MedPlus Health Services Limited

August 17, 2024

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001
BSE Scrip Code Equity: 543427

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE Symbol: MEDPLUS

Dear Sir/Madam,

Sub: Intimation of NCLT Order approving the Scheme of Amalgamation u/s 230-232 and other applicable provisions of Companies Act, 2013 and rules made thereunder of MHS Pharmaceuticals Private Limited with MedPlus Health Services Limited under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

This is in reference to our letters dated November 10, 2023 and December 15, 2023 regarding intimation under SEBI Listing Regulations, with regard to the Scheme of Amalgamation ('**Scheme'**), involving merger of wholly-owned subsidiary company namely MHS Pharmaceuticals Private Limited ("**Transferor Company**") with MedPlus Health Services Limited ("**Transferee Company**"/ "**the Company**") and their respective shareholders and creditors pursuant to Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder.

In this regard, we would like to inform you that the Hon'ble National Company Law Tribunal ("**NCLT**"), Bench at Hyderabad vide its Order dated August 14, 2024 ("**Order**"), has approved the Scheme. The Appointed Date of the Scheme is April 01, 2023. A copy of the Order was uploaded on the NCLT website on August 16, 2024, vide Order No. CP (CAA) No.2/230/HDB/2024 connected with CA (CAA) NO. 55/230/HDB/2023 and the same has also been uploaded on the Company's website at www.medplusindia.com and is hereby attached as **Annexure B**.

The Scheme shall come into effect upon filing of a certified true copy of the Order with the Registrar of Companies, Hyderabad.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023 is enclosed herewith as **Annexure A**.

You are requested to take the above information on your record. The same is available on Company's website.

Thanking You**,**
Yours faithfully,
For MedPlus Health Services Limited

MANOJ KUMAR SRIVASTAVA Digitally signed by MANOJ KUMAR SRIVASTAVA Date: 2024.08.17 16:42:44 +05'30'

Manoj Kumar Srivastava
Company Secretary & Compliance Officer
FCS 7460

Annexure - A

S. No.	Particulars	Details
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;	MHS Pharmaceuticals Private Limited ("**Transferor Company**") turnover – Rs. 7.22 million for the FY 2023-24 MedPlus Health Services Limited ("Transferee Company") turnover on Standalone basis - INR. 4743.23 million and on consolidated basis - INR. 56, 648.63 million for FY 2023-24, respectively.
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	Yes, the transaction is done at arm length basis.
3.	Area of business of the entity(ies);	The Transferor Company is involved in a diverse range of businesses, primarily focusing on the manufacturing, buying, selling, and distribution of medical and pharmaceutical products, drugs, processed foods, healthcare equipment, and clothing. It also deals in various healthcare and general consumer products, including electronic and electrical items. The Transferee Company is engaged in a broader range of activities related to healthcare and consumer goods. It operates diagnostic centers, hospitals, and clinics, offers healthcare services and solutions, manufactures and deals in surgical and healthcare equipment, Ayurvedic and herbal medicines, and cosmetics. Additionally, it is involved in wholesale trading, franchising, and distribution of FMCG products and various consumer goods, including clothing and food items.
4.	Rationale for amalgamation/ merger;	(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company; (ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

		(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation; (iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company; (v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and (vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.
5.	In case of cash consideration – amount or otherwise share exchange ratio;	Not Applicable, as the Scheme involves the merger of wholly-owned subsidiary company with the Company. No consideration is being paid, and no fresh equity shares will be issued by the Company in terms of the Scheme.
6.	Brief details of change in shareholding pattern (if any) of listed entity.	The Scheme involves the merger of wholly-owned subsidiary company with the Company. Since no fresh equity shares will be issued under the Scheme, there will be no effect on the issued, paid-up, or listed capital of the Company.

S.No.23

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSCIAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
14-08-2024 AT **10:30 AM**

CP (CAA) No. 02/230/HDB/2024
u/s. 230 of Companies Act, 2013

IN THE MATTER OF:
M/s. MHS Pharmaceuticals Pvt Ltd (Transferor Compnay) and M/s. Medplus Health Services Ltd (Transferee Company) **…Petitioner**

C O R A M:-
DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

O R D E R

Orders pronounced. **In the result, CP (CAA) No. 02/230/HDB/2024 is allowed**, subject to the directions mentioned in the order.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

Swapna

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD-I

CP (CAA) No. 02/230/HDB/2024 connected with
CA (CAA) NO.55/230/HDB/2023
U/s 230 and 232 of the Companies Act, 2013

IN THE MATTER OF

MHS PHARMACEUTICALS PRIVATE LIMITED

(TRANSFEROR COMPANY)

AND

MEDPLUS HEALTH SERVICES LIMITED

(TRANSFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

MHS Pharmaceuticals Private Limited
Having registered office at
H. No: 11-6-56, Survey No:257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally, Hyderabad 500037, Telangana
…. 1st Petitioner/Transferor Company

AND

Medplus Health Services Limited
Having registered office at
H. No: 11-6-56, Survey No:257 & 258/1,
Opp: IDPL Railway Siding Road, (Moosapet),
Kukatpally, Hyderabad 500037, Telangana
…. 2nd Petitioner/Transferee Company

DATE OF ORDER: 14.08.2024

CORAM:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA,
HON'BLE MEMBER (JUDICIAL)
SHRI CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

Counsels / Parties Present

For the Petitioner	:	Mr.Prashant Kumar Jain, Anita Dugar, Moulshri Shrivastava, Counsel on record.
For the Respondent:		Ms. Kusum Yadav, Assistant Director from RD and Mr.D.Vasant Rao Mesharam, AOL for Official Liquidator.

PER BENCH

1. This is a Petition filed by the Petitioner Company under Sections 230 to 232 read with Companies (Compromises, Arrangements and Amalgamations), Rules 2016 by inter-alia seeking for sanction of the Scheme of Amalgamation between Transferor Company and Transferee Company and their respective shareholders and creditors.

2. The averments made in the Petition are briefly described as under:

   a. The Transferor Company, **M/s. MHS Pharmaceuticals Private Limited**, was incorporated in the state of Telangana, under the provisions of the Companies Act, 1956 on 12th June, 2008 vide Corporate Identification No. U24233TG2008PTC059624 issued by the Registrar of Companies, Telangana. The Registered Office of the 1st Petitioner/Transferor Company is same as mentioned in the cause title.

b. The Transferor Company is engaged inter alia, in the business of manufacture buying, selling, importing, exporting, distributing or dealing in medical and pharmaceutical products, all kinds of drugs, etc. A copy of the Memorandum and Articles of Association of the 1st Petitioner/Transferor Company is annexed as **Annexure-A** to the Petition.

c. The Authorized, issued and paid-up share capital of the Transferor Company as on 31st March, 2023 is as follows: -

Particulars	Amount in Rs.
Authorised 70,10,000 Equity Shares of Rs. 10/- each	7,01,00,000
Issued, Subscribed and Paid up 70,10,000 Equity Shares of Rs. 10/- each	7,01,00,000

Subsequent to 31st March, 2023 there is no change in the issued, subscribed and paid-up capital of the Transferor Company till the date of filing the Scheme. A copy of the audited accounts as at 31st March, 2023 of the 1stPeitioner/ Transferor Company is annexed as **Annexure B** to the Petition.

d. The Transferee Company i.e **M/s. Medplus Health Services Limited** was incorporated under the Companies Act, 1956 is listed as a Public Limited Company originally incorporated as a Private Limited Company on 30th November, 2006 and thereafter got converted into a Public Company on 28th June, 2021 in the state of

Telangana, vide Certificate of Incorporation No L85110TG2006PLC051845 issued by the Registrar of Companies, Telangana. The registered office of the Transferee Company is same as mentioned in the cause title.

e. The Transferee Company is engaged in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical etc., A copy of the Memorandum and Articles of Association of the 2nd Petitioner /Transferee Company is annexed as **Annexure-C** to the Petition.

f. The Authorized, issued and paid-up share capital of the Transferee Company as on 31st March, 2023 is as follows: -

Particulars	Amount in Rs.
Authorised 27,08,83,000 Equity Shares of Rs. 2/- each	54,17,66,000
Issued, Subscribed and Paid up 11,93,05,676 Equity Shares of Rs. 2/- each	23,86,11,352

Subsequent to the above date, there has been following change in the issued, subscribed and paid-up capital of the Transferee Company as on the date of filling this Petition:

Issued, Subscribed and Paid up 11,93,52,154 Equity Shares of Rs. 2/- each	23,87,04,308

A copy of the audited accounts as on 31st March, 2023 and unaudited accounts as on September 30, 2023 of the Transferee Company is annexed hereto as **Annexure D**.

3. The Board of Directors of the Petitioner Companies at their respective meetings held on 09.01.2023 approved the Scheme of merger of M/s. MHS Pharmaceuticals Private Limited ('Transferor Company') with M/s. Medplus Health Services Limited ('Transferee Company') and their respective Shareholders. The copies of Board Resolution of the Petitioner Companies, approving the Scheme of merger is annexed as **Annexure – E & F.**

4. **RATIONALE FOR THE PROPOSED SCHEME**

The Board of Directors and management of both the companies decided to merge the Transferor Company into the Transferee Company to ensure greater management focus and the merger would, inter alia, be expected to have the following benefits are summarized as under:

a. Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company.
b. Greater efficiency in each management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;
c. Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its

implementation;

d. The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company; and

e. Greater leverage in operation planning; cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

f. The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors of the public at large.

5. **COMPLIANCE OF ACCOUNTING STANDARD**

The certificate issued by the statutory auditors M/s. BSR & Associates LLP of the Transferee Company had stated that the accounting treatment as provided for in the Scheme, is in accordance with the accounting principles laid down under the Companies Act. A copy of the certificate issued by the statutory auditors of the Transferee Company is annexed as **Annexure G**.

6. **DECLARATION BY THE PETITIONER COMPANIES**

- No investigation or proceedings under the Companies Act, 1956 / Companies Act, 2013 have been instituted or are pending in relation to the Transferee Company and the Transferor Company.

7. It is submitted that the Petitioner Companies had filed a Joint Company Petition bearing CA (CAA) No. 55/230/HDB/2023, under section 230 to 232 of the Companies Act, 2013, wherein this Tribunal passed an order dated 21st day of September, 2023. Copy of the order passed by this Hon'ble Tribunal is annexed to the petition as "**Annexure I".**

8. Pursuant to passing of the order dated September 21st 2023, the Petitioners filed an Interlocutory Application seeking amendment in the application filed under main company application No. CA (CAA) No. 55/230/HYD/2022 in order to rectify the paid-up capital mentioned in the application. Further, the Petitioners in the same Interlocutory Application also prayed for modification in the date for conducting meeting of the equity shareholders and trade creditors of the Transferee Company for recording their consent to the proposed Scheme of merger. The Hon'ble Tribunal in Interlocutory Application No. (CA) 266/2023 in CA (CAA) No. 55/230/HDB/2023 by an order dated November 7, 2023 amended the order dated September 21, 2023. A copy of the order dated November 7, 2023 of this Bench is attached as **Annexure J** of the Petition. Copy of the Chairperson's and Scrutinizer's report for the Petitioner Companies are annexed to the petition as **Annexure – K and L respectively.**

9. It is submitted that this Tribunal vide order dated 11.01.2024 ordered notices to all the statutory authorities as per Rule 16 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Subsequently notices were issued on all the statutory Authorities. It is further submitted that the Petitioner Companies as per the order of this Tribunal, publication had been carried out in the Business Standard (English) and Nava Telangana (Telugu) Newspapers on 15.02.2024 and filed the Compliance Memo with this Tribunal on 23.02.2024.

10. The Regional Director, vide his report dated 10.06.2024 has not objected to the proposed Scheme but has made certain observations. The Petitioner Companies have filed reply Affidavit dated 12.06.2024, in response to the observations made by the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad. The details are given below:

Observation of Regional Director	**Reply filed by the Petitioner Companies by way of an Affidavit**
Para 4 (b): Clause No.11 of Part III of the scheme provides for an automatic increase in the Authorized Capital of an automatic increase in the Authorized Capital of the Transferee Company by adding existing Authorized Capital of the Transferor	Undertakes to comply.

Company. The Transferee Company shall pay differential and registration fee and stamp duty payable on such increase Authorized Capital after deducting such fees and duties already paid by the Transferor Company prior to merger.	
Para 4 (c): As per Hon'ble NCLT order dated 07.11.2023 transferee Company has no secured creditors. However, as per records of MCA Portal company has one open charge. Hence, the Petitioner Companies may be directed to furnish necessary clarification with documentary proof in this regard.	It is averred that there are no secured creditors in the transferee Company and regarding the open charge which is shown in the MCA website pertains to guarantee provided to the stock exchanges at the time of listing of the transferee company as per Regulation 38 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and a copy of the charge form and related annexures filed with the Registrar of Companies is attached and marked as **Annexure A.**
Para 4 (d): The Transferee Company is a listed Company and hence an affidavit on	Transferee Company undertakes to comply with the SEBI regulation

compliance with SEBI regulation and approvals/intimation relating to stock exchange be called for.	and approvals required to be made and filed an affidavit with regard to this.
Para 4(e-g) Hon'ble Tribunal may please to direct the Petitioner Company to preserve the books, comply with statutory laws, shall pay differential fee and stamp duty, file Inc-28 with the Registrar of Companies.	The Petitioner Companies vide this affidavit undertakes to comply with all the Applicable provisions and rules under the Companies Act, 2013.
Para 6: Hon'ble Tribunal may be pleased to direct the Petitioner Companies to obtain NOC from the Income Tax Department and to furnish an undertaking that, if any demand arises from the Income Tax Department with respect to Transferor Companies and Transferee Company, Transferee Company is ready to pay the dues.	Transferee Company undertakes to comply and pay any demand if arises in future with respect to the petitioner companies from the Income Tax Department and will pay the said dues.
Para 7 (a): As per Clause 10.1 of the Scheme, it is stated that upon the scheme coming into	--------

effect all the shares of Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed and no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares held by the Transferor Company.	
Para 7 (b): In Clause 11.1 of the Scheme, it is stated that upon the Scheme becoming effective, the authorized capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including stamp duty payment and fees payable to the Registrar Companies. In this regard, the Transferee Company shall furnish an undertaking with regard to compliance of the provisions of Section 232(3)(i) of the Companies Act, 2013 and pay the differential fee.	Undertakes to comply the same.

Para 7 (e): The shareholders of the Transferor Company had entered into Business Transfer Agreement with the Transferee Company in the year 2020 for transferor of its business on going concern on slump sale for lumpsum consideration. In this regard, detailed information may be furnished by the Petitioner Companies and tax implications if any, shall be taken care by the Transferee Company on post-merger. The Hon'ble Tribunal may direct the Petitioner/ Transferee Company to furnish an undertaking in this regard for the purpose of record of the Hon'ble Tribunal.	With regard to the business transfer Agreement entered between the petitioner companies in the year 2020, a true and correct copy of the business transfer agreement dated 10.12.2020 is annexed as **Annexure-B** to the reply.
Para 7 (f): With regard to the Deemed investments shown as Rs.63,82,51,680/- and Rs.60,08,52,208/- shown by the Transferee Company in the Financial Statements as on 31.03.2023, the said company has furnished details such as	----------------

Corporate Guarantee income received/ESOP granted to Subsidiary Companies.	
Para 7 (g): The Transferor Company has some dues payable to Statutory Authority as seen from the Balance Sheet as at 31.03.2023. In this regard, the Transferee Company shall furnish an undertaking with regard to the payment of said Statutory dues.	Transferor Company undertakes to pay the statutory dues payable to the Statutory authorities.
Para 7 (h): The Transferor Company has related party transactions. In this regard, the Transferee Company shall furnish an undertaking with regard to compliance of the provisions of section 188 of the Companies Act, 2013.	Petitioner companies undertakes to comply the same.

11. The Regional Director, filed additional report dated 28.06.2024 to the reply affidavit filed by the Petitioner Companies dated 12.06.2024 and has made certain observations. The Petitioner Companies have filed reply memo dated 03.07.2024, in response to the observations dated

28.06.2024 made by the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad. The details are given below:

The observations of the RD/RoC at para 4(b), (e), (f), (g), 6, 7(b), (c), (g) & (h) of the report dated 10.06.2024 the Petitioner Companies has undertaken to comply with the observations of the RD.

Observation of Regional Director	**Reply filed by the Petitioner Companies by way of an Affidavit**
Para 4 (c): The Petitioners has stated that there are no secured creditors of the 2nd Petitioner/Transferee Company and the one open charge as shown in the MCA website pertains to guarantee provided to the stock exchanges at the time of listing of the 2nd Petitioner/Transferee Company as per Regulation 38 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and furnished copy of charge form submitted to companies. In view of the above, it is to state that the guarantor is also standing in the capacity of creditor, hence the Hon'ble Tribunal may please	In view of the open charge as shown in the MCA website pertaining to guarantee provided to the stock exchange at the time of listing of the 2nd Petitioner/Transferee Company as per Regulation 38 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and subsequent observation by the RD that guarantor stands in the capacity of the creditor, a true and correct copy of the no objection certificate from the Axis Bank was attached and

direct the Petitioner Companies to comply with the provisions of Section 231/232 of the Companies Act, 2013 in this regard.	marked as Annexure A of the affidavit.
Para 7 (e): The Petitioner company has stated that pursuant to a business transfer agreement entered between the 1st Petitioner/Transferor Company and 2nd Petitioner/Transferee Company in the year 2020 for transfer of business of the 1st Petitioner/Transferor Company as a going concern on slump sale for lumpsum consideration and submitted the business transfer agreement dated December 10, 2020. The relevancy of the said Business Transfer Agreement to the Scheme has not been explained by the Petitioner Company.	In view of the business transfer agreement entered between the 1st Petitioner/ Transferor Company and 2nd Petitioner/ Transferee Company in the year 2020 for transfer of business of business of the 1st Petitioner/ Transferor Company as a going concern, the RD made an observation that the relevancy of the said business transfer agreement to the scheme has not been explained by the Petitioner companies. In light of the said observation, the Petitioner companies lay down the following details and clarification for kind perusal of this Hon'ble Bench:

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a. Parties involved in the Business Transfer Agreement (“BTA”):

MHS Pharmaceuticals Private Limited (“Transferor Company”) and Medplus Health Services Limited (“Transferee Company”).

b. Effective Date of Business Transfer Agreement: December 11, 2020.

c. Nature of Transaction:

Transfer of Business by the Transferor Company to the Transferee Company as going concern on slump sale basis for lump sum consideration.

d. Consideration breakdown:

<table>
<tr><th>Particulars</th><th>Amount (Rs)</th></tr>
<tr><td>BTA Consideration Receivable by the Transferor Company in Financial Year 2021.</td><td>18,94,90,001</td></tr>
<tr><td>Received by Transferor Company in Financial Year 2022.</td><td>1,35,00,000</td></tr>
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Received in Financial Year 2023.	-
Closing Balance as on March 31, 2023	**17,59,90,001**

e. Clarification to ascertain its impact on the stakeholders of the Scheme:

After the Scheme becomes effective, all assets and liabilities of the Petitioner 1/ Transferor Company will be transferred to the Petitioner 2/ Transferee Company, and any outstanding consideration payable to the Petitioner 1/ Transferor Company will be knocked-off in the books of the Petitioner 2/ Transferee Company. It may be noted that the Petitioner 1/ Transferor Company is a wholly owned subsidiary of the Petitioner 2/ Transferee Company hence the said Scheme has no negative implications / impact on the

	stakeholders of both the Petitioner Companies.

12. Regional Director, filed his final report dated 29.07.2024 stating that the replies filed by way of affidavit dated 03.07.2024 and 24.07.2024 have been examined and this Hon'ble Tribunal may consider the same and pass orders as deemed fit and proper in the circumstances.

13. **OFFICIAL LIQUIDATOR'S REPORT:**

The Official Liquidator has filed his report, vide OLR No. 15/2024 dated 24.04.2024 stating certain observations at point no.22 of his report. The observations pointed out has been replied by the petitioner companies vide affidavit dated 12.06.2024 and 01.07.2024, which is mentioned below:

Observations of Official Liquidator	Reply by way of Affidavit
22 (b): Hon'ble Tribunal may be pleased to direct the Transferor and Transferee Companies to submit an undertaking to this Hon'ble Tribunal to the effect that there would be no retrenchment of any employee who were in service as on the Appointed date (i.e., 01.04.2023) as well.	The Petitioner Companies has undertaken that there shall be no retrenchment of any employee who were in services of the 1st Petitioner/ Transferor Company as on the Appointed Date.

22 (i): That, the Transferor Company is a loss-making company getting merged with profit making Transferee Company as per the Financial Statements of the Companies as at 31.03.2023 and further, the Transferor Company entered the BTA (Business Transfer Agreement) with the Transferee Company in the year 2020 for transfer of its business on going concern on slump sale for lump sum consideration. Hence, the Income Tax implications due to merger needs to be complied by the Transferee Company.	Petitioner Companies undertakes that any income tax implications arising from the merger of the Transferor Company with itself shall be taken care by the Transferee Company.

The Official Liquidator filed further report vide O.L.R.No.28/2024 dated 09.07.2024 stating that the replies filed by way of joint memos dated 12.06.2024 and 01.07.2024 have been examined and this Hon’ble Tribunal may consider the same and pass orders as deemed fit and proper in the circumstances.

14. **OBSERVATION**

We have heard the Learned Counsel appearing for the Petitioner Companies and perused the material papers on record. As regards to the observations pointed out by the Regional Director and compliance filed by the petitioner company, it appears that Petitioner Companies undertakes to comply the necessary observations whenever required. The Official liquidator had also raised certain observations for which the Petitioner Companies filed its reply by way of Affidavit. After hearing the Counsel for the Petitioner Companies and considering the material on record, we are of the view that scheme is not opposed to public interest and the proposed Scheme is in the interests of the Transferor Company, the Transferee Company and their respective shareholders, employees, creditors and all persons concerned. Hence the scheme can be approved with appointed date as 01.04.2023. All the statutory compliances have been made under Section 230 to 232 of the Companies Act, 2013. Hence ordered.

ORDER

15. After hearing the Counsel for the Petitioner Companies and after considering the material on record, this Tribunal passed the following order:

(i). The Scheme of Amalgamation is hereby sanctioned with appointed date as 01.04.2023 and shall be binding on all the members, employees, creditors and all other stakeholders of the Petitioner Companies.

(ii). While Approving the Scheme, we made it clear that this order should not be construed as an order in anyway granting exemption from payment of Stamp Duty, taxes or any other charges, if any, payable in accordance with law or in respect of any permission/compliance with any other requirement which may be specially required under any law.

(iii). The whole of the assets, property, rights and Liabilities of the Transferor Company shall be transferred without the requirement of any further act or deed to the Petitioner/Transferee Company.

(iv). We direct the Petitioner companies to comply with all the observations pointed out by the Regional Director.

(v). We direct the Petitioner companies to comply with all the observations pointed out by the Official Liquidator.

(vi). We direct the Petitioner Companies to preserve the books of accounts and papers and records and the same shall not be disposed of without the prior permission of the Central Government in terms of provisions of Section 239 of the Companies Act, 2013.

(vii). We direct the Petitioner Companies to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme the Petitioner Companies shall not be absolved for any of their statutory liability in any manner.

(viii). All the legal proceedings pending by or against the Transferor Company shall be continued by or against the Transferee Company.

(ix). Though no representation has been received from the Income Tax Authorities despite service of notice by the Petitioner Companies. We direct the petitioner Companies to comply with the observations if any with the Income Tax Authorities as per law.

(x). The Petitioner Companies are directed to strictly comply with the Accounting Treatment Standards prescribed under Section 133 of the Companies Act, 2013.

(xi). The sanction of the Scheme by this Tribunal shall not forbid the revenue authority from taking appropriate recourse for recovering the existing and previous tax liabilities of the Transferor and Transferee Companies.

(xii). We direct the Transferee Company to comply with the provisions of Section 2 (41) of the Companies Act, 2013, if applicable.

(xiii). The Transferor Company shall be dissolved without going through the process of winding up.

(xiv). The Petitioner Companies shall until the completion of the Scheme of Amalgamation, file a statement in such form and within such time as prescribed with the Registrar every year duly certified by a Chartered Accountant or a Cost Accountant or a Company Secretary to the effect that the Scheme of Amalgamation is being complied with in accordance with the orders of the Tribunal as required under Section 232 (7) of the Companies Act, 2013.

(xv). We direct the Petitioner Companies involved in the Scheme to comply with Rule 17 (2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013. The Petitioner Companies within 30 days after the date of receipt of certified copy of the order, shall cause certified copy to be delivered in Form INC-28 to the Registrar of Companies concerned for registration and on such certified copy being delivered, Registrar of Companies concerned shall take all necessary consequential action in respect of the Petitioner Companies.

(xvi). The Petitioner Companies is further directed to take all consequential and statutory steps required in pursuance of the approved Scheme of merger under the provisions of the Companies Act, 2013 and submit necessary compliance and undertaking relating to the objections raised by the Regional Director (SER), MCA, GoI, Hyderabad.

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

(xviii). Accordingly, the Company Petition C.P. (CAA) No. 02/230/HDB/2024 is allowed and the same is disposed.

-sd- -sd-

Charan Singh
Member Technical

Dr. Venkata Ramakrishna Badarinath Nandula
Member Judicial

pavani