

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, BENGALURU
(Through web-based video conferencing platform)**

**C.P.(CAA)No.24/BB/2023
(Second Motion)**

U/ss.230-232 and other relevant provisions
of the Companies Act, 2013

IN THE MATTER OF:

1. M/s. Betterplace Safety Solutions Private Limited

R/o. at No.144, 144/1, 3rd Floor,
Shubharam Complex,
Mahatma Gandhi Road,
Bangalore – 560 001

... Petitioner Company/
Transferee Company

AND

2. M/s. IJ Bemus Private Limited

R/o. at No. 524, 5th Floor,
Galleria Commercial Complex,
DLF Phase-IV, Gurugram,
Haryana -122 009

... Non-Petitioner/
Transferor Company

Order delivered on: 8th February, 2024

CORAM: 1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

PRESENT:

For the Petitioner Company : Shri K. Dushyantha Kumar
For the ROC & RD : Shri Hemanth Rao, Adv.
For the IT Department : Shri Ganesh R. Ghale, Adv.

ORDER

Per: Bench

1. This is a second motion Petition filed on 15.05.2023 by **M/s. Betterplace Safety Solutions Private Limited** (for brevity, the "Petitioner Company/Transferee Company") under Section 230 to 232 and other relevant provisions of the Companies Act, 2013, seeking for the sanction of Scheme of Amalgamation between the Transferee and Transferor

Companies w.e.f. 01.04.2022 or such other date as determined in terms of the Scheme, so as to be binding on all the Shareholders and Creditors of the Transferor and Transferee Companies.

2. The Petitioner Company filed First Motion Application bearing C.A.(CAA) No.54/BB/2022 before this Tribunal. And based on such Application moved under Section 230 to 232 of the Companies Act, 2013, necessary directions were issued vide Order dated 11.01.2023. Subsequently, the Petitioner Company filed an Application bearing C.A.No.08 of 2023 seeking for extension of the date for holding and convening the meeting of the Equity Shareholders, Preference Shareholders, Secured and Unsecured Creditors of the Petitioner Company by a period of three months from the date pronounced by this Tribunal. Accordingly, this Tribunal vide Order dated 07.03.2023 allowed the Application and directed to convene the meeting of the Equity Shareholders, Preference Shareholders, Secured and Unsecured Creditors of the Petitioner Company on 03.05.2023. The rest of the Order dated 11.01.2023 remained unaltered. Details of the First Motion order are as under:

Category	Transferee Company
Equity Shareholders	Meeting convened
Preference Shareholders	Meeting convened
Secured Creditors	Meeting convened
Unsecured Creditors	Meeting convened

In compliance with the above directions, meetings of the Equity Shareholders, Preference Shareholders, Secured and Unsecured Creditors of the Transferee Company have been conducted by the Chairperson and Scrutinizer, who also have filed their reports in this regard, which are placed on record as Annexures-4 & 5 of the Petition. Vide said reports, it is seen that the Shareholders and Creditors have approved the proposed Scheme.

3. When the Petition was listed on 26.06.2023, the following directions were issued:-

*“...3. The Petition be listed for hearing on **11.08.2023**. At least ten 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. “The Financial Express” in English edition and translation thereof in “Samyuktha Karnataka” in Kannada edition,*

both having circulation in Bangalore as per Rule 16 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

4. Notice be also served upon the Objector(s) or their representative as contemplated under sub-section (4) of Section 230 of the Act 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.

5. In addition to the above public notice, the Petitioner Company shall individually send notices along with a copy of the Scheme to (a) Regional Director (South East Region), Hyderabad (b) The Registrar of Companies, Karnataka, Bengaluru, (c) The Principal Chief Commissioner of Income Tax, Karnataka & Goa (d) The Jurisdictional Deputy/Assistant Commissioner/Assessing Authority (e) Competition Commission of India and (f) The Reserve Bank of India 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 (CAA) Rules, 2016, with a direction that they may submit their representation, if any, within 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.

6. The Petitioner Company shall host notices of final hearing along with the copy of the scheme on their respective websites, if any.

7. The Petitioner Company shall at least 7 days before the date of hearing of the Petition file an affidavit of service regarding paper publication as well as service of notices on the Authorities specified above including the sectoral regulator as well as the objectors, if any. The Petitioner Companies shall file compliance report with this Tribunal at least 10 (ten) days before the date fixed for final hearing and report to this Tribunal that the directions regarding the service of notices upon regulatory authorities and publication of advertisement of the notice of hearing in the newspapers have been duly complied with.”

4. In pursuant to the aforesaid notice, the learned PCS for the Petitioner Company has filed copies of proof of service of notices along with paper clipping of the Paper Publication vide Diary No.3806 dated 19.07.2023. Further, an affidavit has been filed vide Diary No.5329 dated 17.10.2023, stating that the Petitioner Company has not received any objection pursuant to Section 230 (4) of the Companies Act, 2013 to the proposed Scheme.

5. The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the scheme and interest of employees have been discussed in detail in first motion Order dated 11.01.2023.
6. The Board Resolution of the Petitioner Company approving the Scheme is annexed as Annexure-23 of the Petition.
7. It is further submitted that the Certificate of Statutory Auditors of the Petitioner Company has been filed, stating that, the Accounting Treatment contained in Clause 16 of the Scheme is in compliance with the applicable Indian Accounting Standards specified U/s.133 of the Act, and Other Generally Accepted Accounting Principles. The aforesaid Certificate is attached as Annexure-16 of the Petition.
8. The learned PCS for the Petitioner Company has filed various affidavits with regard to the sectoral regulators, no corporate debt restructuring and no investigations or proceedings pending against the Petitioner Company of any manner whatsoever and Directors are not subjected to any kind of legal prosecutions or proceedings thereof. The aforesaid Affidavits are attached as Annexures-17, 18 & 19 of the Petition.
9. The Audited Financial Statement of the Petitioner Company as on 31.03.2022 is attached as Annexure-9 and Provisional Unaudited Financial Statement of the Petitioner Company as on 10.05.2022 of the Petitioner Company is attached as Annexure-10 of the Petition.
10. As per the Scheme, the "Appointed Date" means 01.04.2022 or such other date as the NCLT may direct.
11. In pursuant to the notice, the Regional Director (RD) and the Registrar of Companies (ROC) have filed a Common Report vide Diary No.6145 dated 08.12.2023. Both RD and ROC have raised the following observation vide para II:
 - 1) IJ BEMUS PRIVATE LIMITED (Transferor Company) is registered under the jurisdiction of Registrar of Companies, Delhi, whereas BETTERPLACE SAFETY SOLUTIONS PRIVATE LIMITED (Transferee Company) is registered under the jurisdiction of Registrar of

Companies, Karnataka. Hence, the observations henceforth are restricted to Transferee Company only.

- 2) As per the latest shareholders list attached to the last Annual Return filed as on 31.03.2022, Pravin Kumar Agarawala, an individual, is holding majority equity shares in the Transferee Company.
- 3) As per MCA records, Transferee Company has open charges. Hence, the Company has to obtain and furnish the No Objection Certificate from the concerned charge holder/s to the Tribunal, before the scheme is allowed.
- 4) Both the Transferor Company and Transferee Company are loss-making entities. Hence, the rationale behind merging two loss-making entities needs to be explained.
- 5) As per clause 14 of the Scheme, the Transferee Company shall issue and allot shares in proportion to 1.919 Compulsorily Convertible Preference Shares of Rs.10/- each for every 1 Equity Share of Rs.10/- each held in the Transferor Company. Since Equity Shares are being issued to Preference Shares and there is a variation of their rights, compliance of Section 48 of the Companies Act, 2013 is to be ensured.
- 6) Clause 11 of the Scheme provides that all the employees of Transferor Company shall be absorbed into the Transferee Company. As the Transferor Company is situated in Gurgaon, Haryana and the Transferee Company in Bangalore, Karnataka, Petitioner Companies are required to explain before the Tribunal as to what measures are being taken to safeguard the interest of the employees of Transferor Company and steps taken for implementation of this clause.
- 7) As per note no.9 of the Financial Statement for the Financial Year ending 31.03.2022, Transferee Company has undisputed statutory dues to the tune of Rs.5.61 crores. The Applicant Companies may be directed to furnish an undertaking to the Tribunal to the effect that it will settle the statutory dues immediately, if not settled so far.
- 8) According to note no.8 of the Audited Financial Statement for the year ended 31st March, 2022 of the Transferee Company, outstanding dues to Micro and Small Enterprises to the tune of Rs.1.62 crores exist. The Company may be asked to show before this Tribunal as to how it has

complied with Micro, Small and Medium Enterprises Development Act, 2006 and also may be directed to furnish an undertaking to the Tribunal to the effect that it will settle the dues as per the said Act.

- 9) Clause 15 of Part III of the Scheme provides for Clubbing of Authorized 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. This term in the Scheme is not in line with the provisions of Section 232(3) (i) of the Companies Act, 2013. 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. In this connection the Transferee Company needs to make a separate request letter to Registrar of Companies for clubbing of Authorized capital within one month from the order.
- 10) 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 of the Transferor Company prior to merger, amalgamation or acquisition shall continue after such merger, amalgamation or acquisition.
- 11) As per para 20(a) of the NCLT(B) vide its order dated 11.01.2023 has convened the meeting of Equity shareholders on 06.03.2023 and as per NCLT(B) Order dated 07.03.2023 extended the date for holding the meeting on 03.05.2023. Further, As per para 20(c) of Hon'ble NCLT(B) vide its order dated 11.01.2023 has convened the meeting of Preference Shareholders on 06.03.2023 and as per NCLT(B) Order dated 07.03.2023 extended the date for holding the meeting on 03.05.2023. Hon'ble Tribunal may be pleased to direct the Petitioner Transferee Company to furnish the outcome of the meeting with respect to Equity Shareholders and Preference Shareholders held on 03.05.2023 before this Tribunal with supporting documents, duly certified, before the scheme is allowed.
- 12) As per para 20(e) of Hon'ble NCLT (B) vide its order dated 11.01.2023 has convened the meeting Secured Creditors on 06.03.2023 and as per NCLT (B) order dated 07.03.2023 extended the date for holding the

meeting on 03.05.2023. Hon'ble Tribunal may be pleased to direct the Petitioner Transferee Company to furnish the outcome of the meeting of Secured Creditors held on 03.05.2023 before the Hon'ble Tribunal with supporting documents, duly certified, to prove the compliance of the provisions of Section 230 of the Companies Act, 2013 before the scheme is allowed.

13)As per para 20(g) of Hon'ble NCLT (B) vide its order dated 11.01.2023 has convened the meeting Unsecured Creditors on 06.03.2023 and as per NCLT (B) order dated 07.03.2023 extended the date for holding the meeting on 03.05.2023. Hon'ble Tribunal may be pleased to direct the Petitioner Transferee Company to furnish the outcome of the meeting of Secured Creditors held on 03.05.2023 before the Hon'ble Tribunal with supporting documents, duly certified, to prove the compliance of the provisions of Section 230 of the Companies Act, 2013 before the scheme is allowed.

14)Report dated 15.09.2023 (received on 25.09.2023) has been received from Shiva Selvi T, Asst. Commissioner of Income Tax (HQ), O/o Principal Commissioner of Income Tax-1, Bengaluru, enclosing the copy of the letter No. NCLT/DCIT/C-1(1)(1)/2022-23 dated 03.07.2023 of Mr. Praveen Sinha, Deputy Commissioner of Income Tax, Circle-1(1)(1), Bangalore, addressed to Registrar, Hon'ble NCLT(BB) with respect to Better place Safety Solutions Private Limited, pointing out the following:

- (a) Outstanding Dues is Nil.
- (b) No Assessment Proceedings/ Penalty Proceedings/ Other Proceedings are pending.
- (c) No, Objection for Merger
- (d) Return of Income filed up to A.Y. 2022-23.

15)Para 11.4 (a) & (b) of the scheme does not defines the terminology of "fund" also the definition para of the scheme is silent about it. In view of the above, the Petitioner Transferee Company may kindly modify it specifically stating that it as "Provident Fund" in lieu of the terminology "Fund" used herewith.

16) Para 14.1 of the Scheme speaks about terms and conditions of issuance of Compulsory Convertible Preference Shares (CCPS) by the Transferee Company by referring Annexure-I. In Annexure-I attached to the Petition (Petition page No.174) under heading conversion ration there is no clear mandate/procedure stated to be followed to allot equity shares while the CCPS shall be converted to equity share. Hon'ble Tribunal may be pleased to direct the Petitioner Company to suitably modify the same by giving clear number/procedure to be followed for conversion of CCPS to equity shares. Also in another hearing adjustment and fractional conversion it is stated that the equity shares to be issued upon conversion of CCPS shall be adjusted against bonus shares which is not correct, since bonus shares have to be issued out of Revenue Reserve/Shareholders fund only. Hence, the said para (which speaks about adjustment against bonus shares) shall be deleted.

17) Since, IJ Bemus Private Limited (Transferor Company) is registered under the jurisdiction of Registrar of Companies, Delhi. Hon'ble Tribunal may be pleased to direct the Petitioner Transferee Company to provide the details of the outcome of the hearing of the Transferor Company held before the Hon'ble NCLT, Delhi Bench with respect to the report furnished by the Regional Director, Northern Region based on the reports furnished by the Registrar of Companies, Delhi and Official Liquidator, Delhi with supporting documents/Order copy of the Tribunal, before the scheme is allowed.

III. There are no open Complaints, Prosecutions, Technical Scrutiny/Inquiry, Inspections and Investigations pending in this Office against the Petitioner Companies.

12. Subsequently, reply affidavit to the Common Report of RD & ROC have been filed by the Petitioner Company vide Diary No.329 dated 16.01.2024, *inter alia* stating as under:-

- i. **Reply to para II (1) of the ROC & RD report:** It is a factual statement and does not require any specific reply.
- ii. **Reply to para II (2) of the ROC & RD report:** It is a factual statement and does not require any specific reply.

- iii. **Reply to para II (3) of the ROC & RD report:** It is submitted that this Tribunal, pursuant to Orders dated 11.01.2023 and 07.03.2023 ordered for convened the meeting of the Secured Creditors of the Transferee Company. It is further submitted that 85.95% of the Secured Creditors voted in favour of approval of the Scheme of Amalgamation. Further, Mr. Vasudevan H N, the Chairperson has filed Form CAA-3 with the Tribunal on 09.05.2023 vide Diary No. 2474. Copy of the Chairperson Report is enclosed as Annexure-5.
- iv. **Reply to para II (4) of the ROC & RD report:** It is submitted that the proposed Amalgamation of the Transferor Company with the Transferee Company would be to the benefit of the shareholders and creditors of the Transferor Company and Transferee Company and would, *inter-alia* entails the following benefits:
- (i) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to potentially stronger negotiation power in the market and strengthened leadership in the industry;
 - (ii) Achieve operational synergy in terms of pooling of resources, help the merged entity in reaping the economies of scale, improving organizational capability to enable the entity to compete in an increasingly competitive industry;
 - (iii) Tap diverse business opportunities, accelerate growth and place the entity in a strategic position for providing end-to-end solutions/ integrated offering to stakeholders as well as external customers/ agencies;

The Scheme is in the interest of the shareholders, creditors and other stakeholders of both the Transferor Company and Transferee Company. There is no likelihood that the rights and interest of any of the shareholders and creditors of Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme.

With the above objective and rationale in view, it is considered desirable and expedient to amalgamate Transferor Company with Transferee Company in accordance with this Scheme, pursuant to Section 230 read with Section 232 and other relevant provisions of the

Companies Act, 2013 and applicable Rules of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

- v. **Reply to para II (5) of the ROC & RD report:** The Transferee Company undertakes to comply with the applicable provisions of Section 48 of the Companies Act, 2013. Copy of the Undertaking is enclosed as Annexure – 1.
- vi. **Reply to para II (6) of the ROC & RD report:** It is submitted that as per clause 11.1 of the Scheme of Amalgamation provides for the employees of the Transferor Companies as detailed below:

Upon the scheme become Effective, all persons that were employed by Transferor Company immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on terms and conditions not less favourable than those applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/ settlement, if any, entered into by Transferor Company with any union/ employee thereof.
- vii. **Reply to para II (7) of the ROC & RD report:** It is submitted that, as per Note No.9 of the Financial Statement of the Financial Year 2021-22 the Transferee Company has outstanding statutory dues of Rs.1.65 crores and employee benefits payable of Rs.3.96 crores. Further, hereby confirm that such dues have been duly paid as per their relevant due dates after the end of that Financial Year. Proof of payment for the same is enclosed as Annexure-2.
- viii. **Reply to para II (8) of the ROC & RD report:** It is submitted that such dues have been duly paid by the Transferee Company as per their relevant due date after the end of that Financial Year. Proof of payment for the same is enclosed as Annexure-3.
- ix. **Reply to para II (9) of the ROC & RD report:** It is submitted that the Transferee Company undertakes to comply with the provisions of the Section 232(3)(i) of the Companies Act, 2013 and pay the difference fee, after setting off the fee already paid by the Transferor Companies on its respective capital if any. The Transferee Company also undertakes to

make a separate request letter to Registrar of Companies, Bangalore for clubbing of Authorized capital within one month from the order. An undertaking for the same is enclosed as Annexure -1.

- x. **Reply to para II (10) of the ROC & RD report:** It is a factual statement and does not require any specific reply.
- xi. **Reply to para II (11) of the ROC & RD report:** It is submitted that the Transferee Company has duly convened the meeting of the Equity and Preference Shareholders as per the Tribunal Order dated 11.01.2023 and 07.03.2023, detailed of the meeting are as follows:

Particulars	Date & Time
Meeting of Equity Shareholders of Transferee Company	03.05.2023 @ 10:30 A.M.
Meeting of Preference Shareholders of Transferee Company	03.05.2023 11:00 A.M.

It is also submitted that the abovementioned meeting was duly convened and resolutions approving the Scheme were passed. The Chairperson appointed by this Tribunal filed his reports before this Tribunal reflecting the result of voting at the aforesaid meeting convened on 03.05.2023 through e-filing and the hard copy of the same was submitted before this Tribunal on 09.05.2023 vide Diary No.2473 and meeting of Preference shareholders convened on 03.05.2023 through e-filing and hard copy of the same will submitted before this Hon'ble Tribunal dated on 09.05.2023 vide Diary no.2471. Copy of the Chairperson report reflecting the result of the voting of the equity and Preference Shareholders of the Transferee Company is annexed and marked herewith as Annexure - 4.

- xii. **Reply to para II (12) of the ROC & RD report:** It is submitted that the Transferee Companies has duly convened the meeting of the Secured Creditors as per the Tribunal Order dated 11.01.2023 and 07.03.2023, detailed of the meeting are as follows:

Particulars	Date & Time
Meeting of Secured Creditors of Transferee Company	03.05.2023 11:30 A.M.

It is also submitted that the abovementioned meeting was duly convened and resolutions approving the Scheme were passed.

The Chairperson appointed by this Tribunal filed his reports before this Tribunal reflecting the result of voting at the aforesaid meeting convened on 03.05.2023 through e-filing and the hard copy of the same was submitted before this Tribunal on 09.05.2023 vide Diary No.2474. Copy of the Chairperson report reflecting the result of the voting of the Secured Creditors of the Petitioner Company is annexed and marked herewith as Annexure-5.

- xiii. **Reply to para II (13) of the ROC & RD report:** It is submitted that the Transferee Companies has duly convened the meeting of the Unsecured Creditors as per the Tribunal Order dated 11.01.2023 and 07.03.2023, detailed of the meeting are as follows:

Particulars	Date & Time
Meeting of Secured Creditors of Transferee Company	03.05.2023 12:00 P.M.

It is also submitted that the abovementioned meeting was duly convened and resolutions approving the Scheme were passed. The Chairperson appointed by this Tribunal filed his reports before this Tribunal reflecting the result of voting at the aforesaid meeting convened on 03.05.2023 through e-filing and the hard copy of the same was submitted before this Tribunal on 09.05.2023 vide Diary No. 2472. Copy of the Chairperson report reflecting the result of the voting of the Unsecured Creditors of the Petitioner Company is annexed and marked herewith as Annexure-6.

- xiv. **Reply to para II (14) of the ROC & RD report:** It is a factual statement and does not require any specific reply.
- xv. **Reply to para II (15) of the ROC & RD report:** It is submitted that Sub-para 11.4 (a) & (b) of the Scheme is to be read in the context of para 11 employee matters. In this regard, sub para 11.2 of para 11 of the Scheme clarifies that context of “fund” means Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company.
- xvi. **Reply to para II (16) of the ROC & RD report:** It is submitted that the clear mandate/procedure for converting the CCPS issued (i.e., terms of conversion) is as follows:

“Each CCPS shall be converted into Equity Share of the Issuer in the ratio of 1:1. This ratio may further be modified, pursuant to any mutual agreement entered into between the Issuer and the Eligible Shareholders, subject to compliance with Applicable Law”.

Further, to clarify that the intent of the Section “Adjustments and Fractional Conversions” is only to provide for automatic adjustment in the above conversion ratio of 1:1, in case the Transferee Company undertakes any bonus issuances to its Equity Shareholders in general.

- xvii. **Reply to para II (17) of the ROC & RD report:** It is submitted that Hon’ble NCLT, Chandigarh Bench vide order dated 30.08.2023 in C.P.(CAA)No.79/Chd/Hry/2022 was pleased to pass an order sanctioning the Scheme of Amalgamation of the IJ Bemus Private Limited with Better place Safety Solutions Private Limited. It is further submitted that the copy of the Hon’ble NCLT, Chandigarh Bench Order dated 03.08.2023 was filed before the Hon’ble NCLT, Bangalore Bench on 30.10.2023 vide Diary No 5474 to take on record of the Order passed by the Hon’ble NCLT, Chandigarh Bench.
13. The Income Tax Department has filed its report vide Diary No.5715 dated 10.11.2023, by *inter alia* stating that there are no outstanding dues, assessment proceedings, penalty proceedings/other proceedings is pending in the case of Petitioner Company. It is further submitted that there are no objections and Income Tax Returns are filed up to A.Y.2022-23 in respect of Petitioner Company.
14. Reply affidavit to the report of Income Tax Department has been filed by Petitioner Company vide Diary No.5330 dated 17.10.2023, *inter alia* stating that upon the scheme becoming effective all tax assessment/adjudication proceedings/appeals of whatsoever nature by or against the Transferor Company shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
15. The Competition Commission of India has filed its report vide Letter No.N-20(19)/NF/1113-1114/(09)/2023/CD/3769 dated 31.07.2023, stating that

undertaking from the Companies involved may be sought stating that approval of commission is not required for the said matters.

16. On 25.01.2024, the following order was passed:

*“...2. The Counsel for the Petitioner submits that, since the Petitioner Company is a Transferee Company, the notice to the OL is not required.
3. The Counsel for the ROC submits that there are no further observations to the reply filed by the Petitioner Company to the ROC/RD report”.*

17. Heard the Ld. PCS appearing for the Petitioner Company and Ld. Counsel for the ROC/RD, CCI & IT Department. We have carefully perused the pleadings of the parties and the Law and fact on the issue.

18. The reports of the ROC/RD, CCI and IT Dept., are taken on record. Similarly, reply filed by the Petitioner Company to the above mentioned reports are also taken on record. In view of the above discussion, we conclude that the objections/observations to the Scheme received from RD/ROC, CCI and IT Dept., have been adequately replied by the Petitioner Company and hence there is no impediment in approval of the Scheme.

19. The Scheme in question as annexed at **Annexure-5 is approved with the Appointed Date being 01.04.2022** 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 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 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 said

- Transferee Company and the files relating to Transferor and Transferee Companies shall be consolidated accordingly, as the case may be; and
- (ii) That the Petitioner Company shall deposit an amount of Rs.75,000/- with the “Pay & 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 Company is directed to make compliance to the provisions of Section 170A of the Income Tax Act, 1961 within the stipulated period of time.
- (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 has given various undertaking in response to observations made in ROC report. They are directed to ensure compliance of the same.
20. As per the directions, Form No.CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, formal orders be issued on the Petitioner Company on filing of the Schedule Property i.e., (i) freehold property of the Transferor Company and (ii) leasehold property of the Transferor Company by way of affidavit of the Transferor Company respectively.
21. Accordingly, **C.P. (CAA)No.24/BB/2023** is disposed of. Copy of this Order be communicated to the PCS for the Petitioner Company.

-Sd-

**(MANOJ KUMAR DUBEY)
MEMBER (TECHNICAL)**

-Sd-

**(T. KRISHNAVALLI)
MEMBER (JUDICIAL)**