Company No.4/  
Transferee Company**

**Order delivered on: 18.06.2026**

**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 Afnaan Siddiqui  
For the IT Dept. : Shri Ganesh R Ghale  
For the ROC : Shri Hemanth Rao

## **ORDER**

**1.** This second motion petition, is filed on 08.10.2025 praying

- i. Sanction the Scheme of Arrangement for Amalgamation of Amulya Exim Private Limited ("Transferor Company 1/ Petitioner Company 1"), Goel Ferro Alloys Private Limited ("Transferor Company 2/ Petitioner Company 2"), Padmavati Coke Private Limited ("Transferor Company 3/ Petitioner Company 3") and Padmavati Ferrous Limited ("Transferee Company/ Petitioner Company 4") and their respective Shareholders and Creditors so as to be binding on their respective shareholders and creditors of each of the Petitioner Company.*
- ii. Pass an order that all properties, rights, interests and liabilities, obligations, duties and engagements of the Transferor Company 1, Transferor Company 2, and Transferor Company 3 thereof shall pursuant to Section 232(4) of the Companies Act, 2013 without any further act or deed, thus, transfer to & vest in or be deemed to have been transferred & vested in the Transferee Company as per the terms of the Scheme of Arrangement for Amalgamation.*
- iii. Pass an order that all proceedings pending, if any, against the Transferor Company /Petitioner Company 1, Transferor Company 2/ Petitioner Company 2, and Transferor Company 3/ Petitioner Company 3 be continued against the Transferee Company/ Petitioner Company 4.*
- iv. Pass an order for dissolution of the Transferor Company 1/Petitioner Company 1 without the process of winding up.*
- v. Pass an order for dissolution of the Transferor Company 2/ Petitioner Company 2 without the process of winding up.*
- vi. Pass an order for dissolution of the Transferor Company 3/ Petitioner Company 3 without the process of winding up.*
- vii. And pass such other order(s) as this Hon'ble Tribunal may deem fit and proper in the interests of justice and equity.*

- 2.** In the first Motion Application bearing **C.A (CAA) No. 3/BB/2025** wherein meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Companies were dispensed, vide order dated 24.03.2025.
- 3.** On 04.07.2025, the petitioner was directed to serve notices upon Statutory Authorities in terms of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Companies Arrangements and Amalgamation) Rules, 2016 calling upon them to submit their responses besides issuing public notices in daily newspapers in terms of first motion order. On the direction being complied with, the Petitioner Company informed that no representation whatsoever is received within a period of 30 days and it may be presumed that no Authorities have no objection to the proposed Scheme in view of Rule 7 of the Companies Rules, 2016.
- 4.** The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the scheme and interest of employees have been considered in the first motion order dated 24.03.2025. The Board Resolution of the Petitioner Companies approving the Scheme is **Annexures – P2, P5, P8 and P11** respectively.
- 5.** It is submitted that the Certificate of Statutory Auditors of the Petitioner Companies, issued vide certificates dated 06.08.2024 and 24.09.2024, the Accounting Treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the 2013 Act, as **Annexure – P15 (Colly)**.
- 6.** The audited financial statement as on 31.03.2024 of the Petitioner Companies and the Provisional Balance Sheet as on 31.12.2024 of the Petitioner Companies, are attached **Annexure P4, P7, P10, P-13** respectively to the Petition.
- 7.** As per the Scheme, the “**Appointed Date**” means **01.04.2024**.

## **8. RD/ROC Report :**

Pursuant to the notice, the Regional Director (RD) has filed Common report vide Dairy No.6982 dated 11.12.2025. The ROC/RD have raised in Para 3 (i) the following observations:

- a) As per the latest shareholders list attached to the last Annual Return filed as on 31.03.2024 of the Transferor Company No.1 Mrs. Nirmala Goel, an individual holds major equity shares of 58.92% in the Transferor Company No.1.
- b) As per the latest shareholders list attached to the last Annual Return filed as on 31.03.2024 of the Transferor Company No.2, S.S Commotrade Pvt. Ltd, holds major equity shares of 53.45% in the Transferor Company No.2.
- c) As per the latest shareholders list Transferor Company No.3, Sri Kishan Dass, an individual, holds major equity shares of 10.42% in the Transferor Company No.3.
- d) As per the latest shareholders list attached to the last Annual Return filed as on 31.03.2024 of the Transferee Company, Padmavati Coke Pvt. Ltd holds major equity shares of 40.739% in the Transferee Company. In this regard, Petitioner Companies may be directed to show compliance of section 90 of the Companies Act, 2013.
  - ii. As per Clause 4 (b) of part I of the Scheme, the Appointed date is 01.04.2024.
  - iii. As per MCA records, Transferor Company No.3 and Transferee Companies have 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.
  - iv. As per MCA records, there are Common Directors in the Petitioner Companies.
  - v. As per MCA records, the Transferor Company No.1 was originally incorporated on 20.06.2008 as a Private Limited

Company with the name of Amulya Exim Private Limited under the jurisdiction of Registrar of Companies, Haryana. Subsequently, its registered office has shifted from the State of Haryana to the State of Karnataka with effect from 10.07.2023.

- vi. As per MCA records, the Transferor Company -2 originally incorporated on 08.04.1988 as a Private Limited Company with the name of Goel Ferro Alloys Private Limited under the jurisdiction of Registrar of Companies, Haryana. Subsequently, its registered office has shifted from the State of Haryana to the State of Karnataka with effect from 10.07.2023.
- vii. As per MCA records, the Transferor Company -3 originally incorporated on 30.12.2003 as a Private Limited Company with the name of Padmavati Coke Private Limited under the jurisdiction of Registrar of Companies, Karnataka.
- viii. As per MCA, the Transferee Company was originally incorporated on 24.10.2004 as a Private Limited Company with the name of Padmavati Ferrous Pvt. Ltd. under the jurisdiction of Registrar of Companies, Karnataka. Thereafter, the Company was converted into Public Company.
- ix. As per Independent Auditors Report for the year ended 31.03.2024 of the Transferee Company, in the Emphasis of matter of the auditor has pointed out violation of Accounting Standard-15 " Employees Benefits". The Company may be directed to file a Compounding application for violation of section 129 read with AS-15.
- x. As per Clause xx(a) of Annexure-A of Independent Auditors Report for the year ended 31.03.2024 of the Transferee Company, the Auditor has pointed out the violation of the

provisions of section 135 of the Companies Act, 2013. The Company may be directed to make offence good by transferring the unspent amount to a Schedule VII fund and file an adjudication application with the ROC.

- xi. As per MCA records, the Transferee Company, being a Public Company, has not filed the Board Resolution for the approval of the Scheme of Amalgamation in e-form MGT-14 as per section 179(3)(i) read with Section 117(3)(g) of the Act. The Company may be directed to comply with the basic provisions of the Act before sanctioning the Scheme. Also, for the delay in filing MGT-14 the company has to file an Adjudication Application before the ROC. In the reply dated 08.08.2025, the company has mentioned that it has filed MGT-14 vide SRN AB0168810, but the purpose of that form is different.
- xii. As per the scheme the Transferee Company have Paid-up capital of Rs. 69,89,69,160/-. As per the MCA records the paid-up capital does not match the amount mentioned in scheme. The Transferee Company clarify the same before the Hon'ble Tribunal.
- xiii. As per para 23 of Hon'ble NCLT, Bengaluru Bench order dated 24.03.2025 the meetings of the Equity Shareholders and Unsecured Creditors of the Transferor and Transferee Companies have been dispensed with and the meetings of the Secured Creditors of the Transferee Company has been dispensed with. Since there are no Secured Creditors in the Transferor Companies, no meeting was convened.
- xiv. As per Clause 15(a) of Part III of the Scheme, the Transferee Company, without further application, act or deed, shall

issue and allot to each of the shareholders of Transferor Companies, shares in proportion of:

- a) 269 Equity Shares of face value of Rs. 10 each in Transferee Company for every 100 Equity shares of face value of Rs. 10 each held by them in Transferor Company - 1 pursuant to this Scheme of Amalgamation.
  - b) 1,012 Equity Shares of face value of Rs. 10 each in Transferee Company for every 100 Equity shares of face value of Rs. 10 each held by them in Transferor Company - 2 pursuant to this Scheme of Amalgamation.
  - c) 29 Equity Shares of face value of Rs. 10 each in Transferee Company for every 100 Equity shares of face value of Rs. 10 each held by them in Transferor Company - 3 pursuant to this Scheme of Amalgamation.
- xv. Further Clause 15(c) of Part III of the Scheme, upon the Scheme becoming effective, the Equity Share Capital of the Transferee Company to the extent held by the Transferor Company, shall be cancelled.
- xvi. As per the latest Audited Financial Statements for the year ending 31/03/2024, Transferor and Transferee Companies are profit-making entities.
- xvii. As per Note no. 8 of the Financial Statements for the year ending 31.03.2024, the Transferee Company have Undisputed statutory due to the tune of Rs. 60,44,140. 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, if not settled so far.
- xviii. As per Note no. 4 of the Transferee Companies for the financial year ending 31/03/2024 have total outstanding

disputed dues of Deferred Tax to the tune of Rs. 10,39,03,928 respectively. The Petitioner Companies may be directed to furnish an undertaking to the Hon'ble NCLT to the effect that it will settle the dues as and when the claim is crystallized.

- xix. As per Note no. vii(b) of Annexure A of the Independent Auditor's Report of the Transferee Company for the financial year ending 31/03/2024, the Transferee Company has total outstanding disputed dues towards Income Tax and GST to the tune of Rs. 4,75,12,463. The Transferee Company may be directed to furnish an undertaking to the Hon'ble NCLT to the effect that it will settle the dues as and when the claim is crystallized.
- xx. As per Note no. 7 of the Audited Financial Statements for the year ending 31/03/2024, the Transferee Company have total outstanding dues to Micro, Small and Medium Enterprises to the tune of Rs. 38,98,226. The Company may be asked to show as to how it has complied with Micro, Small and Medium Enterprises Development Act, 2006 and may be directed 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.
- xxi. As per the Financial Statements for the year ending 31.03.2024, the Transferee Company has Foreign Exchange Transactions. The company may be asked to submit the relevant approvals and compliances made under FEMA/RBI regulations before the Scheme is allowed.
- xxii. As per the provisions of Section 232(3)(i) of the Companies Act, 2013, the fee, if any, paid by the transferor company on its authorized capital shall be set-off against any fees payable by the transferee company on its authorised capital

subsequent to the amalgamation. In this regard, the Transferee Company shall comply with the provisions of the Section and pay the difference of fee, after setting off the fee already paid by the Transferor Company on its respective capital.

- xxiii. The Authorised Share Capital of the Transferee Company may not be adequate to issue shares to the shareholders of the Transferor Company post sanction of the Scheme. The Transferee Company may be directed to furnish an undertaking to the effect that the Company will increase its Authorised Share Capital adequately and also file relevant e-forms with the Registrar of Companies.
- xxiv. As per Clause 12(a) of Part I of the Scheme, all employees of the Transferor Companies shall be absorbed into the Transferee Company. The Petitioner Companies are required to explain before the Hon'ble NCLT as to what measures are being taken to safeguard the interests of the employees of the Transferor Company and steps taken for implementation of this Clause.
- xxv. The object clauses of the Transferee Company need to be suitably altered so as to enable it to carry out the objects carried out by the Transferor Companies post sanction of the Scheme by complying with the applicable provisions of the Companies Act 2013 and by filing relevant e-forms.
- xxvi. 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.
- xxvii. xxvii. The Petitioner Companies are required 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.

xxviii. 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.

xxix. There are no open Complaint, Prosecution, Technical Scrutiny/Inquiry, Inspection, and Investigation pending in this office against the Transferor and Transferee Companies.

4. That the report of the Official Liquidator, Bangalore has been filed before the Hon'ble Tribunal on 03.09.2025 which may kindly be considered and direct the Petitioner Companies to comply with the observations made in his report followed by any further report filed if any.

5. With reference to this Directorate's letter dated 18.09.2025, issued to the Addl. Commissioner of Income Tax, Bangalore, till date no reply/comments in the matter has been submitted to this Directorate. Hon'ble Tribunal may be pleased to 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 dues as per rules.

6. On examination of the contents of the scheme, replies of the petitioner companies and apart from the observations stated in para 3 above, the observation of the Deponent is as under:

- i. That as per Clause 4(b) of Part I of the Scheme, the Appointed date is 01st April, 2024.
- ii. As per the records of the MCA, the Transferor Company 3 and the Transferee Company have open charges. The Hon'ble Tribunal may be pleased to direct the Petitioner Companies to furnish NOC from the concerned charge holder/s to the Hon'ble Tribunal, before the Scheme is approved.
- iii. That as per Clause 15 of Part III of the Scheme, the Transferee Company shall issue and allot to each of the shareholders of "Transferor Companies" in the proportion of:  
  
269 (Two Hundred Sixty-Nine) Equity Shares of Face Value of Rs. 10 each in Transferee Company for every 100 Equity Shares of face value of Rs. 10 each held by them in "Transferor Company-1".  
  
1,012 (One Thousand Twelve) Equity Shares of Face Value of Rs. 10 each in Transferee Company for every 100 Equity Shares of face value of Rs. 10 each held by them in "Transferor Company-2".  
  
29 (Twenty-Nine) Equity Shares of Face Value of Rs. 10 each in Transferee Company for every 100 Equity Shares of face value of Rs. 10 each held by them in "Transferor Company-3" pursuant to this Scheme of Amalgamation.  
  
The Petitioner Company is required to explain the rationale behind the swap-ratio and also inform on which financial statements the valuation was done.

- iv. As per the Financial Statements as at 31.03.2024, the Transferor Company-1, 2 and 3 have nil revenue from operations; whereas the Transferee Company has earned revenue from operations to the tune of Rs. 189.35 crores.
- v. The Petitioner Companies need to justify the rationale behind merging of entities with nil revenue from operations with a huge revenue earning entity.
- vi. The Hon'ble Tribunal may be pleased to direct the Transferor and Transferee companies to comply with provisions under the Foreign Exchange Management Act, 1999 and other applicable provisions, if any, required to be complied with.
- vii. The Hon'ble Tribunal may be pleased to direct the Transferor Company and Transferee Company to comply with provisions under other Sectoral Regulators, if any, including RBI.
- viii. The scheme is silent about clubbing of Authorized Share Capital of Transferor Companies with Transferee Company post sanction of the Scheme. The Hon'ble Tribunal may be pleased to direct the Petitioner Companies to clarify the same. In case the Petitioner Companies intend to club the Authorized Share Capital of Transferor Companies with Transferee Company post sanction of the Scheme, the Scheme may be modified suitably and the Petitioner Companies need to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and the Transferee Company to pay the differential registration fee and stamp duty after setting off the fee already paid by the Transferor Companies on their respective capital. The Hon'ble Tribunal may be pleased to direct the Transferee Company to furnish an undertaking in this regard.

### **8.1. REPLY AFFIDAVIT TO THE RD/ROC Report:**

Reply affidavit to the Observations made by ROC/RD, has been filed by the Petitioner Company vide Diary No. 654 dated 11.02.2026, inter-alia stating as under:

- 1. Regarding observation in Para No. 3 (iii) of RD Report,** the Transferee Company submitted that it has duly obtained No Objection Certificates/ Consent Affidavits from all its Secured Creditors, the same having been filed along with the First Motion Application as **Annexure A27 (Colly)**.

It is further submitted that, upon consideration of the said No Objection Certificates/ Consent Affidavits from all the Secured Creditors of Transferee Company, this Hon'ble Tribunal was pleased to allow the First Motion Application vide Order dated 24.03.2025, and to dispense with the requirement of convening the meeting of the Secured Creditors of Transferee Company.

- 2. Regarding observation in Para No. No. 3 (ix) of the RD Report,** it is pertinent to note that the Transferee Company will be surviving and continuing its business operations and remain in existence post approval of the Scheme by the Tribunal.

Accordingly, the Transferee Company most respectfully submits that an affidavit of undertaking affirming that it will submit a Compounding Application with respect to violation of Section 129 of the Companies Act, 2013, read with Accounting Standard-15, before the competent authority, in accordance with law, is annexed and marked as Annexure-2 (Colly).

- 3. Regarding observation in Para No. No. 3 (x) of the RD Report,**

it is submitted that as per the Independent Auditor's Report of the Transferee Company for the financial year ended March 31, 2024, the Auditors have pointed out an alleged non-compliance with the

provisions of Section 135 of the Companies Act, 2013, the Transferee Company most respectfully submits that the said observation stands duly complied as on date. The unspent Corporate Social Responsibility amount of Rs. 15,74,292/- (Rupees Fifteen Lakh Seventy-four Thousand Two Hundred Ninety-Two Only) pertaining to ongoing CSR projects for the financial year 2023-24 has been transferred, in accordance with the provisions of Section 135(6) of the Companies Act, 2013 read with the applicable rules made thereunder, to a designated Escrow Account on August 09, 2024 with AU Small Finance Bank. The bank statement evidencing the transfer of the aforesaid amount to the Escrow Account bearing Account No. 2121244034480549 is annexed and marked as Annexure-3.

4. **Regarding observation in Para No. No. 3 (vii) of the RD**

**Report**, it is submitted that the Transferee Company had outstanding statutory dues aggregating to Rs.60,44,140/- (Rupees Sixty Lakh Forty-Four Thousand One Hundred Forty Only) as reflected in its financial statements as on 31.03.2024, the Transferee Company most respectfully submits that the said amount pertained solely to Tax Deducted at Source ('TDS') payable in respect of vendors and other deductees as on the said date. The Transferee Company further submits that the aforesaid TDS liability has been duly discharged subsequently within the prescribed statutory due dates and, accordingly, there is no subsisting default or outstanding statutory liability as on date. The TDS Return in Form 26Q along with the relevant challans evidencing payment of the said TDS, is annexed and marked as Annexure – 4.

5. **Regarding observation in Para No. No. 3 (viii) of the RD**

**Report**, it is submitted that the the Transferee Company has outstanding disputed deferred tax dues amounting to Rs.39,03,928/- (Rupees Ten Crore Thirty-Nine Lakh Three Thousand

Nine Hundred Twenty-Eight Only) for the financial year ended 31.03.2024 the Transferee Company most respectfully submits that the said amount does not represent any presently payable statutory tax dues. The Transferee Company submits that the aforesaid amount pertains to deferred tax liability recognised in its books of account in accordance with the applicable accounting standards, arising solely on account of temporary timing differences between the accounting income and taxable income; and does not constitute a crystallised or disputed tax demand under the 'provisions of the Income-tax Act, 1961.

**6. Regarding observation in Para No. 3(xix) of the RD Report,** it is submitted the Transferee Company has outstanding disputed dues towards Income Tax and GST Goods and Services Tax ('GST') aggregating to Rs. 4,75,12,463/- (Rupees Four Crore Seventy-Five Lakh Twelve Thousand Four Hundred Sixty-Three Only) for the financial year ended March 31, 2024, the details of which are annexed with this Reply as Annexure-5, the Transferee Company most respectfully submits as under:

- a. the Income-tax demand amounting to Rs.3,26,304/- (Rupees Three Lakh Twenty-Six Thousand Three Hundred Four Only) pertaining to Assessment Year 2014-15 has already been duly settled; and
- b. the demand amounting to Rs.4,71,86,159/- (Rupees Four Crore Seventy-One Lakh Eighty-Six Thousand One Hundred and Fifty-Nine Only) disputed towards Income Tax and GST are presently sub judice, in respect of which statutory appeals have been duly preferred before the appropriate appellate authorities/forums and the same are pending adjudication.

The challans evidencing payment of the Income-tax demand for the Assessment Year 2014-15, along with the proof of filing of the appeal before the appellate authorities, are annexed to this

Reply and collectively marked as Annexure-6. The Transferee Company further submits that the aforesaid disputed demands do not constitute admitted or crystallised liabilities as on date.

An affidavit of undertaking affirming that the Transferee Company shall duly discharge and settle the said dues, -if any, upon their final determination by the competent authority or court, in accordance with law and within the time prescribed thereunder, is annexed and marked as Annexure-2 (Colly).

7. **Regarding observation in Para No. 3(xx) of the RD Report**, it is submitted that the Transferee Company transferee Company had outstanding dues towards Micro, Small and Medium Enterprises ('MSMEs') aggregating to Rs.38,98,226/- (Rupees Thirty-Eight Lakh Ninety-Eight Thousand Two Hundred Twenty-Six Only) for the financial year ended March 31, 2024, the Transferee Company most respectfully submits that the said dues arose in the ordinary course of business during the financial year 2023-24.

The Transferee Company further submits that the aforesaid MSME dues have since been duly paid and cleared within the timelines prescribed under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSME Act') and the rules made thereunder, and accordingly, there are no subsisting outstanding dues as aforesaid payable to MSMEs as on date. The Transferee Company also submits that it is in full compliance with the provisions of the MSME Act including the requirements relating to disclosures and filings under the said MSME Act.

8. **Regarding observation in Para No. 3(xxi) of the RD Report**, it is submitted that the the Transferee Company has undertaken certain foreign exchange transactions for the financial year ended March 31, 2024, and seeks submission of the requisite approvals and compliances under the Foreign Exchange Management Act,

1999 ('FEMA') and the regulations framed thereunder, the Transferee Company respectfully submits that there was no Foreign Exchange Transactions in the financial year 2024-25, the Transferee Company most respectfully submits that it has not undertaken any foreign exchange transactions during the financial year 2023-24.

An affidavit affirming the same, is annexed and marked as **Annexure2 (Colly)**.

9. **Regarding observation in Para No. 3(xxii) of the RD Report,** it is submitted that, pursuant to the provisions of Section 232(3)(i) of the Companies Act, 2013, the fees, if any, paid by the Transferor Companies on their respective authorised share capital shall be set off against the fees payable by the Transferee Company on its authorised share capital consequent upon the amalgamation, and further directing the Transferee Company to comply with the said provision and to pay the differential amount of fees, if any, after giving due credit to the fees already paid by the Transferor Companies. The Transferee Company most respectfully submits and undertakes before this Hon'ble Tribunal that it will strictly comply with the provisions of Section 232(3)(i) of the Companies Act, 2013, and shall, upon the Scheme becoming effective, give due set-off to the fees already paid by the Transferor Companies on their respective authorised share capital and shall pay the balance/differential fees, if any, payable on its authorised share capital in accordance with law.

An affidavit of undertaking affirming compliance with the provisions of Section 232(3)(i) of the Companies Act, 2013 and payment of the differential fees, if any, after such set-off, is annexed and marked as **Annexure-2 (Colly)**.

10. **Regarding observation in Para No. 3(xxiii) of the RD Report,** it is submitted that the authorised share capital of the Transferee Company may not adequate to issue shares to the Shareholders of the Transferor Companies post sanction of this scheme, the Transferee Company most respectfully submits that, upon sanction -and implementation of this Scheme of Amalgamation between the Petitioner Companies by this Hon'ble Tribunal, the Transferee Company shall have adequate authorised share capital to issue and allot equity shares to the shareholders of the Transferor Companies in accordance with the Scheme and the approved share exchange ratio. The Transferee Company further submits that, in view of the aforesaid, no increase in its authorised share capital is required for implementation of the present Scheme.

<b>Pre Amalgamation Authorised Share Capital of Transferee Company</b>	<b>Post Amalgamation Authorised Share Capital of Transferee Company</b>
70,00,00,000	89,82,00,000

11. **Regarding observation in Para No. 3(xxiv) of the RD Report,** it is submitted that requiring the Petitioner Companies to explain the measures taken to safeguard the interests of the employees of the Transferor Companies and the steps proposed for implementation of the employee-related provisions of the Scheme, the Petitioner Companies most respectfully submit as under:

- a. Upon the Scheme becoming effective, all employees of the Transferor Companies who are in employment immediately prior to the Effective Date shall, by operation of the Scheme, become employees of the Transferee 6 Company with continuity of service and without any break or interruption,

on the same terms and conditions, including remuneration, benefits and perquisites, as were applicable to them immediately prior to such transfer.

- b. The Transferee Company has undertaken to honour and continue to be bound by all existing agreements, settlements or arrangements, if any, entered into by the Transferor Companies with their respective employees and/or employee unions, thereby ensuring that no accrued or vested rights of the employees are adversely affected by the implementation of the Scheme.
- c. With effect from the Effective Date, the Transferee Company shall stand substituted in place of the Transferor Companies for all purposes relating to Provident Fund, Gratuity Fund, Superannuation Fund or any other employee welfare fund or obligation created or existing for the benefit of the employees of the Transferor Companies, and shall assume full responsibility for making contributions thereto in accordance with the applicable laws, trust deeds, schemes and governing documents.
- d. The existing Provident Fund, Gratuity Fund, Superannuation Fund and other employee welfare obligations, if any, maintained by the Transferor Companies shall be continued for the benefit of the transferred employees on the same terms and conditions, and the Transferee Company shall, from the Effective Date, make all requisite contributions in a timely manner.
- e. The Petitioner Companies submit that no retrenchment, termination or adverse alteration of service conditions of any employee of the Transferor Companies is contemplated pursuant to the Scheme, and the Scheme is not prejudicial

to the interests of such employees in any manner whatsoever.

Accordingly, the Petitioner Companies submit that adequate, effective and legally enforceable safeguards have been incorporated in the Scheme to protect the interests of the employees of the Transferor Companies, and the Transferee Company undertakes to fully and faithfully implement the employee-related provisions of the Scheme in letter and spirit. An affidavit undertaking fully and faithfully implementation of the employee-related provisions of the Scheme, is annexed and marked as Annexure-2 (Colly).

**12. Regarding observation in Para No. 3(xxv) of the RD Report,**

it is submitted that the Object clause of the Transferee Company need to be suitably altered so as to enable it to carry on the businesses of the Transferor Companies post sanction of the Scheme, the Transferee Company most respectfully submits that no such alteration or amendment is required in the facts and circumstances of the present case.

It is submitted that the main objects as well as the objects incidental and ancillary to the attainment of the main objects of the Transferee Company are substantially similar to, and in any event encompass and cover, the nature of business and activities presently carried on by the Transferor Companies. Accordingly, upon 7 the Scheme becoming effective, the Transferee Company shall be duly authorised and empowered to carry on, undertake and continue the objects and business activities of the Transferor Companies without necessity of alteration of its existing Object Clause.

It is further submitted that Clause III(b)(14) of the MOA of the Transferee Company expressly empowers it to amalgamate with any other company or companies having objects similar to, or capable of being conducted so as directly or indirectly to benefit, the Transferee Company. The said clause sufficiently enables the Transferee Company to undertake and carry on the businesses of the Transferor Companies, which are similar and/or complementary in nature to the existing business activities of the Transferee Company. Further, Clause 14(ii) of the Scheme specifically authorises and enables the Transferee Company, upon the Scheme becoming effective, to carry on the businesses and activities hitherto carried on by the Transferor Companies, without any further act or deed. Accordingly, the Scheme itself confers the requisite authority upon the Transferee Company to continue the businesses of the Transferor Companies.

13. **Regarding observation in Para No. 3 (xxvii) of the RD Report,** it is submitted that an affidavit of undertaking affirming compliance with the provisions of Section 239 of the Companies Act, 2013, is annexed and marked as **Annexure-2 (Colly)**.

14. **Regarding observation in Para No. 5 of the RD Report,** it is undertaken that to duly discharge and pay, in accordance with law and the Income Tax Act, any demand, if any, that may be raised by the Income-tax Department in respect of the Transferor Companies and/or the Transferee Company, as the case may be, consequent upon and post sanction of this Scheme by this Hon'ble Tribunal.

An affidavit affirming the aforesaid undertaking, is annexed and marked as **Annexure-2 (Colly)**.

15. **Regarding observation in Para No. 6 (ii) of the RD Report:** it is submitted that the Transferor Company 3 has Nil Secured Creditors and the Transferee Company has 2 (Two) Secured

Creditors as on 31.03.2024, as duly certified by Seenam Bhat & Co., Chartered Accountants. The aforesaid certificates have already been filed along with the First Motion Application in C.A. (CAA) No. 03/BB/2025 before this Hon'ble Tribunal. The Petitioner Companies further submit that the Transferee Company has duly obtained No Objection Certificates/Consent Affidavits from all its secured creditors, and the same have been filed along with the First Motion Application and annexed thereto as **Annexure A-20 (Colly) and Annexure A-27 (Colly)**.

It is further submitted that, upon consideration of the said Certificate issued by the Chartered Accountant confirming Nil Secured Creditors of the Transferor Company 3 and Certificate issued by the Chartered Accountant confirming 2 (Two) Secured Creditors of the Transferee Company along with No Objection Certificates/ Consent Affidavits from all the Secured Creditors of the Transferee Company, this Hon'ble Tribunal was pleased to allow the First Motion Application vide Order dated March 24, 2025 and to dispense with the requirement of convening the meeting of the Secured Creditors of Transferee Company. The said Certificate issued by the Chartered Accountant confirming Nil Secured Creditors in the Transferor Company 3 and 2 (Two) Secured Creditors in the Transferee Company along with No Objection Certificates /Consent Affidavits from all the Secured Creditors of Transferee Company, is annexed and marked as **Annexure-7 (Colly)**.

- 16. Regarding observation in Para No. 6 (iii) of the RD Report,** seeking an explanation of the rationale for determination of the share exchange/swap ratio under the Scheme, the Transferee Company most respectfully submits as under:

- a. The share exchange ratio under the Scheme has been determined on the basis of an independent valuation carried out by Alpha Value Consulting Valuation LLP, the Registered Valuer, having Registered Valuer Registration No. - IBBI/RV-E/05/2021/151, using generally accepted valuation principles and methodologies recognised under law.
- b. The Registered Valuer has primarily adopted the Book Value Method, assigning 100% weightage thereto, having regard to the nature of the proposed amalgamation. The Book Value Method views the business as a consolidation of assets and liabilities and is considered appropriate in cases involving group restructuring, common management and common shareholding, where no assets or liabilities are moving outside the group and the amalgamation does not result in any commercial dilution or value leakage.
- c. The Comparable Companies Market Multiple ("CCM") Method has not been adopted, as some of the companies involved in the proposed Scheme are non-operational or have negligible business operations, thereby rendering market comparability inappropriate and unreliable. Further, the shares of the companies involved in the proposed transaction are not listed on any recognised stock exchange and, therefore, market price-based valuation methodologies, including Market Price ("MP") Method, are inapplicable.
- d. The Discounted Free Cash Flow ("DFCF") Method has also not been considered, as no approved business plans or reliable future cash flow projections were available for the companies involved in the proposed transaction. In the absence of such projections, adoption of the DFCF method would be speculative and inconsistent with prudent valuation principles.

- e. In view of the foregoing, the Book Value Method was considered the most appropriate, fair and reasonable methodology for determining the share exchange ratio, and the swap ratio so arrived at has been certified by an independent Registered Valuer.
- f. The Transferee Company submits that the share exchange ratio determined under the Scheme is fair, reasonable, non-arbitrary and does not prejudice the interests of the shareholders of any of the Petitioner Companies, and has been approved by their respective Boards of Directors.

Accordingly, the Transferee Company submits that the rationale for determination of the share exchange ratio is well-founded, justified and in conformity with settled legal and valuation principles governing schemes of amalgamation.

Further, the Transferee Company submits that the Valuation has been done by the Registered Valuer considering the Audited Financial Statements of the Petitioner Companies for the for the period ended as on March 31, 2024.

**17. Regarding observation in Para No. 6 (iv) of the RD Report,**

it is submitted that as per the financial statements as on 31.03.2024, the Transferor Companies has nil revenue from operations, whereas the Transferee Company has revenue from operations amounting to Rs.189.35 Crores, and seeking justification for the proposed amalgamation of such entities, the Petitioner Companies most respectfully submit as under:

- a. The Petitioner Companies submit that the existence of nil revenue in the Transferor Companies does not, by itself, render a scheme of amalgamation unjustified or impermissible under Sections 230-232 of the Companies Act, 2013. The commercial rationale of an amalgamation is to be assessed holistically, having regard to business purpose, group restructuring

objectives, operational efficiencies and long-term synergies, and not merely on the basis of current revenue figures.

- b. The Transferor Companies form part of the same promoter group and are under common management and control. The proposed amalgamation is in the nature of an internal group consolidation aimed at simplification of the group structure, elimination of multiple legal entities, reduction of administrative and compliance costs, and more efficient utilisation of managerial, financial and operational resources.
- c. The Transferor Companies, though presently having nil revenue, hold certain business undertakings, assets, licences, approvals, contractual rights, manpower, intellectual property, infrastructure and/or strategic capabilities, which are proposed to be consolidated with the Transferee Company to enable better commercial exploitation, streamlined operations and improved scalability of business under a single corporate entity.
- d. It is a settled principle of law that the Hon'ble Tribunal does not sit in appeal over the commercial wisdom of the shareholders or management of the companies proposing a scheme, so long as the Scheme is fair, reasonable, not violative of any statutory provision and not prejudicial to the interests of stakeholders.

Accordingly, the Petitioner Companies submit that the proposed amalgamation is driven by sound commercial rationale and long-term strategic considerations, and the mere fact that the Transferor Companies presently have nil revenue does not, in any manner, vitiate the Scheme or render it unjustified.

18. **Regarding observation in Para No. 6 (v) of the RD Report**, it is submitted that the Petitioner Companies most respectfully submit that they have not undertaken any foreign exchange transactions during the financial year 2023-24. Accordingly, compliance with the

provisions of Foreign Exchange Management Act, 1999 ('FEMA') and the regulations framed thereunder are not required. An affidavit affirming the same, is annexed and marked as **Annexure-2 (Colly)**.

**19. Regarding observation in Para No. 6 (vi) of the RD Report,** it is submitted that that they are not regulated by, nor are they required to obtain approvals from, any sectoral regulator other than those specifically disclosed in the Company Petition filed before this Hon'ble Tribunal. The Transferee Company further submits that an Additional Affidavit affirming the aforesaid position has already been filed along with the First Motion Application as **Annexure A- 32 (Colly)**.

Accordingly, the Transferee Company respectfully submits that, in the absence of applicability of any other sectoral regulator, compliance with the requirements, directions or approvals of any such regulator, including the Reserve Bank of India ('RBI'), is not required for the purpose of sanction and implementation of the present Scheme.

**20. Regarding observation in Para No. 6 (vii) of the RD Report,** it is submitted that the Scheme does not expressly contain a clause for clubbing of the authorised share capital of the Transferor Companies with that of the Transferee Company, the Transferee Company most respectfully submits that the requirement stands statutorily addressed under Section 232(3)(i) of the Companies Act, 2013. The Transferee Company submits that Section 232(3)(i) expressly provides that where the transferor company is dissolved pursuant to a scheme of amalgamation, the fees, if any, paid by the transferor company on its authorised share capital shall be set off against the fees payable by the transferee company on its authorised share capital subsequent to the amalgamation. The said provision operates as an enabling provision and statutory deeming fiction, whereby the clubbing of authorised share capital and the corresponding set-off of fees is effected by operation of law.

It is further submitted that the authorised share capital of a company forms an integral part of its capital structure as reflected in the liabilities side of the balance sheet. Upon sanction and implementation of the present Scheme, all the assets and liabilities of the Transferor Companies shall stand transferred to and vest in the Transferee Company in terms of the Scheme. Accordingly, the clubbing of authorised share capital follows as a legal and accounting consequence of the amalgamation by operation of law, and therefore; incorporation of a separate or specific clause in the Scheme for clubbing of authorised share capital is not required.

Further, in support of the aforesaid submission, the Transferee Company respectfully places reliance on the judgment of this Hon'ble National Company · Law Tribunal, Bengaluru Bench, in the matter of ***Truelyser Biosystems Private Limited, C.P. (CAA) No. 20/BB/2023***, wherein this Hon'ble Tribunal has been pleased to sanction the scheme of amalgamation notwithstanding the absence of an express clause relating to the clubbing of authorised share capital in the scheme, while recognising the operation of Section 232(3)(i) of the Companies Act, 2013. A copy of the said judgment is annexed and marked as Annexure-8.

Further, the Transferee Company hereby solemnly undertakes before this Hon'ble Tribunal that it shall strictly comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and shall, upon the Scheme becoming effective, make all requisite statutory filings and give necessary intimations to the concerned Registrar of Companies, including filing of the prescribed eforms, if any, in respect of the clubbing and consequential increase, if any, of its authorised share capital, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

An affidavit affirming compliance with the aforesaid undertaking, is annexed and marked as **Annexure-2 (Colly)**.

**9. OL Report:**

**Official Liquidator** has filed report vide dy.no.4828 dated 02.09.2025, made observations as follows:

- a) The Board of Directors of Transferor Company No.1 approved of the scheme on 17.08.2024. The Transferor Company vide their letter dated 23.04.2025 have informed that there are 4 Equity shareholders, no Secured creditors and 2 Unsecured Creditor for a total outstanding unsecured debt of Rs.85,808/- as on 31.03.2024 and given their consent to the scheme.
- b) The Board of Directors of Transferor Company No.2 approved of the scheme on 17.08.2024. The Transferor Company vide their letter dated 23.04.2025 have informed that there are 11 Equity shareholders, no Secured creditors and 2 Unsecured Creditor for a total outstanding unsecured debt of Rs.1,26,200/- as on 31.03.2024 and given their consent to the scheme.
- c) The Board of Directors of Transferor Company No.3 approved of the scheme on 17.08.2024. The Transferor Company vide their letter dated 23.04.2025 have informed that there are 9 Equity shareholders, no Secured creditors and 5 Unsecured Creditor for a total outstanding unsecured debt of Rs.41,80,000/- as on 31.03.2024 and given their consent to the scheme.
- d) From the Financial Statement of the Transferor Company No. 1, 2 and 3 for the FY ending 31.03.2023 and 31.03.2024 it is observed that there is no Revenue from operations for the last two years.
- e) That as per the Financial Statements of the Transferor

Company No.1, 2, 3 as at 31.03.2024, no expenditure incurred towards Employees' salaries and wages. Further, in the scheme as per Part 'II' Clause 12 of the proposed Scheme: Employee Matters:

*"On the Effective Date, all persons that were employed by Transferor Companies immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on the same terms and conditions as were applicable to such employees of Transferor Companies immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by the agreement/settlement, if any, entered into by Transferor Companies with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Companies upon the occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Companies, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by the Transferor Company for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, the Transferee Company will make the necessary contributions for such transferred employees of Transferor Companies and deposit the same in Provident Fund, Gratuity Fund, or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Companies in relation to such schemes or funds shall become those of Transferee Company."*

**f) As per Part 'III' Clause 15 of the proposed Scheme:  
Reorganisation of Capital in the Transferee Company:**

A. *"Upon this Scheme coming into effect and upon transfer and vesting of the business and undertaking of Transferor Companies in Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows:*

- a) *Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Companies" (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company), shares in proportion of –*
- i. *269 (Two Hundred Sixty- Nine) Equity Shares of Face Value of Rs. 10 (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs. 10/- (Rupees Ten) each held by them in "Transferor Company 1" pursuant to this Scheme of Amalgamation;*
  - ii. *1,012 (One Thousand Twelve) Equity Shares of Face Value of Rs. 10 (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs. 10/- (Rupees Ten) each held by them in "Transferor Company 2" pursuant to this: Scheme of Amalgamation; and*
  - iii. *29 (Twenty-Nine) Equity Shares of Face Value of Rs. 10 (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs. 10/- (Rupees Ten) each held by them in "Transferor Company 3" pursuant to this Scheme of Amalgamation.*

**9.1.** The issues raised in the OL report are also mentioned in the report of the ROC/RD, in respect of which compliances have been filed by the Petitioner Companies. In view of the same, no separate compliance report is considered necessary in respect of the further OL report.

## 10. REPORT OF THE INCOME TAX DEPARTMENT:

The Income Tax Department has filed its report vide Diary No.4793 and dated 01.09.2025. The points in respect of **M/s. Padmavati Coke Private Limited (Transferor Company No.3)** is as under:

S No.	Components of the Proposal	Observation of the AO												
1.	Details of tax demand pending for the recovery (Year wise amount outstanding)	Padmavati Coke Pvt. Ltd.												
		<table border="1"><thead><tr><th>AY</th><th>Demand</th><th>Section</th></tr></thead><tbody><tr><td>2008-09</td><td>Rs.24,586/-</td><td>115WE</td></tr><tr><td>2010-11</td><td>Rs.1,52,670/-</td><td>143 (3)</td></tr><tr><td>2011-12</td><td>Rs.72,970/-</td><td>143 (3)</td></tr></tbody></table>	AY	Demand	Section	2008-09	Rs.24,586/-	115WE	2010-11	Rs.1,52,670/-	143 (3)	2011-12	Rs.72,970/-	143 (3)
		AY	Demand	Section										
		2008-09	Rs.24,586/-	115WE										
2010-11	Rs.1,52,670/-	143 (3)												
2011-12	Rs.72,970/-	143 (3)												
2	Details of pendency of investigation/ enquiry proceedings, if any	No investigation/ enquiry proceedings pending.												
3	Whether proposed scheme will impact allowability of carry forward loses or unabsorbed depreciation or any benefits under the IT Act. If yes quantify the amount of tax effect compliance of section 72A.	Prima facie, no adverse impact on allowability of carry forward loses or unabsorbed depreciation or any benefits under the IT Act.												
4	Whether the proposed scheme will any impact of exemption of capital gain tax/dividend distribution tax	Prima facie, no adverse impact on Capital Gain Tax/DDT												
6	Details of ITRs filed by the Company	All the Companies are regularly filing returns up to the AY: 2024-25												
7	Whether scheme is opposite to public policy (need to examine the whether promoters are only getting benefit. And also examine – If possible quantum of tax evaded which is proposed to be avoided through the scheme of arrangement.	Prima facie No.  1. It is requested that the petitioner companies may kindly be directed to strictly comply with section 176 of the Income tax Act, 1961.  2. It is further submitted that Transferee Company may kindly be directed to give undertaking that any notice/letter/order/issued by the income tax department till the deletion of PAN would be considered valid and shall not be challenged.  3. Also, the Transferor/Transferee Companies (as applicable) may kindly												

		be directed to strictly comply with the section 170A of the Income Tax, 1961.
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**10.1. REPLY TO THE INCOME TAX REPORT** has been filed vide dy.no.6509 dated 21.11.2025 in respect of **Petitioner Company No.3/Transferor Company No.3** and **Transferee Company/Petitioner Company No.4.**

- a. **Regarding observation in Para No. 15 of IT report:** the Petitioner Company No.3 stated that, as per the Assessment Order for the A.Y.2008-09, the total loss of the Petitioner Company No.3 was assessed at Rs.81,00,000 and accordingly, no tax liability was payable for the said Assessment Year.
- b. The Petitioner Company No.3 further stated that A.Y.2010-11, the total tax liability amounting Rs.1,52,670/- was duly paid by the Petitioner Company No.3. Similarly, for the A.Y.2011-12, the total tax liability amounting to Rs.72,970/- was also duly discharged by the Petitioner Company No.3.
- c. Further, any demand liability or obligation, if any , arising under the provisions of the Income-tax Act, 1961, whether determined or pending determination as on date, or which may arise or be assessed at any time thereafter in relation to the Transferor Companies for any period prior to the effective date of this Scheme, shall be the sole responsibility of the Transferee Company and the Transferee Company shall duly discharge and satisfy such demand and liability in accordance with the provisions of the Income tax Act, 1961.
- d. **Regarding observation in Para No. 17 (1) of IT report of the Transferor Company No.3/ Petitioner Company No.3 and Transferee Company/Petitioner Company No.4:**

It is stated that the present Scheme of Arrangement is between the Petitioner Companies, pursuant to which the Transferee Company

shall, upon the Scheme becoming effective, carry on and continue the business of the Transferor Companies. Accordingly, the proposed arrangement does not amount to discontinuance of business and, therefore, does not fall within the ambit of Section 176 of the Income Tax Act, 1961.

e. **Regarding observation in Para No. 17 (2) of IT report of the Transferee Company/Petitioner Company No.4**

It is submitted that the Petitioner Company No. 4 has undertaken to the effect that it shall duly comply with any Notice, Letter, or Order issued by the Office of the Income Tax Department in respect of the Transferor Companies until the Permanent Account Numbers (PANs) of the Transferor Companies are duly cancelled or deleted from the records of the Income Tax Department.

The Petitioner Company No. 4 further undertakes that it shall not challenge or dispute the validity of any Notice, Letter, or Order issued by the Office of the Income Tax Department in respect of the Transferor Companies merely on the ground that the same has been issued in the name of the erstwhile Transferor Companies.

f. **Regarding observation in Para No. 17 (3) of IT report of the Transferee Company/Petitioner Company No.4**

It is submitted that the Petitioner Company No. 4 has solemnly undertaken before this Hon'ble Tribunal to comply with the provisions of Section 170A of the Income Tax Act, 1961.

The Transferee Company has solemnly undertaken before this Hon'ble Tribunal that any demand, liability, or obligation, if any, arising under the provisions of the Income-tax Act, 1961, whether determined or pending determination as on the date hereof, or which may arise or be assessed at any time thereafter in relation to the Transferor Companies for any period prior to the Effective Date of this Scheme, shall be the sole responsibility of the Transferee Company, and the

same shall be duly discharged and satisfied by the Transferee Company in accordance with the provisions of the Income-tax Act, 1961.

- 11.** In compliance to order dated 20.02.2026, the Petitioner Company No.3 has filed memo vide dy.no.1277 dated 12.03.2026, stating that the outstanding Income tax dues pertaining to A.Y.2008-09, amounting to Rs.24,586/- has been duly paid and discharged. The copy of challan is annexed and marked as Annexure-2 of the memo.
- 12.** Heard the Learned Counsel for the Petitioner Company and Learned Counsels appearing for the ROC/RD, OL and I.T Department.
- 13.** The reports of the ROC/RD, OL and I.T Department are taken on record. Similarly, replies filed by the Petitioner Company to the above mentioned reports are also taken on record. In view of the above discussion, it is observed that the objections/observations to the Scheme received from ROC/RD, OL and I.T Department have been adequately replied by the Petitioner Company and hence there is no impediment in approval of the Scheme.
- 14.** Hence, the Scheme of Arrangement is **approved** with the appointed date being **01.04.2024** and thus 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 shall not be construed as an order in any way 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 specifically required under any law. With the sanction of the Scheme, the Transferor Companies No. 1 to 3 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 ensure 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.

**15.** Registry to issue formal Orders in Form No. CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, on the Transferee Company filing Schedule of the Properties 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.

**16. In the result, C.P. (CAA) No.27/BB/2025 is disposed of.**

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

**-Sd-**

**RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd-**

**SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**