IN THE NATIONAL COMPANY LAW TRIBUNAL

KOCHI BENCH

CA(CAA)/03/KOB/2026

(Under Sections 230-233 of the Companies Act, 2013, read with Companies (Compromise, Arrangements and Amalgamations) Rule, 2016)

Date of Institution: 13.01.2026
Order delivered on: 09.03.2026

In the matter of scheme of arrangement in the nature of Demerger

of

M/s. Kalyan Silks Trichur Private Limited,
CIN: U51311KL2001PTC014624
4/621/2, Kuriachira P.O., Thrissur 680 006, Kerala, India.
...Applicant No: 1/Demerged Company

&

M/s. Kalyan Silks Private Limited,
CIN: U47820KL2025PTC098581
25/1371, Kuriachira PO, Thrissur 680006, Kerala, India.
... Applicant No: 2/Resulting Company

&

Their respective Shareholders and Creditors

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL

Appearances:

For the Applicant Companies : Mr. Aswin Gopakumar, Adv.

O R D E R

1. This Joint Company Application **CA(CAA)/03/KOB/2026** has been filed by the Applicant Companies under Sections 230-233 of the Companies Act, 2013 (hereinafter called as 'the Act' or 'Companies Act'), read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The proposed Composite Scheme of Arrangement in the nature of Demerger between M/s. Kalyan Silks Trichur Private Limited (Applicant No.1/Demerged Company) and M/s. Kalyan Silks Private Limited (Applicant No.2/ Resulting Company) (collectively referred to as the "Applicant Companies") and their respective Shareholders and Creditors.

2. The **Applicant No.1 Company,** M/s. Kalyan Silks Trichur Private Limited is a private limited company incorporated under the Companies Act, 1956, with the name and style Kalyan Silks Trichur Private Limited on 28.03.2001 with CIN: U51311KL2001PTC014624, having its registered office at 4/621/2, Kuriachira P.O., Thrissur - 680 006, Kerala, India.

3. The authorised share capital of the Applicant No. 1 Company is Rs. 1,0,00,00,000/-, divided into 1,00,00,000 equity shares of Rs. 10/- each. The issued, subscribed, and paid-up share capital of the Company as on 27.12.2025 is Rs. 10,00,00,000/-, which is divided into 1,00,00,000 equity shares of Rs. 10/- each. And submitted that Subsequent to 27.12.2025, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Applicant Company No. 1 till the date of filing of this Company Application.

4. The objects of Applicant No.1 Company is to establish and undertake the business of manufacturing, trading, export and import and dealing in

wholesale and retail in all kinds of cloth, textiles, fabrics, textile piece goods, readymade garments, including knitwear and other allied items or goods and also to carry on the business of consumer Super Markets, Hyper Markets, Shopping Centres, Shopping Malls and to deal in provisions, vegetables, fish, meat, stationery, bakery, fast food and deal in all kinds of spices and extracts, masala and curry powder, rice powder and other types of food items and also to produce, manufacture, process, prepare and preserve all kinds of food supplements, food items and food products including products of agriculture and animal husbandry, and also to deal in electronic and electrical items, timber, wood, furniture, fixtures and furnishing items, home appliance and equipments and all types of consumer goods along with providing and maintaining facilities at the above places like hotels, lodge, cinema theatres, swimming pools, and/or other places of amusement of every kind.

5. The Applicant No. 1 Company is presently engaged in the business of inter alia manufacturing, trading, export and import and dealing in wholesale and retail in all kinds of cloth, textiles, fabrics, textile piece goods, readymade garments and other allied items or goods.

6. The **Applicant No.2 Company,** M/s Kalyan Silks Private Limited, is a private limited company incorporated under the Companies Act, 2013, on 20.11.2025 with CIN: U47820KL2025PTC098581, having its registered office at 25/1371, Kuriachira P.O, Thrissur- 680006, Kerala, India.

7. The authorised share capital of the Applicant No.2 Company is Rs. 10,00,000/-, divided into 1,00,000 equity shares of Rs. 10/- each. The issued, subscribed, and paid-up share capital of the Company as on

31.12.2025 is Rs. 1,00,000/-, which is divided into 10,000 equity shares of Rs. 10/- each. And submitted that Subsequent to 31.12.2025, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Applicant No.2 Company till the date of filing of this Company Application.

8. The main object of the Applicant No.2 Company is to establish, undertake and carry on the business of manufacturing, trading, buying, selling, exporting, importing and dealing in wholesale and retail all and types of cloth, textiles, fabrics, yarn, silks, textile piece goods, readymade garments, including knitwear, footwear, cosmetics, home furnishing and other allied items, goods and all other products and fashion and lifestyle products and accessories.

9. Both the Applicant Companies have filed their respective Memorandum of Association and Articles of Association, inter alia, delineating their object clauses.

10. The Applicant No.1 Company have filed their audited financial statements as of 31.03.2025 and unaudited financial statements as of 30.09.2025. And submitted that Subsequent to it, there has been no material change in the financial position of the Applicant No.1 Company, except those arising or resulting in the normal and ordinary course of business.

11. The Applicant No.2 Company have filed their unaudited financial statements as of 31.12.2025. And submitted that subsequent to it, there has been no material change in the financial position of the Applicant No.2 Company except those arising or resulting in the normal and ordinary course of business.

12. The Applicant Companies have obtained and placed on record the statutory valuation of shares assessed by a Registered Valuer as required under Section 230 of the Companies Act, 2013.

13. The Board of Directors of the Applicant No.1 Company and Applicant No.2 Company, at their respective board meetings held on 27.12.2025 and 31.12.2025, have approved the proposed Scheme of Demerger between the Applicant Companies, with the Appointed Date being 01.04.2026.

14. The Applicant Companies submitted that, save and except to the extent of their shareholding and directorship, if any, in the Applicant Companies, none of the directors and/ or key managerial personnel of the Applicant Companies have any material interest in the Scheme.

15. As on 31.12.2025, the Applicant No.1 Company has 05 (Five) Equity Shareholders. The Equity Shareholders, constituting 100% of the total equity shareholding, have extended their consent to the Scheme of Demerger and for dispensation of their meeting for approval of the Scheme of Demerger. The list of Equity Shareholders duly certified by a Chartered Accountant, along with their respective consent affidavits, has been attached as Annexure 15 and 18, respectively.

16. As on 31.12.2025, the Applicant No.2 Company has 5 (Five) Equity Shareholders. The Equity Shareholders, constituting 100% of the total equity shareholding, have extended their consent to the Scheme of Demerger and for dispensation of their meeting for approval of the Scheme of Demerger. The list of Equity Shareholders duly certified by a Chartered Accountant, along with their respective consent affidavits, has been attached as Annexure 17 and 19, respectively.

17. The Applicant Companies submitted that as of the date, the Applicant Companies have no preference shareholders.

18. As on 31.12.2025, the Applicant No.1 Company has 05 (Five) Secured Creditors having an outstanding amount of Rs. 52,77,55,677.07 (Indian Rupees Fifty-Two Crores Seventy-Seven Lakhs Fifty-Five Thousand Six Hundred Seventy-Seven and Seven paise). Secured Creditors constituting 100% in value of the total secured debt have extended their consent to the Scheme of Demerger and for dispensation of their meeting for approval of the Scheme of Demerger. The list of Secured Creditors duly certified by a Chartered Accountant, along with their respective consent affidavits, has been attached as Annexure 20 and 21, respectively.

19. As on 31.12.2025, the Applicant No.2 Company has no Secured Creditors and unsecured creditors. Thus, the question of convening and holding of a meeting of the Secured Creditors and unsecured creditors of the Applicant Company No. 2 to consider and approve the Scheme does not arise.

20. As on 31.12.2025, the Applicant No 1 Company has 2,134 (Two Thousand One Hundred and Thirty-Four) Unsecured Creditors. The list of Unsecured Creditors duly certified by a Chartered Accountant has been attached as Annexure 23.

21. Both the Applicant Companies declare that they are in compliance with the Accounting Standards as prescribed by the Institute of Chartered Accountants of India, and the Auditor's certificate under Section 133 of the Companies Act, 2013, confirms the same.

22. The Applicant Companies submitted that no investigation proceedings have been instituted and/or are pending in relation to the Applicant

Companies under Sections 210 to 227 of the Companies Act, 2013.

23. The Applicant Companies submitted that no winding-up petition has been filed or is pending against them.

24. Heard the arguments advanced by the Learned Counsel for the Applicant Companies and perused the documents on record, including the Scheme.

25. Upon perusal of the Company Application, the Scheme of Demerger and the documents placed on record, this Tribunal is prima facie satisfied that the Application is maintainable under Sections 230–232 of the Companies Act, 2013 and that the Registered Offices of the Demerged Company and the Resulting Company are situated within the territorial jurisdiction of this Bench. The Scheme has been duly approved by the respective Board of Directors, vide resolutions dated 27.12.2025 and 31.12.2025, respectively placed at Annexure 10. The Scheme clearly delineates the undertaking proposed to be demerged, together with the assets and liabilities to be transferred on a going concern basis, and specifies the Appointed Date as 01.04.2026 and the Effective Date as contemplated therein.

26. The Applicants have placed on record the list of equity shareholders and creditors, including secured and unsecured creditors, as on 31.12.2025, is produced as Annexures 18, 19,20 and 23, respectively, and this Tribunal is prima facie satisfied that the classification of stakeholders is proper and does not appear to be arbitrary. The Valuation Report dated 26.12.2025, issued by Mr. Rajmohan. R is placed as Annexure 25, and the Share Exchange Ratio as recommended therein has also been produced. An Auditor's Certificate dated 26.12.2025 is annexed as Annexure 11 certifying that the accounting treatment proposed in the Scheme is in

conformity with Section 133 of the Act and the applicable Accounting Standards have been filed.

27. It is further observed that the Petitioners have disclosed the pendency/non-pendency of any proceedings under the Insolvency and Bankruptcy Code, 2016 or under the provisions of the Companies Act, and no material has been placed before this Tribunal at this stage to indicate that the Scheme is prejudicial to the interests of creditors or contrary to public policy. The commercial rationale for the proposed demerger has been set out in the explanatory statement forming part of Annexure 26.

28. Accordingly, this Tribunal is satisfied that the statutory requirements, to the extent required for consideration at the first motion stage, have been complied with, subject to further scrutiny at the stage of consideration of the Scheme after meetings of the stakeholders/statutory reports, as the case may be.

29. Under Section 230(9) of the Companies Act, 2013, the Tribunal may dispense with the calling of a meeting of Creditor or class of Creditors where such Creditor or class of Creditors, having at least 90% value, agree and confirm, by way of affidavit, to the Scheme of Compromise or Arrangement.

30. It is also noted that the Applicant No 1 Company had obtained the separate consent affidavit from all five equity shareholders and five secured creditors constituting 100% of the values for dispensing with the meeting for the approval of the scheme of demerger. The Applicant No 2 Company had obtained the separate affidavits of all five equity shareholders constituting 100% of the values expressing their consent for dispensing

with the meeting for the approval of the scheme of demerger.

31. Further, it is noted that the Applicant companies have no preference shareholders, and the Applicant No.2 Company has no secured and unsecured creditors.

32. During the course of the hearing, this Tribunal has sought clarification regarding the appointed date stipulated under the Scheme. In response thereto, the Applicant Companies have filed a Memo dated 24.02.2026 along with the Affidavit of the Applicant Companies setting out the reasons for fixing the appointed date as 01.04.2026, stating inter alia that the said date, being the first day of the next financial year, has been chosen to ensure a seamless transition of business, operations, accounting, taxation and statutory compliances, including under the Income-tax Act, 1961 and the Companies (Accounting Standards) Rules, 2021, and to facilitate ease in maintenance of financial records of both the Applicant Companies from the date the Scheme becomes effective.

33. It has further been clarified that such fixation of a future appointed date is in consonance with Section 232(6) of the Companies Act, 2013 and the circular dated 21.08.2019 issued by the Ministry of Corporate Affairs, Government of India, which provides that the appointed date under a scheme may be a specific calendar date or a date linked to the occurrence of a trigger event agreed upon between the parties, the said provision and circular being enabling in nature and not restrictive, and therefore the appointed date of 01.04.2026 is in full compliance with the applicable statutory framework.

34. Accordingly, this bench issues the following directions:

A. Applicant No 1 Company

a) The meetings of the equity shareholders and the secured creditors of the Applicant Company No. 1 for considering the Scheme of Demerger are hereby **dispensed** as there exists the consent of all 05 (Five) equity shareholders constituting 100% of the total equity shareholding and all 05 (Five) secured creditors constituting 100% of the total secured debt, in value, by way of affidavits placed on record.

b) The meeting of the unsecured creditors of the Applicant No. 1 Company for considering the Scheme of Demerger is directed to be **convened** in accordance with law.

B. Applicant No 2 Company

a) The meetings of the equity shareholders of the Applicant No. 2 Company for considering the Scheme of Demerger are hereby **dispensed** as there exists the consent of all 05 (Five) equity shareholders constituting 100% of the total equity shareholding, by way of affidavits placed on record.

b) The meeting of the secured creditors and unsecured creditors of the Applicant No. 2 Company for considering the Scheme of Demerger is hereby obviated as there are no secured and unsecured creditors.

35. The meeting of the unsecured creditors of Applicant No.1 Company shall

be convened at the registered office of the Applicant No.1 Company through hybrid mode, including video conferencing or any other audio-visual means capable of being recorded, to consider and, if thought fit, approve, with or without modifications, the proposed Scheme of Demerger by means of voting including remote electronic voting.

36. The meetings shall be convened within 45 days from the date of this order, with a minimum notice of 30 days to be provided.

37. **Adv. Krishna Dayama**, Senior Panel Counsel, Government of India, Mob: 9818282596, Email: adv.krishh@gmail.com, is appointed as the **Chairperson** for the meeting. She shall be paid a fee of Rs. 1,50,000/- (Rupees One lakh Fifty Thousand only) for this assignment.

38. **CS Sreepriya Kalarikkal,** having address at 5/3421, 2nd Floor, Daya Building, Mavoor Road, Kozhikode - 673004, Mob:9895331480, Email: cspriyaharish@gmail.com, is appointed as the **Scrutinizer** for all the meetings. She shall be paid a fee of Rs. 75,000/- (Rupees Seventy-Five Thousand only).

39. The fees to the Chairman and Scrutinizer exclude the applicable taxes, out-of-pocket expenses, travelling expenses, etc., which shall also be borne by the Applicant No.1 Company.

40. The Chairman and Scrutinizer are directed to submit their consent within 05 (Five) days of receipt of this order.

41. The quorum for the aforesaid meeting of the unsecured creditors shall be satisfied by two parameters, creditors present and voting, representing at

least 30% in number and 50% in value of the unsecured creditors, whether present in person or through proxy.

42. Although the Applicant Companies have proposed publication of the notice in *New Indian Express* and *Kerala Kaumudi*, this Tribunal observes that the circulation of the said newspapers is restricted to certain regions and not widely circulated. Further, it is noted that the unsecured creditors of Applicant No.1 Company are located across different regions of India. In view of the same, this Tribunal is of the opinion that the notice convening the said meeting should be published in a newspaper having nationwide circulation to ensure wider dissemination of the information to all concerned stakeholders.

43. Accordingly, notice to the convening of the said meeting, indicating the day, date, place, and time, as aforesaid, shall be published in '**The Hindu'** English daily, '**Malayala Manorama**', Malayalam daily, all Kerala edition, '**Nav Bharat Times'**, Hindi daily, and on the official website of the Applicant No.1 Company, 30 days before the date of the meeting. The publication shall indicate the time within which copies of the scheme shall be made available to the concerned persons free of charge from the respective registered office of the Applicant Companies. The publication shall also indicate that the statement is required to be furnished according to Section 102 of the Act. However, the Applicant No.1 Company will ensure publication of the notice in the editions of '*The Hindu'* and '*Nav Bharat Times* 'having circulation in the States and Union Territories where the unsecured creditors of the Applicant No.1 Company have their registered offices.

44. In addition, at least one month before the date of the meeting to be held as aforesaid, a notice convening the said meeting, indicating the day, date, place, and time, as aforesaid, together with a copy of the scheme, a copy of the statement required to be furnished under section 102 of the Act read with Sections 230 to 232 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent to all unsecured creditors at their respective registered or last known addresses either by registered post or speed post, e-mail, by courier or by hand delivery.

45. It is further directed that along with the notice, the Applicant Companies shall also send a statement explaining the effect of the Scheme on the Creditors, key managerial personnel, promoters and non-promoter members etc., along with effect of the Scheme of Arrangement and Demerger on any material interests of the Directors of the Company, as provided under sub-section 3 of Section 230 of the Act.

46. The Chairman shall file an affidavit not less than 7(seven) days before the date fixed for the holding of the meetings for compliances to be made as required under the law.

47. The Chairman shall be responsible for reporting the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, within ten days of the conclusion of the meeting.

48. The notices are to be served to the sectoral regulators/authorities under Section 230(5) of the Companies Act, 2013, as aforesaid, shall contain all

the disclosures as mentioned in Rule 6(3) of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016, irrespective of the fact that meetings have been dispensed with.

49. The Applicant Companies shall serve notices upon the Regional Director, Ministry of Corporate Affairs, Registrar of Companies, Income Tax Department, Customs Department, Goods and Services Tax Department, according to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, so that timely and proper response may be filed. Representations, if any, made by them shall be sent to the Tribunal within 30 days from the date of receipt of such notice, and a copy of such representation shall simultaneously be sent to the concerned company, failing which, it shall be presumed that they have no objection to the proposed Scheme of Demerger. The Applicant Companies shall file an affidavit proving service ofnotices and compliance reports of the above-said directions contained herein with the Registry of this Tribunal.

50. Failure to comply with the above directions, this order for dispensing with the meeting of the Members/Shareholders and secured creditors of the Applicant Companies shall stand cancelled automatically.

51. All the aforesaid directions are to be complied with by the Applicants strictly by following the applicable laws, including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016, as well as the provisions of the Companies Act, 2013.

52. The Applicant Companies are directed to present a Petition to this Tribunal in Form No. CAA-5 for sanction of the Scheme of Demerger.

53. Accordingly, this Company Application bearing No. **CA(CAA)/03/KOB/2026** stands **allowed.**

54. The Registry is hereby directed to send e-mail copies of this order forthwith to the parties, their Learned Counsel, the Chairman and the Scrutinizer for information and to take necessary steps.

55. Let the certified copy of this order be issued, if applied for, upon compliance with the requisite formalities.

Sd /-

VINAY GOEL
(MEMBER JUDICIAL)

Signed on this the 9th day of March, 2026.

At*