

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

**C.P. (CAA) No.42/BB/2023**

Application U/ss 230 to 232 of the Companies Act, 2013  
& other applicable provisions of the Companies Act, 2013  
R/w the Companies (Compromises, Arrangements  
and Amalgamations) Rules, 2016

**In The Matter Of**

**Cultgear Private Limited**

No.17 & 17 C BDA,  
Sector 3, HSR Layout,  
Bengaluru – 560 102.

... **Petitioner Company No.1/  
Demerged Company**

**Treadfit Technologies Private Limited**

No.17 & 17 C BDA,  
Sector 3, HSR Layout,  
Bengaluru – 560 102.

... **Petitioner Company No.2/  
Transferor Company No.1**

**Relentless Sports Private Limited**

No.17 & 17 C BDA,  
Sector 3, HSR Layout,  
Bengaluru – 560 102.

... **Petitioner Company No.3/  
Transferor Company No.2**

**Curefoods Private Limited**

No.17 & 17 C BDA,  
Sector 3, HSR Layout  
Bengaluru – 560 102.

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

**Order delivered on: 28.06.2024**

**CORAM:** Hon'ble Shri K. Biswal Member (Judicial)

Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

**Parties/Counsels Present:**

For the Petitioner Companies : Shri R. Inbaraju

**ORDER**

**Per: Manoj Kumar Dubey, Member (Technical)**

1. This is a Second Motion Petition filed on 06.10.2023 by Cultgear Private Limited (for brevity, the “Petitioner Company No.1 /Demerged Company”), Treadfit Technologies Private Limited (for brevity, the “Petitioner Company No.2 / Transferor Company No.1”), Relentless Sports Retail Private Limited (for brevity, the “Petitioner Company No.3/ Transferor Company No.2”) and Curefoods Private Limited (for brevity, the “Petitioner Company No.4 /Resulting Company /Transferee Company”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the said Act) R/w Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, *inter alia* seeking for the sanction of Composite Scheme of Arrangement of Cultgear Private Limited, Treadfit Technologies Private Limited, Relentless Sports Retail Private Limited with Curefoods Private Limited and their respective Shareholders and Creditors.
2. The Petitioner Companies filed First Motion Application under section 230 to 232 of the said Act, 2013 bearing C.A. (CAA) No.18/BB/2023 before this Tribunal. This Tribunal vide order dated 15.09.2023 dispensed with the meetings of the Equity Shareholders, Unsecured Creditors of the Applicant Companies and Preference Shareholders of the Applicant Company No.3 & Secured Creditors of the Applicant Company No.1. Since there were no Secured Creditor in the Applicant Companies Nos.2, 3, 4, there was nothing to convene the meeting.
3. This Tribunal vide order dated 22.11.2023, issued the following directions, namely;

*“...4. The Petition be listed for hearing on 12.01.2024. At least 10 days before the date fixed for final hearing, the Petitioner Companies shall publish the notice of final hearing of the Company Petition in two local newspapers viz. “Business Standard” in English Edition and translation thereof in “Kannada Prabha” in Kannada Edition, as per Rule 16 of the*

*Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.*

*5. Notice be also served upon the Objector(s) or their representative as contemplated under sub-section (4) of Section 230 of the Companies Act, 2013 who may have made representation and who have desired to be heard in their representation along with a copy of the Petition and the Annexures filed therewith at least 15 days before the date fixed for hearing. It is to be specified in the notices that the objections, if any, to the Scheme may be filed within thirty days from the date of the receipt of the notice, failing which it will be considered that there is no objection to the approval of the Scheme on the part of the objectors.*

*6. In addition to the above public notice, the Petitioner Company shall serve the notice of the Petition on the following Authorities namely, (a) Regional Director (South East Region), Hyderabad; (b) Registrar of Companies, Karnataka, Bengaluru; (c) the office of the Official Liquidator (d) the Reserve Bank of India (e) Secretary, Competition Commission of India, New Delhi (f) jurisdictional Income Tax Authorities by disclosing the PAN numbers of the Applicant Companies (f) The Designated Nodal Officer – Principal Chief Commissioner of Income Tax, Karnataka & Goa; along with the copy of this Petition by speed post immediately and to such other Sectoral Regulator(s) who may govern the working of the respective Companies involved in the Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, with a direction that they may submit their representation, if any, within 30 (thirty) days from the date of receipt of such notice, failing which it will be presumed that the said Authority has no representation to make to the Scheme.*

- 4.** In pursuant to the aforesaid direction, the authorized signatory of the Petitioner Companies has filed proof of service of notice vide diary No.6478 dated 21.12.2023 along with copies of newspaper publication in “Business Standard” (English), and “Kannada Prabha” (Kannada). Further, in another Affidavit filed by the Authorized Signatory of the Petitioner Companies, vide diary no.136 dated 05.01.2024, wherein it is stated that from the date of causing newspaper publication to till the date of filing this affidavit, neither the Petitioner Companies nor the Authorized Representative of the Petitioner Companies have received any objection from any person nor from any of the Objector(s) or their

representative as contemplated under sub-Section (4) of Section 230 of the Act.

- 5.** The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the Composite Scheme and interest of employees have been discussed in detail in first motion Order dated 15.09.2023.
- 6.** The Valuation Report for Arrangement is attached as Annexure – 30 to the Petition.
- 7.** The Board Resolution of Petitioner Companies approving the Composite Scheme of Arrangement is annexed as Annexure-23, 24, 25 & 26 to the Petition.
- 8.** It is submitted that upon the composite Scheme, the Demerged Undertaking of Petitioner Company No.1/Demerged Company and entire business of the Petitioner Company No.2/Transferor Company No.1 would stand transferred to and vested in, the Petitioner Company No.4/Transferee Company/Resulting Company on and from the Appointed Date that is 01<sup>st</sup> April, 2022 and the entire business of and Petitioner Company No.3/Transferor Company No.2 would stand transferred to and vested in, the Petitioner Company No.4/Transferee Company/Resulting Company from the Appointed Date that is 01<sup>st</sup> July, 2022 or such other date as the Tribunal may direct. “Demerged Undertaking” shall mean and include all the business-to-business non-commercial equipment business owned by the Demerged Company in India including all activities, properties, investments, liabilities.
- 9.** It is further submitted that the Certificate of Statutory Auditors of the Petitioner Companies, has been filed, stating that, the Accounting Treatment contained in Clause 11.2 & 11.3 of the Composite Scheme of Arrangement is in conformity with applicable Indian Accounting Standards specified U/s.133 of the Act, and Other Generally Accepted Accounting Principles. The said Certificate is attached as Annexure-28 & 29 to the Petition respectively.

**10.** The Audited Financial Statement as on 31.03.2023 of the Petitioner Companies and the Unaudited Financial Statements as on 31.03.2023 of the Petitioner Companies are attached as Annexures – 1, 2, 3, 4 to the compliance affidavit vide diary no.5606 dated 06.11.2023 & Annexures-6, 11, 17, 22 to the Petition.

**11.** As per the Composite Scheme of Arrangement, the “Appointed Date” means 01.04.2022 and 01.07.2022 or such other date as the NCLT may direct.

**12.** In pursuant to the direction dated 22.11.2023, the Regional Director and the Registrar of Companies have filed their Common Report vide Diary No.870 dated 08.02.2024 by *inter alia* observing as under, vide para II:

1) **Para II(1) of the Common Report of RD & ROC:** This is a composite scheme of arrangement under section 230 to 232 of the Companies Act, 2013 wherein:

a. The demerged undertaking comprising of business to business non-commercial equipment business of the demerged company is being vested in the Resulting / Transferee Company.

b. Amalgamation of Transferor Company 1 and Transferor Company 2 into the Resulting / Transferee Company.

2) **Para II(2) of the Common Report of RD & ROC:** The Petitioner Company in its reply has stated that Cultgear Private Limited (Demerged Company) is engaged in the business of sale of commercial and non-commercial sports related equipments including ancillary products to various parties. The management of Cultgear Private Limited (Demerged Company) has decided to demerge the non-commercial equipment business of Private Limited (Demerger Company) into Curefoods Private Limited (Resulting / Transferee Company). The non-commercial equipment business of Cultgear Private Limited (Demerged Company) is going to merge with the Curefoods

Private Limited (Resulting / Transferee Company).

- 3) **Para II(3) of the Common Report of RD & ROC:** As per Para 1.3 & 1.4 of Part-A of the proposed scheme the appointed date has been stated as 01.04.2022 and 01.07.2022. The Petitioner Companies have furnished two appointed dates and reasons for mentioning such dated and such dates are with respect to which companies has not been furnished. All the Petitioner Companies had filed their Annual Returns and Balance Sheets for the year ended 31.03.2023. Hence, the Tribunal may be pleased to direct the Petitioner Companies to change the appointed date from 01.04.2022 & 01.07.2022 to 01.04.2023 and accordingly amend the Scheme changing the appointed date in the proposed scheme wherever applicable and to furnish the amended copy to all the statutory authorities.
- 4) **Para II(4) of the Common Report of RD & ROC:** As per MCA Records, the Demerging and Transferee Companies have open charges. Hence the company has to obtain and furnish No Objection Certificate from the concerned charge holder/s to the NCLT before the scheme is allowed.
- 5) **Para II(5) of the Common Report of RD & ROC:** As per clause 10 of Part B of the Scheme, the Resulting Company shall issue and allot 1 Equity Shares of Re.1/- each for every 1 Equity shares of Re.1/- each held in the Demerging Company.
- 6) **Para II(6) of the Common Report of RD & ROC:** As per Clause 20 of Part C of the Scheme, the Transferee Company shall issue and allot 28,320 Equity Shares of Re.1/- each for every 1 Equity Share of Rs.10/- each held in the Transferor Company 1. The petitioner companies need to explain the rationale behind such a skewed swap ratio. Further, since the Transferor Company 2 is the wholly owned subsidiary of the Transferee Company, as per Clause 30 of the Scheme, all equity shares held by the Transferee Company and its nominee(s) in the Transferor Company No.2, shall stand cancelled and there will be no issue

and allotment of shares as consideration.

- 7) **Para II(7) of the Common Report of RD & ROC:** The Authorized Share Capital of the Resulting Company may be adequate to issue shares to the shareholders of the Demerging Company and Transferor Company 1 post sanction of the scheme. The Resulting Company to furnish an undertaking to the Tribunal that the company will increase its Authorized Share Capital adequately by following applicable provisions of the Companies Act, 2013 and file relevant e-forms with Registrar of Companies.
- 8) **Para II(8) of the Common Report of RD & ROC:** The object clause of the Transferee Company to be modified suitably to enable the Resulting / Transferee Company to carry out the business after the said scheme is sanctioned.
- 9) **Para II(9) of the Common Report of RD & ROC:** Clause 35 of Part E of the Scheme provides for Clubbing of Authorized share capital wherein it is stated that the authorized share capital of the Transferee Company shall automatically stand increased without any payment of stamp duty and fees. The Tribunal may be pleased to direct the Transferee Company to furnish an undertaking that the Petitioner Company to comply with the provisions of Section 232(3)(i) of Companies Act, 2013 and pay the difference of fee, after setting off the fee already paid by the Transferor Companies on its respective capital.
- 10) **Para II(10) of the Common Report of RD & ROC:** As per the latest Audited Financial Statement for the financial year ending 31.03.2022, the Demerged, Transferor 1, Transferor 2 and the Resulting Companies are loss-making entities.
- 11) **Para II(11) of the Common Report of RD & ROC:** As per note no. 18, 17, 9 and 20 of the Financial Statements for the Financial Year ended 31.03.2022, Demerging, Transferor 1, Transferor 2 and Resulting Companies have undisputed statutory dues to the tune of Rs.92.73 lakhs, Rs.39.79 lakhs, Rs.40.91 lakhs and Rs.2.9 lakhs respectively. The Tribunal may be pleased to direct

the Petitioner Companies to furnish an undertaking to the NCLT to the effect that it will settle the statutory dues immediately, if not settled so far.

12) **Para II(12) of the Common Report of RD & ROC:** With reference to this Directorate's letter dated 14.12.2023, issued to Pr. Commissioner of Tax, Bangalore, till date no report/comments in the matter has been furnished by Income Tax office. The Tribunal may be pleased to direct the Petitioner Transferee Company to furnish an undertaking of behalf of all the Demerged/Transferor Companies that as and when any demand arises from the Income Tax Department, Petitioner Transferee Company is ready to pay the said dues.

13. The reply to the common report of RD & ROC has been filed by the Petitioner Company vide Diary No.1442 dated 04.03.2024, *inter alia* stating as under: -

- 1) **Reply to para II (1) of the ROC & RD report:** It is submitted that the statement made in the RD/ROC Report is true and not required to be traversed.
- 2) **Reply to para II (2) of the ROC & RD report:** It is submitted that the statement made in the RD/ROC Report is true and not required to be traversed.
- 3) **Reply to para II (3) of the ROC & RD report:** It is submitted that in accordance with the provisions of Section 232(6) of the Companies Act, 2013, the Petitioner Companies have determined April 1, 2022 as 'Appointed Date 1' and July 1, 2022 as 'Appointed Date 2' and the Petitioner Companies had filed the First Motion Application before this Tribunal on April 1, 2023. Hence, the Petitioner Companies had made their application to the Tribunal within one year from the date of the Appointed Date 1 and Appointed Date 2 and thus was well within the statutory timelines as required under the law and the same was clarified in the General Circular No.09/2019 vide dated August 21, 2019 issued by the Ministry of Corporate



Affairs.

Further, as per Clause 4 of the Composite Scheme, the various parts of the Composite Scheme shall be deemed to be effective:

- i. from the Appointed Date 1 but shall be operative from the Effective Date relating to the transfer and vesting of the Undertaking of the Demerged Company and Transferor Company No.1 into the Transferee Company; and
- ii. from the Appointed Date 2 but shall be operative from the Effective Date relating to the transfer and vesting of the Undertaking of the Transferor Company No.2 into the Transferee Company.

Accordingly, the Petitioner Company No.4/Resulting Company/Transferee Company submitted that since there are different transactions as stated above, therefore different appointed dates have been proposed. An Undertaking Affidavit by Petitioner Company No.4/ Resulting Company/ Transferee Company to effect the same is marked as Annexure 3.

- 4) **Reply to para II (4) of the ROC & RD report:** The Petitioner Company No.4/ Resulting Company/ Transferee Company, undertakes and confirms that the statement made in the RD/ROC Report with respect to Demerger Company is true submitted that the Demerged Company has obtained the Consent / NoC from the secured creditors of the Demerged Company for proposed Composite Scheme, which was submitted along with the Application bearing C.A.(CAA)/18/BB/2023 filed before the National Company Law Tribunal, Bengaluru Bench. However, it is submitted that there are no secured creditor in the Petitioner Company No.4/ Resulting Company/ Transferee Company.
- 5) **Reply to para II (5) of the ROC & RD report:** The Petitioner Company No.4/ Resulting Company/ Transferee Company confirms that the statement made in the RD/ROC Report is

true and not required to be traversed. The copy of the Valuation Report obtained from registered valuer in connection with proposed Composite Scheme has been already filed before the Tribunal at Annexure - 30 to the Petition.

- 6) **Reply to para II (6) of the ROC & RD report:** The Petitioner Company No.4/ Resulting Company/ Transferee Company submitted that the statement made in the RD/ROC Report with respect to the swap ratio i.e., Transferee Company shall issue and allot 28,320 Equity Shares of Re.1/- each for every 1 Equity Share of Rs.10/- each held by the shareholders (excluding shares held by the Transferee Company, if any) in the Transferor Company No.1 and all the equity shares held by the Transferee Company and its nominee(s) in the Transferor Company No.2 shall stand cancelled and there will be no issue and allotment of shares as consideration is true.

Further, it is also submitted that the swap ratio has been derived on the basis of the valuation report obtained by the Petitioner Company No.2/ Transferor Company No.1 and the Petitioner Company No.4/ Resulting Company/ Transferee Company. Considering the same, the shares will be issued considering the swap ratio determined in the valuation report.

- 7) **Reply to para II (7) of the ROC & RD report:** The Petitioner Company No.4/ Resulting Company/ Transferee Company submitted that pursuant to Clause No.35 of the Composite Scheme, upon the Composite Scheme being effective, the authorized share capital of the Transferor Company No.1 and Transferor Company No.2 will be clubbed with the Petitioner Company No.4/ Resulting Company/ Transferee Company.

It is also submitted that upon the Composite Scheme become effective the Petitioner Company No.4/ Transferee Company/ Resulting Company will increase its Authorized Share Capital adequately by following applicable provisions of the Companies Act, 2013 and file relevant e-forms with Registrar of

Companies. An Undertaking Affidavit by Petitioner Company No.4/ Resulting Company/ Transferee Company to effect the same is marked as Annexure 3.

- 8) **Reply to para II (8) of the ROC & RD report:** The Petitioner Company No.4/ Resulting Company/ Transferee Company, submitted that the that the Memorandum of Association of Petitioner Company No.4/ Resulting Company/ Transferee Company has already been amended vide special resolution passed at the extraordinary general meeting of the shareholders dated 10<sup>th</sup> March, 2023 to cover all the businesses which are currently being undertaken by the Demerged Company, Transferor Company No.1 and Transferor Company No.2. Copy of the altered Memorandum of Association is already enclosed in Annexure no. 19 (page no. 321- 340) to the second motion petition. Copy of the same is marked as Annexure-4.
- 9) **Reply to para II (9) of the ROC & RD report:** The Petitioner Company No. 4/Transferee Company submitted that as per Clause 35 of the proposed Composite Scheme, the filing fees and stamp duty already paid by the Petitioner Company No. 2/Transferor Company No.1 and Petitioner Company No. 3/ Transferor Company No. 2 on its authorized share capital shall be utilized and applied to the increased share capital of the Petitioner Company No. 4/Transferee Company/ Resulting Company and shall be deemed to have been, so paid by the Petitioner Company No. 4/Transferee Company/ Resulting Company on such combined authorized share capital and the difference of fees if any after setting off the fees paid by the Transferor Company No.1 and Transferor Company No.2 shall be paid by the Transferee Company/ Resulting Company pursuant to Section 232(3)(i) of the Companies Act, 2013 for increase in the authorized share capital to that extent and the Transferee Company/ Resulting Company undertake to file the

amended Memorandum and Articles of Association with the Registrar of Companies. An Undertaking Affidavit to this effect by the Petitioner Company No. 4/ Transferee Company is enclosed and marked as Annexure -3.

- 10) **Reply to para II (10) of the ROC & RD report:** The Petitioner Company No.4/ Resulting Company/ Transferee Company submitted that the statement made in the RD/ROC Report is true and not required to be traversed.
- 11) **Reply to para II (11) of the ROC & RD report:** The Petitioner Company No. 4/Transferee Company submitted that all the undisputed statutory dues of the Demerged Company, Transferor Company No.1, Transferor Company No.2 and Transferee/ Resulting Company are being settled in accordance with the statutory timeline. Considering the above, the undisputed statutory dues as set out in the financial statements of the Demerged Company, Transferor Company No.1, Transferor Company No.2 and Transferee/ Resulting Company for the year ended March 2022 has been duly paid or will be paid within the statutory timeline. An Undertaking Affidavit to this effect by the Petitioner Company No.1/ Demerged Company, Petitioner Company No.2/Transferor Company No.1, Petitioner Company No. 3/Transferor Company No.2 and Petitioner Company No.4/ Transferee Company is enclosed and marked as Annexure 5, 6, 7 and 3 respectively.
- 12) **Reply to para II (12) of the ROC & RD report:** The Petitioner Company No. 4/ Resulting Company/ Transferee Company stated that the Petitioner Companies have submitted their reply to the Income Tax Department letter on January 19, 2024 and also attaching the undertaking affidavit of the Transferee Company undertaking and confirming to settle the all the statutory dues as and when crystalized. Acknowledgment copies of the said reply affidavit to the IT letter submitted to the NCLT and proof of service of sending the said reply affidavit to

Income Tax Department and Regional Director Office are herewith enclosed and marked as Annexure-8.

**14.** The Official Liquidator has filed its report vide diary no.729 dated 01.02.2024 by *inter alia* observing as under:

- 1) It is a composite scheme of arrangements sought for approval.
- 2) All the 3 companies i.e., Demerger Company, Transferor Company No.1 and Transferor Company No.2 are registered in the State of Karnataka and all the three companies are private companies.
- 3) The objects of Demerger Company, Transferor Company No.1 and Transferor Company No.2 are different from Transferee Company. The objects of these companies cannot be taken as automatic or by an operation of law by Transferee Company. Needs to comply with section 13 of the Companies Act, 2013.
- 4) That the Cultgear Private Limited is demerging its entire business with Transferee Company. Since the Applicant Demerging Company is a going to be in existence as a going concern. Hence, Official Liquidator's report as such is not necessary. Thus, Official Liquidator's report is virtually restricted to Transferor Company No.1 and Transferor Company No.2 only. The Demerger Company and Transferee Company will be in existence and Transferor Company No.1 and Transferor Company No.2 companies will be dissolved.
- 5) The two appointed date has been proposed in the scheme i.e., 01.04.2022 and 01.07.2022. Being outdated the scheme may be allowed from 01.04.2023 or any later date. Further, reasons for proposing different appointed dates will have to be explained.
- 6) The Authorized Share Capital of Demerger is Rs.2,55,00,000/- divided into 2,55,0,000 equity share of Re.1/- each and Paid-up Capital is Rs.2,21,52,903/- divided into 2,21,52,903 equity share of Re.1/- each.

The Authorized Share Capital of Transferor Company No.1 is of

Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each and Preference Capital of Rs.5,00,000/- divided into 5000 CPS of Rs.100/- each and Paid-up Capital is Rs.1,00,000/- divided into 10,000 equity share of Rs.10/-.

The Authorized Share Capital of Transferor Company No.2 is of Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each and Convertible Preference share Capital of Rs.3,00,00,000/- divided into 30,00,000 CPS of Rs.10/- each and Paid-up Capital is Rs.1,00,000/- divided into 10,000 equity share of Rs.10/-.

- 7) There is no cross holding between the Demerger company, Transferor Company No.1 and Transferor Company No.2 and Transferee Company. Curefit Healthcare Private Limited holds 100% share in Demerged Company and Transferor Company No.1. The Transferee Company holds 100% shares in Transferor Company No.2. Further it is informed that Curefoods Healthcare Private Limited is the holding company of Transferee Company. Hence, the Demerger and Transferor Company No.1 and Transferor Company No.2 are wholly owned subsidiary of Cultfit Healthcare Private Limited.
- 8) The Board of Directors of the Demerger Company and Transferor Companies have approved the scheme on 18.03.2023. The Tribunal vide order dated 15.09.2023 has dispensed with the meeting of shareholders and unsecured creditors of Demerger and Transferor Company No.1 and Transferor Company No.2 as per the information provided upon getting consent. However, the interest of all the creditors including MSME shall be taken care of by the Transferee Company /Resulting Company.
- 9) As per the records provided there are unsecured creditors between the Applicant Companies and with ultimate holding company. Needs to settle /extinguish such liabilities as per the prescribed, accounting standard.

- 10) The Demerged Company has few secured creditors including a foreign bank. Approval of the banks needs to be taken in case not taken so far. To be explained.
- 11) The Demerged Company has raised huge amount as right issue in the year 2022-2023 with huge premium; in spite of the fact that the company is a continuous loss-making company.
- 12) Upon the scheme become effective, Transferee Company shall issue and allot:
  - a. "1 fully paid-up equity shares of face value of Re. 1/- each of Transferee Company shall be issued for every 1 equity share of face value of Re.1/- each fully paid up held in the Demerged company".
  - b. "28,320 fully paid-up equity shares of face value of Re.1/- each of the Transferee Company shall be issued and allotted as fully paid-up for every 1 equity share of face value of Re. 10/- each fully paid up held in the Transferor Company No.1.
  - c. Since the Transferor Company No.2 is a wholly owned subsidiary of the Transferee Company, all the equity shares held by the Transferee Company and its nominee(s) in the Transferor Company No.2 shall stand cancelled. Accordingly, shall be no issue and allotment of shares." Since the Curefit Healthcare Private Limited is the 100% holding Company of Transferee Company and ultimate holding company of Demerging and Transferor Company No.1, reasons and necessity of issuing fresh share by Transferee Company to be explained.
- 13) As per the scheme and the word "activity" defined at 1.7 at Part-A of the scheme, the entire business assets both tangible and intangible liabilities be demerged to Transferee Company. However, it is not specified as to why the company allow to continue as going concern instead of completely merging with Transferee Company, its own holding company. The Petitioner

has to explain the real cause for the same and how long the Demerging Company is going to be existence and what is the business strategy of Demerging Applicant Company No.1 once the demerger is allowed. In case of any reduction of share capital by the demerging company, the Applicant has to comply the section 66 of the Companies Act, 2013.

14) There may be an Income Tax out flow impact on Transferee Company and Demerged Company as Transferor Company No.1 and Transferor Company No.2 are loss making companies.

15) The Transferor Company has huge related party transactions. Needs to comply the provisions of section 188 of Companies Act, 2013.

16) No Employees/workmen of Transferor Company to be retrenched/terminated in the terms of amalgamation of Transferor company with Transferee Company. The Tribunal may kindly see that Transferor or Transferee will not retrench Swap the staff or employee of Transferor Company in the guise of surplus staff on account of merger. Need to give a separate undertaking by the Transferee Company in this regard.

17) An undertaking may be obtained from the Applicant Companies that they will pay applicable stamp duty and other charges to the state Govt. within a reasonable time with an outer-line of 6 months.

18) That as per the records of this office, the other two schemes purposed between group of companies are pending (CA (CAA)15/BB/2023 and CA (CAA) 46/BB/2023).

**15.** The reply to the report of Official Liquidator has been filed by the Petitioner Companies vide diary No.4587 dated 04.09.2023 *inter alia* stating as under:-

1) **Reply to para 1 of the OL report:** The Petitioner Company No.4/ Resulting Company/ Transferee Company submitted that the statement made in the OL Report is true.

2) **Reply to para 2 of the OL report:** It is submitted that the



statement made in the OL Report with respect to Petitioner Company No.1/Demerged Company, Petitioner Company No. 2/ Transferor Company No.1 and the Petitioner Company No. 3/ Transferor Company No.2 being registered in the State of Karnataka and are Private Company is true.

- 3) **Reply to para 3 of the OL report:** The Petitioner Company No.4/ Resulting Company/ Transferee Company, hereby undertake and confirm that the statement made in the para no. 3 of the OL Report is incorrect, the Memorandum of Association of the Petitioner Company No.4/Resulting Company/ Transferee Company has already been amended vide special resolution passed at the extraordinary general meeting of the shareholders dated 10<sup>th</sup> March, 2023 to cover all the businesses which are currently being undertaken by the Demerged Company, Transferor Company No.1 and Transferor Company No.2. Copy of the same is herewith enclosed and marked as Annexure-2.
- 4) **Reply to para 4 of the OL report:** It is submitted that Cultgear Private Limited, the Demerged Company shall transfer its Demerged Undertaking which includes all the business-to-business non-commercial equipment business owned by the Demerged Company in India including all activities, properties, investments, liabilities specifically related to such identified business as per Clause 1.7 of the Composite Scheme. Further, the statement with respect to Petitioner Company No.1/ Demerged Company and Petitioner Company No. 4/ Resulting Company/ Transferee Company being in existence and Petitioner Company No.2/ Transferor Company No. 1 and Petitioner Company No. 3/ Transferor Company No. 2 being dissolved is true. An Undertaking Affidavit by the Petitioner Company No.4/ Resulting Company/ Transferee Company and Petitioner Company No.1/ Demerged Company to effect the same is enclosed and marked as Annexure-3 and 4

respectively.

5) **Reply to para 5 of the OL report:** It is submitted that in accordance with the provisions of Section 232(6) of the Companies Act, 2013, the Petitioner Companies have determined April 1, 2022 as 'Appointed Date 1' and July 1, 2022 as 'Appointed Date 2' and the Petitioner Companies had filed the First Motion Application before this Tribunal on March 31, 2023. Hence, it is submitted that, Petitioner Companies had made their application to the Tribunal within one year from the date of the Appointed Date 1 and Appointed Date 2 and thus was well within the statutory timelines as required under the law and the same was clarified in the General Circular No. 09/2019 vide dated August 21, 2019 issued by the Ministry of Corporate Affairs.

Further, as per Clause 4 of the Composite Scheme, the various parts of the Composite Scheme shall be deemed to be effective:

- i. from the Appointed Date 1 but shall be operative from the Effective Date relating to the transfer and vesting of the Undertaking of the Demerged Company and Transferor Company No.1 into the Transferee Company; and
- ii. from the Appointed Date 2 but shall be operative from the Effective Date relating to the transfer and vesting of the Undertaking of the Transferor Company No.2 into the Transferee Company.

It is further submitted that since there are different transactions as stated above, therefore different Appointed Dates have been proposed. An Undertaking Affidavit by Petitioner Company No.4/ Resulting Company/ Transferee Company to effect the same is enclosed and marked as Annexure-3.

6) **Reply to para 6 of the OL report:** It is submitted that the details of the authorized and paid-up share capital mentioned

in the OL Report is true. The authorized share capital of the Petitioner Company No.1/Demerged Company is Rs.2,55,00,000/- divided into 2,55,00,000 equity share of Re.1/- each as against the details of the authorized share capital mentioned in the OL Report for the Petitioner Company No.1/Demerged Company, mentioned as Rs.2,55,00,000/- divided into 25,50,000 equity share of Re.1/- each.

- 7) **Reply to para 7 of the OL report:** It is submitted that the statement made in the OL Report that Curefit Healthcare Private Limited holds 100% share in Petitioner Company No.1/ Demerged Company and Petitioner Company No. 2/ Transferor Company No. 1 is true. Further, the statement made in the OL report that the Petitioner Company No. 4/ Resulting Company/ Transferee Company holds 100% share in Petitioner Company No.3/Transferor Company No.2 is also true. Curefit Healthcare Private Limited is the holding company of Petitioner Company No.4/Resulting Company/Transferee Company as against Curefoods Healthcare Private Limited mentioned in the OL report. Further, Petitioner Company No.1/Demerged Company, Petitioner Company No.2/Transferor Company No.1 are directly the wholly owned subsidiaries of Curefit Healthcare Private Limited and Petitioner Company No.3/Transferor Company No.2 is an indirect wholly owned subsidiary of Curefit Healthcare Private Limited and not Cultfit Healthcare Private Limited as stated in the OL report.
- 8) **Reply to para 8 of the OL report:** It is submitted that upon the approval of the Composite Scheme, all the outstanding creditors and MSME payables related to the Demerged Undertaking of the Petitioner Company No.1/Demerged Company, Petitioner Company No. 2/ Transferor Company No.1 and of the Petitioner Company No. 3/ Transferor Company No. 2 will be settled within the timeline as permitted by law. An Undertaking affidavit of the Petitioner Company No.4/

Resulting Company/ Transferee Company to give effect the same is enclosed and marked as Annexure-3.

- 9) **Reply to para 9 of the OL report:** It is submitted that the ultimate holding company i.e., Curefit Healthcare Private Limited is not a party to proposed Composite Scheme. Further, Clause 5.6, 15.9, and 25.9 of the proposed Composite Scheme provides that, upon the Composite Scheme becoming effective all inter-party transactions between the Demerged Company and Resulting Company/Transferee Company, Transferor Company No.1 and Resulting Company/Transferee Company, Transferor Company No.2 and Resulting Company/Transferee Company shall be considered as intra-party transactions for all purposes. It is hereby clarified that as per the accounting treatment certificate given by the statutory auditors, all the inter-company balances, if any, appearing in the books of account of the Demerged Company and Resulting Company/ Transferee Company, Transferor Company No.1 and Resulting Company/Transferee Company, Transferor Company No.2 and Resulting Company/Transferee Company shall not be taken over by the Resulting Company/Transferee Company and shall stand cancelled without any further act or deed, upon this Composite Scheme becoming effective. It is further clarified that, the accounting treatment of all the inter-company balances shall be undertaken in compliance with the accounting standard.
- 10) **Reply to para 10 of the OL report:** It is submitted that Petitioner Company No.1/ Demerged Company has 2 (two) Secured creditors, and both being the banks and out of which one of the banks is a foreign bank. The Petitioner Company No.1/demerged Company has obtained a NoC (No Objections Certificate) from both the banks and the same was already submitted before the Tribunal while filing the first motion application. Copy of the CA certificate confirming list of secured

creditors of the Demerged Company and said NoC (No Objections Certificate) from both the banks is enclosed herewith and marked as Annexure-6.

- 11) **Reply to para 11 of the OL report:** It is submitted that the shares were issued to the existing shareholder of the Demerged Company on a rights issue basis at the fair value of the shares of the Demerged Company. It is also submitted that in lieu of the future business prospects and objects of the Company, the Demerged Company has raised such amount from its existing shareholders after complying with the applicable provisions of the Companies Act, 2013.
- 12) **Reply to para 12 of the OL report:** It is submitted the Demerged Undertaking of the Petitioner Company No.1/ Demerged Company is being transferred to the Petitioner Company No.4/ Resulting Company/Transferee Company and similarly the entire business of the Petitioner Company No.2/ Transferor Company No.1 is being transferred to the Petitioner Company No.4/ Resulting Company/Transferee Company and therefore as a consideration for the demerger and merger, the shares of the Petitioner Company No.4/ Resulting Company/ Transferee Company shall be issued to its shareholder (including the ultimate holding company which is the shareholder of the Demerged Company and Transferor Company No.1).
- 13) **Reply to para 13 of the OL report:** It is submitted that Demerged Company is engaged in the business of designing, developing sport apparel, cycles and cardio equipment under the brand name "Cult" which are sold in the open market through its distributors, application and on various other online platforms. Further as a part of demerger, the Demerged Undertaking as provided in the Clause 1.7 of the Composite Scheme which constitutes business-to-business non-commercial equipment business owned by the Demerged

Company in India will get transferred and consolidated in the Transferee Company/Resulting Company and all the other business which are currently being undertaken in the Petitioner Company No.1/ Demerged Company shall be continued by the Demerged Company. As a part of the expansion plan in the other existing business segment and concentration of the efforts with respect to the other business segment in a single entity, the Remaining Business i.e., all the other business other than business-to-business non-commercial equipment business, shall be continued by the Petitioner Company No.1/Demerged Company. An Undertaking affidavit of the Petitioner Company No.4/ Resulting Company/ Transferee Company to give effect the same is enclosed and marked as Annexure -3. There shall be no reduction in the share capital of the Demerged Company and therefore, no compliance of Section 66 of the Companies Act, 2013 will be required.

- 14) **Reply to para 14 of the OL report:** It is submitted that the Composite Scheme has been drawn to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961. It is also submitted that if any terms or provisions of the Composite Scheme are found or interpreted to be inconsistent with the provisions of the said section(s) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the Composite Scheme shall stand modified to the extent determined necessary to comply with amended Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of this Composite Scheme.
- 15) **Reply to para 15 of the OL report:** It is submitted that Petitioner Company No.2/Transferor Company No.1 and Petitioner Company No. 3/ Transferor Company No.2 have no

material related party transactions with their related parties during the Financial Year 2022-23, except for those disclosed in the financial statement for the FY 2022-23. Further, by virtue of exemption granted to the private limited companies covered under Section 2(76)(viii) of the Companies Act, 2013, the provisions of Section 188 of the Companies Act, 2013 and rules framed thereunder shall not be applicable to both the Transferor Companies and the Petitioner Company No.4/ Resulting Company/Transferee Company. The copy of the Private limited Company exemption notification No.G.S.R. 464(E) vide dated 05<sup>th</sup> July, 2015 is enclosed as Annexure-7. The said transactions were entered into on an arm's length basis and thus the transactions are in compliance with the requirements of Section 188 of the Companies Act, 2013. An Undertaking affidavit of the Petitioner Company No.2/Transferor Company No.1, Petitioner Company No.3/ Transferor Company No.2 and Petitioner Company No.4/ Resulting Company/Transferee Company is enclosed herewith and marked as Annexures- 8, 9 and 3 respectively.

- 16) **Reply to para 16 of the OL report:** It is submitted that upon the Composite Scheme becoming effective, no Employees/Workmen of Transferor Company No.1 and Transferor Company No.2 will be retrenched/terminated/ Swap due to the terms of the amalgamation of the Transferor Company No.1 and Transferor Company No.2 with the Resulting Company/Transferee Company. It is also submitted that Clause 16 & 26 of the Composite Scheme has already provided for safeguarding the Interest of the Employees/ workmen of the Transferor Company No.1 and Transferor Company No.2 upon the amalgamation becoming effective, ensuring their continuity in the Petitioner Company No.4/ Resulting Company/Transferee Company both in letter and in spirit. An Undertaking affidavit in this regard by the Petitioner

Company No.4/ Resulting Company/ Transferee Company is enclosed herewith and marked as Annexure – 3.

17) **Reply to para 17 of the OL report:** It is submitted that the application for the stamp duty adjudication will be filed with the relevant authority in accordance with the prescribed timeline. On receipt of the order from the relevant authority with respect to payment of stamp duty, the Petitioner Company No.4/Resulting Company/Transferee Company shall discharge the payment of stamp duty as per the order issued by the relevant authority. An Undertaking Affidavit to this effect by the Petitioner Company No.4/ Resulting Company/Transferee Company is enclosed and marked as Annexure -3.

18) **Reply to para 18 of the OL report:** It is submitted that though there are multiple Composite Scheme of Arrangement/ Amalgamation of the Group Companies filed before the Tribunal, all the schemes are independent in nature and there are no overlapping of those schemes with each other nor any of the companies involved in this scheme are party to the other scheme as stated in the above said Applications.

16. The Income Tax Department has filed its report vide diary no.586 dated 29.01.2024 by *inter alia* observing as under:

**Regarding the Petitioner Company No.1**

Sl. No.	Assessment Year	Type of Proceedings
01	2020-21	Penalty proceedings u/s 270A of IT Act, 1961

**Regarding the Petitioner Company No.2**

- (i) Outstanding dues: N/A
- (ii) Proceedings pending: N/A
- (iii) Objection for merger or demerger: The outstanding demands needs to be settled prior to any demerger.
- (iv) Unlawful tax planning or tax avoidance: None
- (v) Details of return of income filed: As pre-filing portal, latest ITR has been filed up to AY 2022-23 declaring gross income of NIL. All tax



assessment proceedings and appeals of whatsoever nature, by or against the Transferor Company, pending or arising as at the effective date shall be continued and/or enforced against the Transferee Company. The department reserves its right to determine the tax implications of the Transferor Company contemplated under the scheme in accordance with the provision of the IT Act, 1961 and the provisions under the Act shall prevail over anything contrary provided under the scheme.

### Regarding the Petitioner Company No.3

1.	Whether there is any Income Tax Collectible demand pending against the Company? If yes, the quantum thereof may kindly be communicated.	As per the ITBA portal there is NIL demand pending in case of company.
2.	The details of any proceedings under the Income Tax Act pending against the Company, if any.	As per the ITBA portal, no proceeding are pending in case of the Relentless Sports Retail Private Limited (Applicant Company No.3/Transferor Company No.2).  Further, the department reserves its right to initiate and/or continues any proceedings under the I.T. Act, 1961 against Relentless Sports Retail Private Limited (Applicant Company No.3/Transferor Company No.2).
3.	Any other details	As per E-filing portal, latest ITR has been filed by the Sports Retail Private Limited (Applicant Company No.3/Transferor Company No.2) for AY 2023-24 declaring total income as Rs.5,69,77,697/- and NIL losses. All tax assessment proceedings and appeals and appeals of whatsoever, nature by or against the Transferor Company, pending or arising as at the effective date shall be continued and / or enforced by or against the Transferee Company.  The Department reserves its right to determine the tax implications of the Transferee Company contemplated under the Scheme in accordance with the provision of the I.T. Act, 1961 and other provisions of the IT Act, 1961 shall prevail over anything contrary provided under the Scheme.

### Regarding the Petitioner Company No.4

- (i) Outstanding dues is: Nil
- (ii) Proceedings pending is: Nil
- (iii) The Transferee Company would also be held responsible for any demand or liability which may arise in the name of the Transferor Companies. In this regard, an undertaking may be obtained from the

Transferee Company.

17. The reply affidavit to the report filed by the Income Tax Department has been filed by the Petitioner Companies vide diary Nos.439, 440 & 441 all dated 22.01.2024 *inter alia* stating as under:-

**Regarding the Petitioner Company No.1**

(i) It is submitted that pursuant to Clause No.7 of the said Composite Scheme, upon the Composite Scheme become effective all legal and other proceedings of whatsoever nature by or against the Demerged Company in relation to “Demerged Undertaking” (as defined in the Composite Scheme) under any statute, whether pending on Appointed Date 1 or which may be instituted in future (whether before or after the Effective Date) shall be continued by or against the Petitioner Company No.4/ Resulting Company/ Transferee Company. Further, Petitioner Company No.1/ Demerged Company shall remain into existence after the Composite Scheme becoming effective, and therefore any proceedings relating to the Remaining Business shall be continued in the Demerged Company. Further, any outstanding demand, if any, as imposed on the conclusion of the assessment proceedings with relating the Demerged Undertaking will be settled as and when the same are crystalized by the Resulting Company and/ or any assessment proceedings with relating Remaining undertaking (as defined in the Composite scheme) will be settled as and when the same are crystalized by the Demerged Company as the case may be. An Undertaking Affidavit duly signed by the Authorized Signatory of Demerged Company and Resulting Company confirming to this effect is enclosed as Annexure 2 and 3 respectively.

**Regarding the Petitioner Company No.2**

(i) It is submitted in paragraph 1 of the IT Report it is clearly stated that there is no outstanding dues against the Transferor Company

No.1 and hence settlement of outstanding demands prior to any demerger is not applicable to the said Petitioner Company No.2/ Transferor Company No.1. Pursuant to Clause 19 of the Composite Scheme, upon the Composite Scheme coming into effect, any tax liabilities under the Tax Laws (as defined in the Composite Scheme) related to the Transferor Company No.1 as on the date immediately preceding the Appointed Date 1 shall be transferred to the Transferee Company. An Affidavit duly signed by the Authorized Signatory of Petitioner Company No.4/ Resulting Company/ Transferee Company undertaking and confirming to this effect, is enclosed as Annexure -2.

- (ii) It is submitted that pursuant to Clause 17 of the Composite Scheme all the legal and other proceedings initiated by or against the Petitioner Company No.2/Transferor Company No.1 under any statutes, whether pending all the Appointed date 1 or which may be instituted in future (whether before or after the Effective Date) shall be continued by or against the Petitioner Company No.4/Resulting Company/Transferee Company. An affidavit duly signed by the Authorized Signatory of Petitioner Company No.4/Resulting Company/ Transferee Company undertaking and confirming to this effect is enclosed as Annexure -2.

**Regarding the Petitioner Company No.3**

- (i) It is submitted that the ITD has all the rights to initiate and/or continues any proceedings under the Income-tax Act, 1961 against Relentless Sports Retail Private Limited (Applicant Company No.3 / Transferor Company No.2). Further, pursuant to Clause 27 of the Composite Scheme, all the legal and other proceedings initiated by or against the Petitioner Company No. 3/ Transferor Company No.2 under any statute, whether pending on the Appointed Date 2 or which may be instituted in future (whether before or after the Effective Date) shall be continued by or against the Petitioner Company No.4/ Resulting Company/ Transferee Company. An undertaking Affidavit duly signed by the Authorized Signatory of

Petitioner Company No.4/ Resulting Company/ Transferee Company undertaking and confirming to this effect is enclosed as Annexure -2.

- (ii) It is also submitted that pursuant to Clause 27 of the Composite Scheme, all the legal and other proceedings initiated by or against the Petitioner Company No.3/ Transferor Company No.2 under any statute, whether pending on the Appointed Date 2 or which may be instituted in future (whether before or after the Effective Date) shall be continued by or against the Petitioner Company No.4/ Resulting Company/ Transferee Company. An undertaking Affidavit duly signed by the Authorized Signatory of Petitioner Company No.4/Resulting Company/ Transferee Company undertaking and confirming to this effect, is enclosed as Annexure-2.

**Regarding the Petitioner Company No.4**

- (i) The Petitioner Company No.4 undertakes that pursuant to the Composite Scheme, all the legal and other proceedings initiated by or against the Demerged Company, Transferor Company No.1 and Transferor Company No.2 shall be transferred to the Resulting Company, any demand or liability pertaining to the Demerged Undertaking which may arise in the name of Demerged Company and Transferor Company No.1 and Transferor Company No.2 will be settled by the Resulting Company as and when the same are crystallized. An Undertaking Affidavit duly signed by the Authorized Signatory of Resulting Company confirming to this effect is enclosed as Annexure-3.

**18.** Intimation of Composite Scheme of Arrangement was sent to all relevant statutory authorities/regulators. Wherever no response has been received from the said authorities/regulators, it is deemed that they have no objection to the proposed Scheme.

**19.** It is submitted that the Affidavits of the Authorized Representatives of the Petitioner Companies have been filed stating that there are no investigation proceedings pending against the Petitioner Companies or its

Directors under the Companies Act, 2013 & 1956 and IBC, 2016 or under any other statutes.

20. It is also submitted that the Affidavits of the Authorized Representative of the Petitioner Companies have been filed stating that the present Scheme of Amalgamation is filed under Section 230 to 232 of the Companies Act, 2013 and thus the Scheme does not contemplate Corporate Debt Restructuring nor envisage any buy back of shares under Section 68 of the Companies Act, 2013.
21. It is also submitted that the Affidavit of the Authorized Representative of the Petitioner Companies have been filed stating that Petitioner Companies are not regulated by any Sectoral Regulators to whom the Petition and Scheme needs to be intimated/filed before or after filing of the Company Petition under Section 230 of the Companies Act, 2013.
22. Heard the learned Counsels for the parties. We have carefully perused the pleadings of the parties and entire materials on record.
23. In view of the above discussion, we conclude that the objections/observations to the Scheme received from ROC, RD, OL & Income Tax Department have been adequately explained by the Petitioner Companies and hence there is no impediment in approval of the Scheme.
24. **The Composite Scheme of Arrangement in question as annexed at Annexure – 27 is approved** and we hereby declare that the same is to be binding on all the shareholders and creditors of the Demerged, Transferor as well as Resulting Companies. While approving the Scheme, it is clarified that this order should not be construed as an order in anyway granting exemption from payment of any stamp duty, taxes, or any other charges, if any, and payment in accordance with law or in respect of any permission/compliance with any other requirement which may be specifically required under any law.

**AND THIS TRIBUNAL DOES FURTHER ORDER:**

- (i) That the concerned Petitioner Companies 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,

and on such certified copy being so delivered, 'Demerged Undertaking' of the Demerged Company and Transferor Company Nos.1 & 2 shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the 'Demerged Undertaking' of the Demerged Company and Transferor Company Nos.1 & 2 registered with him on the file relating to the said Resulting Company and the files relating to 'Demerged Undertaking' of the Demerged Company, Transferor Companies and Resulting Company shall be consolidated accordingly, as the case may be; and

- (ii) That the Resulting Company shall deposit an amount of Rs.75,000/- in favour of "Pay and Accounts Officer, Chennai in respect of the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad" and Rs.25,000/-in favour of 'The Prime Minister's National Relief Fund', within a period of four weeks from the date of receipt of certified copy of this Order; and
- (iii) The Petitioner Companies are directed to make compliance to the provisions of Section 170A of the Income Tax Act, 1961 within the stipulated period of time; and
- (iv) That the Petitioner Companies are directed to comply with all the undertakings given by them in their reply filed to the ROC/RD, OL & IT report; and
- (v) That any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary;
- (vi) 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.

**25.** As per the directions, Form No.CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, formal orders be issued on the petitioner companies on filing of the Schedule Property i.e., (i) freehold property of the 'Demerged Undertaking' of the Demerged

Company & Transferor Companies and (ii) leasehold property of the 'Demerged Undertaking' of the Demerged Company and Transferor Companies by way of affidavit of the 'Demerged Undertaking' of the Demerged Company and Transferor Companies.

**26. Accordingly, C.P. (CAA) No.42/BB/2023 is disposed of.**

**27.** The learned Counsel for the Petitioner Companies is directed to serve a copy of this Order to all the Statutory Authorities within ten days from the date of receipt of copy of this order.

**28.** Copy of this Order be communicated to the Counsel for the Petitioner Companies.

**Sd/-  
(MANOJ KUMAR DUBEY)  
MEMBER (TECHNICAL)**

**Sd/-  
(K. BISWAL)  
MEMBER (JUDICIAL)**