

**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-II), CHANDIGARH**

**CP (CAA) 50/Chd/Hry of 2025
(2nd Motion)**

(An application under Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, and the National Company Law Tribunal Rules, 2016)

IN THE MATTER OF

MEGASHOP RETAIL PRIVATE LIMITED

Through Mr. Sunil Kumar Gupta, Authorized Signatory

Registered Office at:

Plot No. 349, Udyog Vihar, Phase-II,

Sector-20, Gurugram, Haryana - 122 008

PAN: AAQCM1105R

CIN: U52500HR2022PTC127817

Regd. Email: accounts@megashopretail.com

...Petitioner Company No. 1 / Demerged Company

AND

V-BAZAAR RETAIL PRIVATE LIMITED

Through Mr. Hemant Agarwal, Authorized Signatory

Registered Office at:

Plot No. 349, Udyog Vihar, Phase-II,

Sector-20, Gurugram, Haryana - 122008

PAN: AAFCV3666D

CIN: U52100HR2016PTC126327

Regd. Email: Legal@v-bazaar.com

... Petitioner Company No. 2 / Resulting Company

Order pronounced on: 22.05.2026

**CORAM: SHRI KAUSHALENDRA KUMAR SINGH, HON'BLE MEMBER
(TECHNICAL)**

SHRI KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)

Appearance:

For the Petitioner Companies : Mr. Nahush Jain, Advocate
For the ROC Chandigarh/RD : Dr. Kishorkumar Devarwade,
Assistant Director
For the O.L. : Mr. Edward Augustine George, Advocate
For the Income Tax Department : Mr. Varun Issar, Sr. Standing Counsel

ORDER

1. The present joint Company Petition has been filed by the Petitioner Companies namely; **Megashop Retail Private Limited** (hereinafter referred to as the “**Petitioner Company No. 1**” or “**Demerged Company**”) and **V-Bazaar Retail Private Limited** (hereinafter referred to as the “**Petitioner Company No. 2**” or “**Resulting Company**”), to obtain sanction of this Tribunal to the Scheme of Arrangement for Demerger between the Petitioner Companies and their respective shareholders and creditors (hereinafter referred to as the “Scheme”) under Sections 230-232 of the Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the Rules). The copy of the Scheme is annexed as Annexure E to the petition.

2. The Petitioner Companies filed first motion Application being CA(CAA) No. 14/Chd/Hry/2025 before this Tribunal to obtain appropriate orders to dispense/convene meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors, as the case may be, of these Companies for the purpose of the considering and approving, with or without modification, the aforesaid Scheme of Arrangement. The First Motion Petition was allowed vide Order dated 08.08.2025 with the directions to convene the meetings of secured creditors and

unsecured creditors of Petitioner No. 1 and meeting of equity shareholders, secured creditors and unsecured creditors of Petitioner No. 2 while dispensing the convening of meetings of the equity shareholders of Petitioner No. 1. In compliance with the directions issued by this Tribunal, meetings of Secured and Unsecured Creditors of the Petitioner Company No.1 and meetings of equity shareholders, secured creditors and unsecured creditors of Petitioner No. 2 were convened on 09.10.2025. The Scheme was duly approved with the requisite majority of Secured Creditor and Unsecured Creditors of the Petitioner Company No. 1 and the requisite majority of Equity shareholders, Secured Creditor and Unsecured Creditors of the Petitioner Company No. 2. While disposing of the First Motion Application, the Petitioner Companies were inter-alia directed to issue notice to Regional Director (“RD”), Registrar of Companies ROC and Income Tax Authorities (“ITD”). The Petitioner Companies have e-filed a Compliance Affidavit on 01.10.2025, vide diary no. 0404116007192025/2.

3. The main objectives, date of incorporation, authorized and paid-up share capital, and the rationale of the Scheme have already been discussed in detail in the first motion order dated 08.08.2025.

4. This Tribunal *vide* Order dated 20.11.2025 directed that the notice of hearing be published in two prominently circulating national daily newspapers in English daily, i.e., “Financial Express” (Haryana Edition) and in Hindi daily, i.e., “Jansatta” (Haryana Edition) calling for objections, if any. This Tribunal also directed the Petitioner Companies to issue notice to the statutory and regulatory authorities. In compliance of the said order, the Petitioner Companies have filed an Affidavit of service dated 02.01.2026. The notice of hearing was published English daily, i.e., “Financial Express” (Haryana Edition) and in Hindi daily, i.e.,

“Jansatta” (Hindi, All India Editions) dated 03.12.2025. The original copies of the newspapers are attached as Annexure A-2 of the aforesaid affidavits. It has also been stated in the Affidavit that the notice of the Petition was served upon the Statutory Authorities. A copy of the proof of service of notice of Petition to the Regional Director, Registrar of Companies, Income Tax Department, Official Liquidator, etc. is annexed as Annexure A-2 to the aforesaid Affidavit. The Resulting Company has also stated in the aforesaid Affidavit that no objections or representation has been received from any person against the Scheme subsequent to the publication of notice of the hearing of Petition in the newspapers.

5. In response to the abovementioned notices, the statutory authorities have furnished their Reports and the Petitioner Companies have filed their clarification/submissions thereon which are as follows:

5.1. **Regional Director (RD) and Registrar of Companies (ROC)**

In response to the above stated notice, the Regional Director (RD) filed its report dated 07.01.2026 enclosing therewith the report of the RoC dated 1.01.2026. The Regional Director has raised certain observations and the Petitioner Companies have filed Rejoinder Affidavit with the specific observations and response as under:

Petitioner Company	Observations of RD	Response by Petitioner Companies
Petitioner Company 2	The RD stated that the Transferee Company, has statutory dues from different bodies (Income Tax and GST) and asked the Company to clarify the same. <i>(Para 10(1) of the RD report)</i>	The Petitioner Company 2 submitted that the said statutory dues pertain to ongoing proceedings with the Income Tax and GST Authorities which are pending adjudication before the respective authorities. Further, the details of ongoing proceedings were annexed as Annexure 1 to the said affidavit. Further the Petitioner

		Company 2 stated that the said dues shall be paid / discharged by the Petitioner Company 2, in accordance with law, as and when the same are crystallised.
	The RD stated that the Transferee Company has incurred cash losses of Rs. 461.43 lakhs for current financial year and Rs. 1,308.47 lakhs in the immediately preceding financial year and asked the Company to clarify the same. <i>(Para 10(2) of the RD report)</i>	The Petitioner Company 2 submitted that the Petitioner Company No. 2 has not incurred any cash losses during the Financial Year 2024–25. However, Petitioner Company No. 2 incurred cash losses of ₹461.43 lakhs during the Financial Year 2023–24 and ₹1,308.47 lakhs during the Financial Year 2022–23. The cash Losses in the aforesaid financial years were primarily attributable to the post-pandemic impact, which resulted in lower sales per store coupled with high fixed costs. A substantial portion of the operational expenses, including rental, salary, and electricity costs, are fixed in nature. During these periods, the Company was also required to bear higher interest costs on account of delayed payments to suppliers, as well as increased finance costs due to higher credit exposure from banks.
Petitioner Company 1	The RD stated that all costs, charges, taxes, duties, levels, fees and expenses, if any, to the extent applicable and payable in relation to or in connection with this scheme shall be borne and paid by the Demerged Company. <i>(Para 10(3) of the RD report)</i>	The Petitioner Company 1 submitted that as per clause 22 of the Scheme of Arrangement, all cost, charges, taxes including duties, levies and all other expenses arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company and / or Resulting Company.

5.2. **Income Tax Department**

The report of the Income Tax Department (hereinafter referred to as ITD) is filed in respect of the Petitioner Company No. 1 dated 13.03.2026 and Petitioner Company No. 2 dated 12.03.2026 on 14.03.2026. The ITD has raised certain observations and the Petitioner Companies have filed Rejoinder Affidavit dated 06.04.2026 with the specific observations and response as under:

Petitioner Company	Observations of ITD	Response by Petitioner Companies
Petitioner Company 1	<p>The Assessing Officer requested the Hon'ble National Company Law Tribunal to kindly direct that: All the compliances under the Income Tax Act, 1961 shall be made by the amalgamated entity and all the pending appeals and proceedings, if any under the Income Tax Act shall be enforced and continued against the amalgamated entity.</p> <p><i>(Para 3 of the Report)</i></p>	<p>The Petitioner Company 1 submitted that the clause 4.5.1 of the Scheme provides that all legal or other proceedings by or against the Demerged Company relating to the Retail Business Undertaking shall be continued and enforced by or against the Resulting Company after the Effective Date, accordingly, all the compliances under the Income-tax Act, 1961, pertaining to the Remaining Business, shall be undertaken by the Petitioner Company 1 upon the Scheme becoming effective. Further, any other statutory liabilities shall be duly discharged in accordance with the applicable provisions of the Income-tax Act, 1961, as and when they crystallise. <i>(Para 5 of Response)</i></p>
	<p>The Assessing Officer stated that as per scheme of merger, para, 4.62 the M/s Megashops Retail Private Limited having Loss of Rs. 6,32,78,875/- for the A.Y 2025-26 and it intent to be set of against the income of Resultant company. Which is adverse to the interest of revenue and the Hon'ble Tribunal may protect the loss of revenue by taking undertaking by the resultant company.</p>	<p>The Petitioner Company 1 undertook that the treatment and availability of carry forward losses shall be strictly subject to the provisions of Section 72A and other applicable provisions of the Income-tax Act, 1961. It is further submitted that the Scheme does not, in any manner, seek to extinguish, reduce, or otherwise adversely affect the rights of the Income Tax Department.</p>
	<p>The Assessing Officer stated any other liability or actionable information arise after the appointing date in case of merged assessee must be own by the resultant Company by giving under taking or whatever so, deemed fit by the Hon'ble Tribunal.</p>	<p>The Petitioner Company 1 submitted that the Scheme provides for the demerger of the Retail Business Undertaking of the Petitioner Company 1 into the Petitioner Company 2. In this regard, it is undertaken that any liability pertaining to the Remaining Business shall continue to be undertaken and discharged by, the Petitioner</p>

		Company 1, in accordance with the provisions of the Scheme.
Petitioner Company 2	<p>The Assessing Officer stated that as per details available on the ITBA system as on date, it is seen that the assessee company V-Bazaar Retail Private Limited (PAN: AAFCV3666D) has outstanding demand of Rs. 13,14,31,506/- and carry forward losses of Rs. 13,02,93,541/-.</p> <p><i>(Para 4 of Report)</i></p>	<p>The Petitioner Company 2 submitted that the Company acknowledges the outstanding demand of Rs. 13,14,31,506/- and carry forward losses of Rs. 13,02,93,541/-.</p> <p>Further, the Company submitted that the Scheme does not in any manner seek to extinguish, reduce, or otherwise adversely affect the rights of the Income Tax Department in respect of the aforesaid demand. It is further submitted that the aforesaid demand is presently subject to an appeal filed before the Commissioner of Income Tax (Appeals) and has not yet attained finality. The proceedings before the Hon'ble CIT(A) are ongoing, and the quantum of the demand, as it may be finally determined or modified pursuant to the appellate order, shall remain binding on the Petitioner Company.</p> <p>Further, the treatment and availability of carry forward losses, if any, shall be subject to the provisions of the Act, including but not limited to Section 72A and other applicable provisions, as may be relevant.</p> <p><i>(Para 5 of Response)</i></p>
	<p>The Assessing Officer requested the Hon'ble National Company Law Tribunal to kindly direct that: All the compliances under the Income Tax Act, 1961 shall be made by the Transferee Company or resultant company after the appointed date. All the tax liabilities and all the pending appeals and proceedings under the Income Tax Act shall be enforced and continued against the resultant Company.</p> <p><i>(Para 5 of Report)</i></p>	<p>The Petitioner Company 2 submitted that the clause 4.5.1 of the Scheme provides that all legal or other proceedings by or against the Demerged Company relating to the Retail Business Undertaking shall be continued and enforced by or against the Resulting Company after the Effective Date, accordingly, all the compliances under the Income-tax Act, 1961, pertaining to the Retail Business Undertaking, shall be undertaken by the Petitioner Company 2 upon the Scheme becoming effective.</p> <p><i>(Para 6 of Response)</i></p>

5.3. **Official Liquidator**

The report of the Official Liquidator (hereinafter referred to as OL) is filed on 23.02.2026 whereby it is stated that the **OL does not have any observations/objections** to be made in the matter of the said Scheme of Arrangement.

6. The learned counsel for the Petitioner companies has also apprised about the split financials of the demerged undertaking filed vide diary no. 0404116007192025/1 during the First Motion Application CA(CAA)No. 14/Chd/Hry/2025.

7. The Certificate of the Statutory Auditors with respect to the Scheme between Petitioner Companies to the effect that the accounting treatment proposed in the Scheme is in compliance with applicable Indian Accounting Standards (Ind AS) as specified in Section 133 of the Act, read with Rules thereunder and other Generally Accepted Accounting Principles is annexed as Annexure Q-1 and Q-2 to the Petition.

8. We have considered the submissions made by the learned Counsel for the Petitioner Companies as well as the Authorities and have gone through the material available on record carefully.

9. On the basis of the facts and submissions made by the learned counsel and on perusal of the Scheme, the Scheme of Arrangement between the Petitioner Companies appears to be prima facie in compliance with all the requirements stipulated under the relevant Sections of the Companies Act, 2013. In the light of clarification given by the Petitioner Companies, the observations as made by the Statutory/ Regulatory authorities do not appear to have any impediments in sanctioning the proposed Scheme of Arrangement. We are of the

considered view that the proposed Scheme is bona fide and in the interest of the shareholders and creditors. Since, all the requisite statutory compliance has been fulfilled, this Tribunal sanctions the Scheme of Amalgamation appended as Annexure E to the Petition.

10. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, rules, or regulations, the sanction granted by this Tribunal to the Scheme will not come in the way of action being taken, albeit, in accordance with the law, against the concerned persons, directors and officials of the Petitioner Companies.

11. While approving the Scheme as above, it is clarified that this Order should not be construed as an Order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

12. Further, the Income Tax Department will be free to examine the aspect of any tax payable as a result of the sanction of the scheme and if it is found that the scheme of arrangement ultimately results in tax avoidance or is not in accordance with the applicable provisions of the Income Tax Act, then the Income Tax Department shall be at liberty to initiate appropriate course of action in accordance with the law. Any sanction of the scheme of arrangement under section 230-232 of the Companies Act, 2013 shall not adversely affect the rights of the Income Tax Department or any past, present or future proceedings and the sanction of the scheme shall not come in its way for the appropriate course of action as per law for the tax liabilities, if any.

13. **THIS TRIBUNAL DO FURTHER ORDER:**

(i) The Scheme of Arrangement of Megashop Retail Private Limited (“Petitioner Company No. 1” or “Demerged Company”) and V-Bazaar Retail Private Limited (“Petitioner Company No. 2” or “Resulting Company”), appended as Annexure E with the Petition is hereby sanctioned and it is declared that the same shall be binding on the Petitioner Companies and their Shareholders and Creditors and all concerned under the Scheme.

(ii) All the property, right and powers of the proposed demerged undertaking of the Petitioner Company No. 1 (Demerged Company) be transferred without further act or deed to the Petitioner Company No. 2 (Resulting Company) and accordingly, the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and vested in the Resulting Company for all the estate and interest of the Demerged Company pertaining to the Demerged Undertaking, but subject nevertheless to all charges now affecting the same;

(iii) All the liabilities and duties of the Demerged Business of the Demerged Company be transferred, without further act or deed, to the Petitioner Company No. 2/Resulting Company and accordingly the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Petitioner Company No. 2/Resulting Company; and

(iv) All contracts of the Petitioner Company No.1 pertaining to the Demerged Undertaking which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Petitioner Company No. 2 and be in full force and effect in favour of the

Petitioner Company No. 2 and may be enforced by or against it as fully and effectually as if, instead of the Petitioner Company No.1 pertaining to the Demerged Undertaking, the Petitioner Company No.2 had been a party or beneficiary or obliged thereto;

(v) All the employees of the Petitioner Company No.1 pertaining to the Demerged Undertaking of the Scheme of Arrangement shall be deemed to have become the employees and the staff of the Petitioner Company No.2 with effect from the Appointed Date, and shall stand transferred to the Petitioner Company No.2 without any interruption of service and on the terms and conditions no less favourable than those on which they are engaged by the Petitioner Company No.1 pertaining to the Demerged Undertaking, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits;

(vi) Upon the Scheme becoming effective, all proceedings pending by or against the Demerged Business of the Demerged Company be continued by or against the Petitioner Company No. 2/Resulting Company; and

(vii) The Resulting Company shall, without further application, allot to the existing members of the Demerged Company shares of the Resulting Company to which they are entitled under the said Scheme;

(viii) The Appointed Date for the Scheme of Arrangement shall be 01.04.2025.

(ix) The Petitioner Companies will furnish a self-certified copy of the approved Scheme and Schedule of Assets of the Demerged Undertaking to

the Designated Registrar of this Tribunal. The Designated Registrar will issue a certified copy of this order together with the authenticated copy of the approved Scheme and Schedule of Assets as its enclosures. All the Authorities are directed to act on the certified copy of this order as issued by the Designated Registrar.

(x) The Resulting Company is directed to file the certified copy of this Order along with the copy of Scheme and Schedule of Assets with the concerned Registrar of Companies, electronically along with e-form INC-28 in addition to a physical copy in e-form INC-28 within 30 days or an extended timeline with payment of additional fees, as may be applicable, from the date of receipt of the Order. Following that necessary steps shall be taken up by the Registrar of Companies.

(xi) The Resulting Company is directed to lodge a copy of this Order and the approved Scheme and Schedule of Assets of the Demerged Undertaking, duly authenticated by the Designated Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, within 60 days from the date of the Order.

(xii) Any person aggrieved shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

(xiii) All the concerned Regulatory Authorities to act on a copy of this order annexed with the Scheme duly authenticated by the Designated Registrar of this Bench.

14. The **Company Petition (CAA) No. 50/Chd/Hry of 2025** is **allowed** and **disposed of** accordingly.

Sd/-
(Khetrabasi Biswal)
Member (Judicial)
Inderjeet

Sd/-
(Kaushalendra Kumar Singh)
Member (Technical)