

TAAL Enterprises Limited

Reg. Office: AKR Tech Park, 3rd Floor, C Block, Sy # 112 Krishna Reddy Industrial Area,
7th Mile Hosur Road, Singasandra, Bangalore South, Bangalore-560068, Karnataka, India
Phone: 080-67300200, Website: www.taalent.co.in; E-mail: secretarial@taalent.co.in
CIN: L74110KA2014PLC176836

TEL/SEC/2025-2026

27th May 2025

To,

Listing Department

BSE Ltd.,

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort, Mumbai - 400 001

Scrip Code – 539956

Dear Sir / Madam,

Subject: Receipt of Order of the Hon'ble National Company Law Tribunal, Bengaluru Bench sanctioning the Scheme of Amalgamation of Taal Tech India Private Limited (Transferor Company) with Taal Enterprises Limited (Transferee Company)

Ref: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In furtherance to our earlier intimations regarding the Scheme of Amalgamation of Taal Tech India Private Limited with the TAAL Enterprises Limited ("Company"), and pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Hon'ble National Company Law Tribunal, Bengaluru Bench vide order dated 21st May 2025 sanctioned the Scheme of Amalgamation of Taal Tech India Private Limited (Transferor Company) with Taal Enterprises Limited (Transferee Company) with effect from the appointed date of 1st April 2023. A copy of the said Order as posted on the website of the National Company Law Tribunal on 26th May 2025 is attached herewith for your record.

The Scheme of Amalgamation will come into effect upon filing of the certified copy of the said Order with the Registrar of Companies by both the Transferor Company and Transferee Company which will be informed to the stock exchange in due course.

We request you to kindly take the above on record.

Yours faithfully,

For TAAL ENTERPRISES LIMITED

Aditya Shashikant Oza
Company Secretary and Compliance Officer

Encl.: As above



IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.38
C.P.(CAA) No.35/BB/2023

IN THE MATTER OF:

TAAL Tech India Pvt. Ltd.

... Petitioner

Order under Section 230-232 of CA, 2013

Order delivered on: 21.05.2025

CORAM:

SH. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SH. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Petitioner : Shri Satyaganesh

ORDER

C.P.(CAA) No.35/BB/2023 is allowed, vide separate sheets.

File be sent to records.

-Sd-

RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-

SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU

C.P. (CAA) No. 37/BB/2024

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

IN THE MATTERS OF:

TAAL TECH INDIA PRIVATE LIMITED

Office: AKR Tech Park, 3rd Floor, C Block,
Sy # 112 Krishna Reddy Industrial Area,
7th Mile Hosur Road, Bangalore- 560068

... Transferor Company

AND

C.P. (CAA) No. 35/BB/2023

TAAL ENTERPRISES LIMITED

Office: AKR Tech Park, 3rd Floor, C Block,
Sy # 112 Krishna Reddy Industrial Area,
7th Mile Hosur Road, Bangalore- 560068

...Transferee Company

Order delivered on: - 21/05/2025

CORAM: 1. Hon'ble Shri Sunil Kumar Aggarwal, Member (Judicial)

2. Hon'ble Shri. Radhakrishna Sreepada, Member (Technical)

ORDER

1. These two Second Motion Petitions filed by **TAAL ENTERPRISES LIMITED** (Transferee Company) on 17.09.2024 and **TAAL TECH INDIA PRIVATE LIMITED** (Transferor Company) on 03.08.2023 are taken up, heard and being decided together as they are complimentary to each other. These have been filed with prayers:

i. Sanction the Scheme of Amalgamation annexed herewith as

CP (CAA) NO.37/BB/2024 (Second Motion)



Annexure 10 in both the petitions so as to be binding on all the members and unsecured creditors of the Transferor Company and on all the members and unsecured creditors of the Transferee Company and on the Transferor Company and the Transferee Company so as to become effective from the appointed date viz.01-04-2023.

ii. dissolve the Transferor Company without going through the process of winding up and

iii. pass such further or other orders as this Tribunal may deem fit and proper in the circumstances of the case and thus render justice.

2. The Transferor Company had filed First Motion Application under sections 230-232 of the Companies Act, 2013 bearing CA (CAA) No. 06/BB/2023 before this Tribunal and its request for dispensation of the meetings of Equity Shareholders, Unsecured Creditors of the Transferor Company was allowed on 17.07.2024. There were no Secured Creditors in the Transferor Company. Pursuant to the Order dated 21.10.2024 passed therein besides giving Public Notice in daily newspapers, the concerned Government *Authorities, namely, (a) The Regional Director (South East Region), Hyderabad (b) The Registrar of Companies Karnataka, Bengaluru (c) Official Liquidator, Bengaluru (d) Designated Nodal Officer – Principal Chief Commissioner of Income Tax, Karnataka & Goa (d) Jurisdictional Income Tax Authorities of Petitioner Company (e) Securities and Exchange Board of India, Mumbai (f) BSE Limited, Mumbai and (g) NSE of India Limited, Mumbai* were notified.
3. The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the scheme and interest of employees of



Transferor Company have been given in detail in the first motion order dated 17.07.2023.

4. The Board Resolution of the Transferor and Transferee Company approving the Scheme and the audited financial statements as on 31.03.2022 and 31.03.2023 of the both the companies have been filed. The Certificate of Statutory Auditors of the Transferor Company, stating that the accounting treatment contained in Clause 11 of Scheme complies with the applicable accounting standards specified under Section 133 of the Act and other generally accepted accounting principles, is also filed.

ROC/RD REPORT AND COMPLIANCE:

5. Pursuant to notice of the petitions issued to them, the Regional Director (RD) and the Registrar of Companies (ROC) have filed their Common report dated 20.01.2025 in CP(CAA) 37 of 2024 and report dated 08.12.2023 in CP(CAA) 35 of 2023 making following observations:

a) As per the latest shareholders list attached to the last Annual Return filed as on 31.03.2022, the Transferee Company holds 94.44% shares in Transferor Company and thereby Transferor Company is a subsidiary of Transferee Company; whereas, as per clause 10.1 of Part II of the Scheme, it has been stated that the Transferor Company is a wholly owned subsidiary of the Transferee Company. The Petitioner Companies need to explain this discrepancy and provide documentary evidence of share transfer/s, if any, before the scheme is allowed.

b) The Transferee Company has foreign shareholders. The Transferee Company shall furnish the compliance of the provisions



of FEMA/RBI, before the scheme is allowed.

c) As per MCA Records, the Transferee Company has shifted its Registered Office from the State of Tamil Nadu, Chennai to the State of Karnataka with effect from 19.04.2023. However, Para 1(b) of the Preamble and para 1.8 of the Scheme inter-alia states that the Transferor Company I.e. Taal Enterprises Limited having its registered office at 2nd Floor, MMPDA Towers, 184, Royapettah High Road, Chennai-600 014, Tamil Nadu". The Petitioner Company to modify the registered office address to the State of Karnataka and furnish the amended copy to all the regulatory authorities before the Scheme is allowed.

d) The Transferee Company is a Listed Company. The equity shares of the Transferee Company are listed on Bombay Stock Exchange Limited. Hence, the Transferee Company is required to show the compliance of SEBI (Listing Obligations and Disclosure Requirements), 2015 and other applicable Regulations i.e. NSE/BSE etc, with supporting documentation, duly certified by the Directors before the Scheme is allowed.

e) As per clause 10 of Part II of the Scheme, the Transferee Company shall not issue and allot shares to the shareholders of the Transferor Company, as the Transferor Company is a wholly owned subsidiary of the Transferee Company. This needs to be explained/revisited in view of the observations in para (a) above.

f) As per the Independent Auditor's Report of The Transferor and Transferee Companies for the financial year ending 31.03.2022, the Companies have outstanding disputed statutory dues to the tune of Rs 98.81 lakhs and Rs. 6.22 crores towards Income Tax and Customs duty respectively. The Transferee Company shall furnish an undertaking to the effect that it will settle the dues of both the



companies as and when the claims get crystallized.

g) As per note no. 23 and 15 of the Audited Financial Statements for the financial year ending 31.03.2022, the Transferor and Transferee Companies have outstanding undisputed statutory dues to the tune of Rs. 1.06 crores and Rs. 32,000 respectively. The Transferee Company shall furnish an undertaking to NCLT to the effect that it will settle the statutory dues immediately, if not settled so far.

h) According to note no. 21 of the Audited financial statement for the year ended 31.03.2022 of the Transferor Company, outstanding Undisputed dues to Micro and Small Enterprises to the tune of Rs. 10.71 lakhs exist. The Petitioner Company shall show 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 Hon'ble Tribunal to the effect that it will settle the dues as per the said Act.

i) Clause 9 of Part II of the Scheme provides for Clubbing of Authorized Share Capital. The Transferee Company needs to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 and pay the difference of fee, if any, after setting off the fee already paid by the Transferor Company on its respective capital.

j) 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.

k) As per Para 1.3 of Part-I of the proposed scheme the appointed date has been stated as 01.04.2023. As per Company Master Data both the companies have filed their due Annual Returns and Balance



Sheets for the year ending 31.03.2024. Since the appointed date is ante-dated and the companies have already filed their Annual Returns and Balance Sheets for the year ended 31.03.2024, the Tribunal may direct the Petitioner Companies to change the appointed date from 01.04.2023 to 01.04.2024 or any other date as deemed fit and proper and to submit the amended copy of the Scheme to all the Regulatory Authorities, before the Scheme is allowed.

l) With reference to the Directorate's letter dated 12.10.2023 issued to the Income Tax Department, the Transferee Company to furnish an undertaking that in future if any dues arise from the Income Tax Department against the Transferor Company, the Transferee Company shall pay the said dues as and when the demand made by the Income Tax Department.

m) The Petitioner Companies may be directed to comply with the observations of Official Liquidator (Karnataka) who has filed a report dated 08.11.2023 in C.P. (CAA) No. 35/BB/2023.

n) There are no open Complaints, Prosecutions, Technical Scrutiny/Inquiry, Inspections and Investigations pending in this office against the Transferor and Transferee companies:-

1. Response to Para 4(a) & (e)

It is submitted that there is no discrepancy in the status of the Transferor Company as a wholly owned subsidiary of the Transferee Company. The status of the wholly owned subsidiary was valid as on the approval date of the Scheme by the respective Boards of Directors. While it is true that the Transferee Company held 94.44% of the equity shares in the Transferor Company at the end of the financial year 31 March 2022, the Transferor Company bought back 50,000 equity shares on 24 August 2022. The buyback returns were



filed with the Registrar of Companies, Bengaluru, in e-Form SH-11 on 27 October 2022, along with the Company Petitions. As a result of this buyback, the Transferee Company's shareholding in the Transferor Company increased to 99.9999%, which is reflected in the audited financial statements for the year ending 31 March 2023. The beneficial interests in the 0.0001% equity shares are held by the Transferee Company's nominees. After the buyback, the Transferor Company's status changed from a subsidiary to a wholly owned subsidiary of the Transferee Company, as mentioned in clause 10.1 of Part II of the Scheme of Amalgamation ('Scheme').

2. Response to paragraph 4 (b):

The Transferee Company has only 4 Foreign Portfolio Investors, who hold 2.21% of the total share capital of the Transferee Company as of 31 December 2024. In compliance with Regulation 10 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Foreign Portfolio Investors may acquire shares of the Transferee Company through the Stock Exchange up to 100% without requiring approval from the Reserve Bank of India. Accordingly, the Transferee Company is in compliance with the applicable FEMA/RBI regulations.

3. Response to paragraph 4 (c) & (d):

The Transferee Company's registered office was originally located in Tamil Nadu. However, subsequent to the approval of the Scheme, the registered office was shifted to Karnataka, with approval from the Regional Director, Ministry of Corporate Affairs, on 1 August 2023. Consequently, the Scheme mentions the old registered office address in Tamil Nadu, not the new address in Karnataka. The Scheme need not be amended to reflect the updated registered office, as this change has no impact on the



Scheme and does not prejudice any stakeholders.

4. **Response to paragraph 4 (e):**
The Transferee Company has complied with all the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The equity shares of the Transferee Company are listed with BSE. The draft Scheme was filed with BSE for disclosure purposes on 2 November 2022 as per regulation 37(6) of SEBI (LODR) Regulations, 2015. The related documents have been filed in the company petition.
5. **Response to paragraph 4 (f):**
The Hon'ble Madras High Court sanctioned the demerger scheme between Taneja Aerospace and Aviation Limited and the Transferee Company on 22 June 2015. All liabilities, assets, and legal proceedings were transferred to the Transferee Company. The Customs Department had raised a demand of Rs. 6.22 crore against Taneja Aerospace, but the CESTA Tribunal allowed the appeal and set aside the demand. The Revenue's appeal to the Delhi High Court was dismissed. The scheme of demerger transferred all liabilities to the Transferee Company, and, per the Delhi High Court's order, no outstanding amount is due to the Customs Department. Additionally, regarding the Income Tax demand of Rs. 4.94 crore for the assessment year 2016-17 against the Transferor Company, 20% of the demand has been paid, and the balance is stayed.
6. **Response to paragraph 4 (g):**
The Transferor and Transferee Companies have settled all undisputed statutory dues, as per observation 4(g) of the report. The Transferee Company undertakes to settle any unsettled statutory dues of the Transferor Company.
7. **Response to paragraph 4 (h):**



The Transferor Company has settled the undisputed dues to Micro and Small Enterprises (MSMEs), as per observation 4(h) of the report. The Transferee Company undertakes to settle any unsettled dues to MSMEs by the Transferor Company.

8. Response to paragraph 4 (i):

The Transferee Company undertakes to pay the differential fees related to clubbing the authorized share capital of the Transferor Company with that of the Transferee Company, consequent to the sanctioning of the Scheme.

9. Response to paragraph 4 (j):

The officers of the Transferor Company have not committed any offence prior to the merger/amalgamation. However, the Transferee Company will be liable for any offences committed under the Companies Act by officers of the Transferor Company prior to the merger, and such liability will continue post-merger.

10. Response to paragraph 4 (k):

The Appointed Date of 1 April 2023 was not ante-dated. The Scheme was proposed and approved by the Boards of the Transferor and Transferee Companies on 18 October 2022, with the Appointed Date as 1 April 2023. The Company Petition was filed on 3 August 2023. No legal bar exists on selecting the Appointed Date, as it is the prerogative of the Boards of both companies. No stakeholders have raised any objection to this date, and no prejudice will be caused by this date selection.

11. Response to paragraph 4 (l) and (m):

The Transferee Company has filed a separate response to the Income Tax Department's report dated 27 October 2023, and complied with the observations made. The Transferee Company also undertakes to settle any outstanding Income Tax amounts as



and when they are finalized. Similarly, the Transferee Company has filed a separate response to the report dated 8.11.2023 by the Official Liquidator, Karnataka, and complied with their observations.

OFFICIAL LIQUIDATOR REPORT AND COMPLIANCE:

6. The Official Liquidator (OL) has filed its report in CP(CAA) 35 of 2023 vide Diary No. 5653 dated 08.11.2023 wherein it has been observed as under:
 1. This report is in respect of Transferor company (TR) only which is prepared based on the published financial statements and documents/details furnished by the petitioner Transferor company. Transferee company (TE) is a listed company.
 2. As per the MCA master data both TR company and TE Companies are registered in the state of Karnataka. However, as per the scheme the Transferee company is shown as registered in the state of Tamilnadu. It was informed by the representative that the Registered office of Transferee company has been shifted to Karnataka on 1.8.2023.
 3. TR company is wholly owned subsidiary of Transferee company
 4. The appointed date proposed is 1.4.2023. The Transferor company has filed its latest Balance sheets as at 31.03.2023 with the ROC.
 5. Authorized and Paid-up capital of Transferor Company is Rs. 1,00,00,000 and 85 lakhs respectively. The company has bought back certain shares by entity capital redemption reserve and general reserve.
 6. In TR Company there are no charges pending as per charge register/master data maintained by MCA/ROC. The NCLT had vide



order dated 17.7.2023 dispensed with the meeting of equity shareholders, secured and unsecured creditors of the Transferor company considering the submissions filed by the applicant companies. However, the interest of all directors should be taken care of by the Transferee company.

7. Being a Transferor company is a wholly owned subsidiary of Transferee Company, no new shares will be issued.

8. The Transferor company has 3 subsidiaries of foreign entities viz., TAAL Technologies Inc., USA, 2. TAAL Tech GmbH, Switzerland 3. TAAL Tech Innovations, GmbH, Austria. The status of the 3 subsidiary companies of TR company after the scheme is approved is not known nor stated specifically in the scheme.

9. No Employees/workmen of Transferor company to be retrenched/terminated in the terms of amalgamation of Transferor company with Transferee company. The Hon'ble Tribunal may kindly see that Transferor or Transferee will not retrench Swap the staff or employees 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.

7. The Transferor Company has filed a reply to the OL Report dated 12.12.2023 in **CP(CAA) 35 of 2023**, stating:

1. The registered office of the Transferee Company was originally situated within the State of Tamil Nadu. When the Scheme of Amalgamation ("Scheme") was approved by the shareholders of the Transferor Company, the registered office of the Transferee Company was in Karnataka. Subsequent to the approval of the Scheme, the registered office of the Transferee Company shifted from the State of Tamil Nadu to the State of Karnataka after



obtaining the necessary approval from the Regional Director on 1.08.2023. Therefore, the proposed Scheme contains the Transferee Company's old registered office address as Tamil Nadu instead of its new registered office address at Karnataka.

2. It is further submitted that there is no restriction under Section 230 to 232 of the Companies Act, 2013 for shifting the registered office of the Transferee Company pending sanction of the Scheme under the said provisions. The shifting of the registered office has no impact or consequences on the Scheme and causes no loss or prejudice to anyone.

3. The directors of the Transferee Company are also directors of the Transferor Company. The Transferee Company undertakes to protect the interest of all the directors of the Transferor Company irrespective of common directorship. Further, the Transferor Company is holding 100% shares in TAAL Tech GmbH, Switzerland; TAAL Tech Innovation GmbH, Austria; and TAAL Technology Inc., USA. Clause 3 of the Scheme deals with the effect of such investment. The name of the Transferee Company shall be registered in the register of members of these companies in place of the Transferor Company. Consequently, the said entities shall become subsidiaries of the Transferee Company by operation of law.

4. As per Clause 6 of the Scheme, all employees/workmen of the Transferor Company, immediately before the Appointed Date, shall become employees/workmen of the Transferee Company on the same terms and conditions. The Transferee Company has submitted a separate undertaking that no employees/workmen will be retrenched/terminated upon amalgamation, subject to the terms of their employment and superannuation.



INCOME TAX REPORT AND COMPLIANCE:

8. The Income Tax Department (IT) has filed its report dated 03.02.2025 in **CP(CAA) 37 of 2024** wherein it has been observed as under:
 - (1) Outstanding dues: NA
 - (2) Proceedings pending: N/A
 - (3) Objection for merger or demerger: The outstanding demands need to be settled prior to any demerger.
 - (4) Unlawful tax planning or tax avoidance: None
 - (5) Details of return of income filed: As per e-filing portal, latest ITR has been filed up to AY 2024-25 declaring gross total income of Rs 2,11,87,140/-. 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 provisions of the IT Act, 1961 and the provisions under the Act shall prevail over anything contrary provided under the scheme.

9. The Transferee Company has filed a reply to the IT Report stating that there are no outstanding dues payable to the Income Tax Department as on date, as evidenced by the response downloaded from the Income Tax portal on 14.01.2025. The Income Tax Department's Report also confirms that no proceedings are currently pending against the Transferee Company. Further, clause 3.1 of the Scheme of Amalgamation provides for the seamless transfer of all assets, liabilities, and obligations of the Transferor Company to the Transferee Company without the need for any further act or deed. Notwithstanding the above, the Transferee Company undertakes to



settle any future claims or statutory dues that may arise in accordance with the Scheme. It was further submitted that sanctioning the Scheme will not cause any loss or prejudice to the Government or Revenue authorities.

10. In respect of **CP(CAA) 35 of 2023** the Income Tax Department in its report dated has observed as under:

(1) Outstanding dues:

S. No.	A.Y.	Demand u/s.	Date Order	of	Demand Outstanding (In Rs.)
1	2016-17	143(3)	17.12.2018		3,95,23,824
2	2020-21	143(3)	07.09.2022		6,11,10,963
3	2021-22	143(3)	20.10.2022		1,43,850
4	2022-23	143(3)	21.07.2023		2,15,47,870
5	2022-23	143(3)	21.07.2023		6,63,110

(2) Proceedings pending: N/A.

(3) Objection for merger or demerger: The outstanding demands need to be settled prior to any demerger.

(4) Unlawful tax planning or tax avoidance - None

(5) Details of return of income filed: As pre-filing portal, latest ITR has been filed up to AY 2022-23 declaring gross total 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 provisions of the IT Act, 1961 and the provisions under the Act shall prevail over anything contrary



provided under the scheme.

11. The Transferor Company has filed a reply to the IT Report on 29.12.2023 in CP(CAA) 35 of 2024, stating that the Transferor Company has disputed the outstanding tax demands listed in the IT Report at serial numbers 1 and 2, and has filed appeals before the Commissioner of Income Tax, Bangalore. In respect of AY 2016–17, the demand of ₹4.94 crore has been partially paid (20%) and the remaining ₹3.95 crore has been stayed by the Deputy Commissioner. For AY 2020–21, ₹67.90 lakh has been paid (10%), and the balance ₹6.11 crore is also under stay, with supporting documents enclosed. The demand at serial no. 3 (₹1.43 lakh) has been nullified by the Income Tax Department via notice dated 10.11.2023. The demand at serial no. 4 (₹2.15 crore) arose from a tax credit not being considered, though the amount was paid on 20.04.2021. The amount at serial no. 5 is due to non-allowance of foreign tax credit under section 90, with rectification pending.
12. The Transferor Company affirmed that post-sanction of the Scheme of Amalgamation, all liabilities of Transferor Company shall be assumed by the Transferee Company. The Transferee Company undertakes to settle any crystallized tax liabilities. It is submitted that no prejudice will be caused to the Revenue by approving the amalgamation.

(a) We have heard **Shri S. Sathyaganesh**, Advocate, learned Counsel for the Petitioners, **Ms Anuparna Bordoloi**, Advocate, learned Counsel for the Registrar of Companies and **Shri Ganesh R. Ghale**,



Advocate, Learned Counsel for the Income Tax Department and carefully perused the records of case.

- (b) The filing of a separate first motion company petition by the Transferee Company is not mandatory provided it meets the conditions as laid in **Momagic Technologies Private Limited 2022 SCC OnLine NCLAT 412 dated 18.10.2022** that
- a) Both the Transferor Companies are wholly owned subsidiaries of the Transferee Company.
 - b) No new shares are being issued
 - c) Rights of the shareholders of the Transferee Company are not affected.
 - d) The scheme does not involve re-organisation of the share capital.
 - e) The net-worth of the Transferee Company post amalgamation remains highly positive.
 - (f) The consent affidavits of more than 90% of the shareholders have been filed.

16. This Tribunal in catena of judgments held that in cases of Merger/Amalgamation of a wholly owned subsidiary and its parent company/holding company, the meetings of the creditors/shareholders can be dispensed with as held in re-Ambuja Cements Ltd. in CA (AT) No. 19 of 2021 dated 06.04.2021. In Ambuja Cements the similar facts fell for consideration and this Tribunal after discussing various judgments passed by this Tribunal and the Hon'ble High Courts with regard to the dispensation of meetings of equity shareholders, secured and unsecured creditors, dispensed with the meetings of equity shareholders,

- (c) Further in **Mahaamba Investment Ltd. v. IDI Limited, 2001 SCC OnLine Bom 1174** it was held as under:
- "5. In the present case, having regard to the relevant clauses of the proposed scheme and particularly the provision whereby no new shares are sought to be issued to the members of the transferor company by the



transferee company, the scheme will not affect the members of the transferee company. The creditors of the transferee company are not likely to be affected by the scheme in view of the financial position of the transferee company. In paragraphs 13 and 14 of the affidavit in support of the company application, the financial position of the transferor and transferee companies has been set out and with the clarification that filing of a separate petition by the transferee company is not necessary, in the facts and circumstances of the present case.”

13. Applying the cited precedent to the facts of the present case, it turns out to be just a corollary that the transferee herein fulfills the prescribed conditions. Therefore there is no requirement for filing a separate company petition (Ist Motion) by the transferee company.
14. Since the objections/observations to the Scheme received from Regional Director/Registrar of Companies, Income Tax Department, Official Liquidator have been adequately replied to by the Applicant companies, we may not individually dwell upon them except that the Scheme shall stand modified to the extent of new address of Karnataka of the Transferee Company. We find no impediment for the Scheme to go forward.
15. It is hereby declared that the Scheme shall bind all the Shareholders and Creditors of both the 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 DOTH ORDER:



- (i) That both the companies are directed to make compliance to the provisions of Section 170A of the Income Tax Act, 1961 within the stipulated period of time.
- (ii) That both the Companies do, within 30 days hereof, cause a certified copy of this Order to be delivered to the Registrar of Companies, Karnataka for necessary registration/modification in the Register of Companies and The Transferor Company shall surrender its PAN Card.
- (iii) That the Applicant/Transferee Company shall deposit an amount of Rs. 75,000/- (Rupees Seventy-Five Thousand only) with the Pay & Accounts Officer, Chennai in favour of the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad and Rs. 25,000/- (Rupees Twenty-Five Thousand only) in favor of The Prime Minister's National Relief Fund, within a period of four weeks
- (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) That 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 undertakings furnished by the Applicant Companies are accepted and terms thereof & context in which they are given shall remain binding on them to ensure compliance.



16. As required under Form No. CAA-7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, formal orders be issued in respect of the Companies, upon the filing of an Affidavit detailing the Schedule of Properties, comprising **(i)** the freehold property of the Company and **(ii)** the leasehold property of the Applicant Companies.
17. Accordingly, **C.P (CAA) No.37/BB/2024 connected with C.P (CAA) No.35/BB/2023 is disposed of.** Signed copy of this order be placed in each file. The copy of this Order be communicated to the Ld. Counsel for Applicant Companies.
18. The Learned Counsel for the Applicant Companies are directed to serve a copy of this Order to all the Statutory Authorities within ten days of receipt of copy of this order.

-/sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-/sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)