NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH, COURT-VI

COMPANY PETITION NO. (CAA)-22/230/232/ND/2025

CONNECTED WITH

COMPANY APPLICATION NO. (CAA)-08(ND)/2024

Under Section 230-232 and other applicable provisions of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)

IN THE MATTER OF SCHEME OF AMALGAMATION:

1. **AMBROSIA CORNER HOUSE PRIVATE LIMITED,**
   Through its Authorized Representative:
   Mr. Amit Chadha
   Registered Office at: 10185C, Arya Samaj Road,
   Karol Bagh, New Delhi-110005

...PETITIONER No. 1/TRANSFEROR COMPANY No. 1

AND

2. **KAFILA HOSPITALITY AND TRAVELS PRIVATE LIMITED**
   Through its Authorized Representative:
   Mr. Pradeep Kumar Chadha,
   Registered Office at: 10185C, Arya Samaj Road,
   Karol Bagh, New Delhi-110005

...PETITIONER No. 2/ TRANSFEREE COMPANY No. 2

Order Delivered on: 02.07.2026

CORAM

JUSTICE JYOTSNA SHARMA, MEMBER (JUDICIAL)

MS. ANU JAGMOHAN SINGH HON'BLE HON'BLE MEMBER (TECHNICAL)

PRESENT

For the Petitioner : **Mr. Vivek Malik, Adv**
For the Respondent :
For the IT Dept. :
For the RD :
For the OL : **Mr.Kartikeya Asthana, Ms. Siddhidatri Jha, Adv.**

ORDER

1) This joint Application filed under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements, Amalgamation) Rules, 2016 in respect of proposed of Scheme of Arrangement for Amalgamation of Ambrosia Comer House Private Limited ("Transferor Company No. 1/Petitioner No. 1"), Kafila Hospitality and Travels Private Limited ("Transferee Company/Petitioner No. 2").

2) Further, the copy of the Scheme has been placed on record. Details of the Companies proposed to be amalgamated, as under:-

I. The Petitioner Company No.1– AMBROSIA CORNER HOUSE PRIVATE LIMITED, (CIN U55101DL1974PTC007297), was incorporated in accordance with the provisions of the Companies Act, 1956 as a Private Limited Company by the virtue of Certificate of Incorporation dated 05.06.1974. The name of the company has changed name from Nirulas Corner Rouse Private Limited to Ambrosia Corner House Private Limited with effect from 10.09.2021. The company has its registered office at 10185 C, Arya Samaj Road, Karol Bagh, New Delhi-110005.The Applicant Company No.1 has Authorized Share Capital, Issued, Subscribed and Paid-up Share Capital as on 31.03.2023 is at page no.28 of the petition/-;

The Petitioner Company No.2– KAFILA HOSPITALITY AND TRAVELS PRIVATE LIMITED (CIN: U74899DL1995PTC064578), was incorporated in accordance with the provisions of the Companies Act, 1956 as a Private Limited Company vide Certificate of Incorporation dated 20.01.1995, having its registered office at 10185C, Arya Samaj Road, karol Bagh, New Delhi-110005. The Applicant Company No.2 has Authorized Share Capital Issued, Subscribed and Paid-up Share Capital as on 31.03.2023 at page no. 30 and 31 of the Petition.

3) The Transferor companies and the Transferee Company together are called **'Petitioner Companies'** hereinafter. The Registered offices of all the Companies being in Delhi, the territorial jurisdiction lies with this Tribunal.

4) The Board of Directors of the Transferor Companies and the Transferee Company in their respective meetings held on 12.12.2023, considered and unanimously approved the proposed Scheme of Amalgamation. Copies of the aforesaid Board Resolutions passed in the corresponding Board Meetings have been placed on record.

5) The petitioner has further submitted that the "Appointed date" as fixed for the proposed scheme of Amalgamation is 30.11.2023.

6) Vide order dated 08.07.2024, this Tribunal, in the First Motion Application (i.e., C.A.(CAA)–08/ND/2024), dispensed with the requirement of the meeting of equity shareholders, secured Creditors and Unsecured Creditors of the Transferor Companies and Transferee Company.

7) This Tribunal vide order dated 13.03.2025 directed the petitioner companies to issue individual notices to the (i) Central Government through Regional Director, Northern Region of Ministry of Corporate Affairs, (ii) the jurisdictional Income Tax Department, (iii) Registrar of Companies, NCT of Delhi and Haryana, (iv) Official Liquidator, and to such other Objector(s), if any.

8) In compliance of the order dated 13.03.2025, the petitioners Companies have filed an Affidavit dated 17.04.2025, wherein it was submitted that the petitioners Companies have effected publication in "Business Standard" (English) as well as "Business Standard" (Hindi), both dated on 07.04.2025. In addition to the public notice, notices were served on the Regional Director (Northern Region), Official Liquidator, the Income Tax Department, Registrar of Companies, NCT of Delhi and Haryana.

9) This tribunal vide order dated 24.04.2025 directed to file an affidavit enclosing the list of creditors as certified by the Charted Accountant. In compliance of order dated 24.04.2025, the petitioner companies filed an affidavit dated 23.05.2025 enclosing the list of creditors certified by the Charted Accountant.

10) Pursuant to the notice, the Regional Director (hereinafter referred to as 'RD') in its report dated 18.09.2025 has made certain observations with regard to the proposed Scheme amongst the Petitioner Companies. In response to the observation made by the RD, the Petitioner Companies have filed their reply on 23-05-2026 wherein the Petitioner Companies have given clarifications and undertaken to address the observations made by the 'RD'. The details of the same are summarized below:

S No.	**Objection / Issue**	**Reply on Behalf of Petitioner Companies**
1.	As per the Auditor's Report dated 31.03.2023, the Transferor Company has advanced loans amounting to Rs. 210 lakhs to third parties, with an outstanding balance of Rs. 228.90 lakhs. The Transferor Company may ensure compliance with the provisions of Section 186 of the Companies Act, 2013, and investments, before Hon'ble NCLT.	All inter-corporate loans granted by the Transferor Company during FY 2022-23 fall within the scope of Section 186 and are duly authorized by way of a Board Resolution passed at the Board Meeting held on 1st September 2016. Post the sanction of the Scheme, the resulting company shall comply with the terms of Section 186 of the Companies Act, 2013.
2	The Auditor's Report as at 31.03.2023 notes substantial disputed dues of the Transferor Company under the Delhi Sales Tax Act and Delhi VAT Act, covering the assessment years 1977-78 to 2016-17, aggregating Rs. 32.78 lakhs (tax) and Rs. 243.11 lakhs (penalty). These disputes are pending before the	The Transferee Company undertakes that all liabilities arising out of proceedings in respect of the Sales Tax Act and the Delhi VAT Act, pending adjudication before the Commissioner (Appeals) or Appellate Tribunal, shall be Borne by the resulting/amalgamated Company. This undertaking is consistent with and covered by

	Commissioner (Appeals), Appellate Tribunal, and the Hon'ble Delhi High Court. As per Section 232(2)(c) of the Act, the Scheme must specify that such liabilities shall be assumed and borne by the Amalgamated Company.	Clause 10 and Clause 13 of the Scheme.
3.	The Balance Sheet as on 31.03.2023 discloses Contingent liabilities aggregating Rs. 1,802.55 lakhs, comprising: Employee/Lessor/Franchisee claims: Rs. 1,506.68 lakhs; Sales Tax disputes: Rs. 286.21 lakhs; ESIC: Rs. 9.06 lakhs; Guarantees: Rs.0.60 lakhs. These are material in nature. Accordingly, the Transferee Company may be directed to file an undertaking before the Hon'b1e NCLT confirming that the said liabilities shall be appropriately dealt with under the Scheme.	undertakes to bear all liabilities that may accrue in respect of the contingent liabilities of the Transferor Company amounting to Rs. l,802.55 lakhs in aggregate, comprisingEmployee/Lessor/Franchisee claims of Rs. 1,506.68 lakhs, Sales Tax disputes of Rs. 286.21 lakhs, ESIC of Rs. 6.06 lakhs, and Guarantees of Rs.3.60 lakhs. This is consistent with Clause 10 and Clause 13 of the Scheme.
4.	The Transferee Company holds freehold land and buildings valued at Rs. 34.02 lakhs situated at Arya Samaj Road,	The land and building situated at Arya Samaj Road, Karol Bagh, New Delhi are already recorded in the books of the Transferee Company and

	Karol Bagh, New Delhi. The title deeds, however, stand in the name of Director Mrs. Madhu Chadha since 01.04.2008. As per the Auditor's remarks, this was due to acquisition for business purposes. The Hon'b1e NCLT may direct rectification or suitable undertakings from the Transferee Company to ensure proper transfer of ownership.	were acquired for business purposes. The property stands in the name of Mrs. Madhu Chadha solely in her capacity as Director of the Transferee Company. The Transferee Company undertakes to initiate all legal and procedural formalities required for title regularization post the sanction of the Scheme.
5.	During FY 2023-24, the Transferor Company advanced loans of Rs. 442 lakhs to its subsidiary and Rs. 50 lakhs to others, with Rs. 222.18 lakhs outstanding. Compliance with Section 186 of the Act is required in respect of the said loans and advances. However, since the Transferor Company is proposed to be merged, such loans will stand cancelled upon amalgamation. Additionally, the Transferee Company has also advanced a loan to the Transferor Company, in respect of which compliance under Section 186 of the Companies Act, 2013 has been sought.	All inter-corporate loans advance by the Transferor Company during FY 2023-24, amounting to Rs. 442 lakhs to its subsidiary and Rs. 50 lakhs to others (Rs. 222.18 lakhs outstanding), are within the scope of Section 186 of the Companies Act, 2013. Since the Transferor Company is to be merged into the Transferee Company, all such loans shall stand cancelled upon amalgamation. The loan advanced by the Transferee Company to the Transferor Company was likewise granted in compliance with Section 186 of the Companies Act, 2013 by way of a special resolution passed at the Extra-Ordinary General Meeting held on 02.11.2022, and shall stand cancelled upon amalgamation as the

		Transferor Company shall cease to exist.
6.	As per the Balance Sheet of the Transferee Company as at 31.03.2021, contingent liabilities amount to Rs. 3,157.21 lakhs, comprising: IATA Settlement dues: Rs.185.14 lakhs; Customer claim: Rs. 7.96 lakhs; Axis Bank dispute on pre-closure charges: Rs. 121 lakhs. In line with Section 232(2)(c), Hon'ble NCLT may direct that these liabilities shall be assumed by the amalgamated entity, with necessary undertakings to be filed by the Transferee Company.	All contingent liabilities of the Transferee Company, comprising, amongst others, IATA/settlement dues of Rs. 185.14 lakhs, Customer claims of Rs. 7.96 lakhs, and the Axis Bank dispute on pre-closure charges of Rs. 121 lakhs, aggregating Rs. 3,157.21 lakhs in total, shall be assumed and discharged by the Transferee Company.
7.	The Auditor's Report as at 31.03.2024 of the Transferee Company indicates that short-term borrowings aggregating Rs. 1,543 crores have been utilized for long-term purposes. This deviation from proper fund utilization must be explained before the Hon'b1e NCLT, and appropriate compliance steps	The short-term borrowings during the relevant financial year were primarily utilized for business operations and working capital requirements in the ordinary course of business. Such utilization was temporary and driven by operational exigencies to ensure continuity of business, and there was no mismatch or intention to deploy short-term funds for long-term or

	may be ensured	capital asset purposes. Going forward, all borrowings shall be utilized strictly in accordance with their sanctioned purpose and in compliance with applicable lending terms and financial prudence norms.
8.	The Transferee Company may be directed to comply with Section 232(3)(i) of the Companies Act, 2013, relating to fee payment on its revised authorized share capital subsequent to the amalgamation.	The Transferee Company hereby undertakes to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and undertakes to pay all applicable fees and charges relating to the revised authorized share capital upon the sanction of the Scheme.

11) Mr. P. Ganguly, Deputy Director, Office of RD, appeared through VC before this Tribunal and submitted that though initially they had certain observations on the scheme, however in view of the response given by the petitioner companies, they have no further objection to the approval of the scheme. Same has been recorded vide order dated 07.05.2026.

12) Upon several notice, no report was filed by Income Tax Department in respect of any of the Petitioner Companies. The Hon'ble Tribunal, vide order dated 19.03.2026, directed the applicants to file an additional affidavit regarding liability for payment of Income Tax dues. Furthermore, the Petitioner Company through an additional affidavit dated 23.05.2026 stated that Petitioner No.2 (i.e., Transferee Company) will pay all Income Tax dues, if any, present/future of the

Transferor Company and as well as of Transferee Company. Same has been recorded vide Order dated 04.06.2026.

13) The Official Liquidator (OL) has also filed its report dated 17.07.2025 and in para 13 of the said report the Official Liquidator submitted that "*the affairs of the aforesaid Transferor Companies No. 1 and 2 do not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest in terms of the provisions of the Companies Act, 2013*".

14) The Petitioner Companies submitted that no investigation proceedings against any of the Petitioner Companies under section 235 to section 251 of the Companies Act, 1956 or under section 210 to section 226 of the Companies Act, 2013 are pending.

15) Certificates of Statutory auditor of the petitioner companies, has been placed on record to the effect that Accounting Treatment proposed in the Scheme of Amalgamations is in conformity with the Accounting Standard notified by the Central Government as specified under the provisions of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies Accounts Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, and other generally accepted accounting principles in accordance with the Companies Act, 2013, as applicable.

16) It is settled law that the share-holders of the Petitioner Companies are the best judges of their interest, being fully conversant with market trends. Therefore, this tribunal is not supposed to look into merit of their commercial decision. It is well settled that while evaluating the scheme, sanction of which is sought under section 230-232 of the Companies Act, 2013, the Tribunal ordinarily will not interfere with the corporate decision of the Petitioner Companies, as approved by their respective shareholders and creditors.

17) Supreme Court in ***Miheer H. Mafatial vs Mafatial Industries Ltd JT 1996 (8) 205*** while considering the scope of the jurisdiction of the Company Court in respect of matters of sanction of the Scheme of Amalgamation as per the provisions of Section 91 read with Section 393 of the Companies Act, 1956, observed as under:

"It is the commercial wisdom of the parties to the scheme who have taken an informed decision about the usefulness and propriety of the scheme by supporting it by the requisite majority vote that has to be kept in view by the Court. The Court certainly would not act as a court of appeal and sit in judgment over the informed view of the concerned parties to the compromise as the same would be in the realm of corporate and commercial wisdom of the concerned parties. The Court has neither the expertise nor the jurisdiction to delve deep into the commercial wisdom exercised by the creditors and members of the company who have ratified the Scheme by the requisite majority. Consequently the Company Court's jurisdiction to that extent is peripheral and supervisor and not appellate."

18) In view of the law laid down by the Supreme Court, this Tribunal is not supposed to examine the merits/benefits of the commercial wisdom of the decision of the shareholders etc.

19) It has also been affirmed in the Petition that the Scheme is in the interest of all the Petitioner Companies including their shareholders, creditors, employees and all concerned. In view of the foregoing, upon considering the approval accorded by the members and creditors of the Petitioner companies to the proposed Scheme, there appears to be no impediment in sanctioning the proposed Scheme.

20) Consequently, sanction is hereby granted to the Scheme under Section 230 to 232 of the Companies Act, 2013 with the following directions:: -

(i) The Petitioners shall, however, remain bound to comply with the statutory requirements in accordance with the law.

(ii) Notwithstanding the above, if there is any deficiency found or, violation committed, qua any enactment, statutory rule or regulation, the sanction granted by this court to the scheme will not come in the way of action being taken in accordance with the law, against the concerned persons, directors and officials of the petitioners.

(iii) While approving the Scheme as above, we further clarify that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges if any, and payment in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

20. This Tribunal further directs with respect to all the Transferor company and the Transferee company, that:

(i) The appointed date of the scheme is 30.11.2023.

(ii) All contracts of the Transferor Companies, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obliged thereto;

(iii) All the employees of the Transferor Companies shall be deemed to have become the employees and the staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on the terms and conditions no less favourable than those on which they are engaged by the Transferor Companies, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits;

(iv) All liabilities of the Transferor Companies, shall, pursuant to the provisions of section 232(4) and other applicable provisions of the Companies Act, 2013, to the extent they are outstanding, without any further act, instrument or deed stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations etc. as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such liabilities.

(v) All proceedings now pending by or against the Transferor Companies be continued by or against the Transferee Company.

(vi) Any person interested or effected shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

21. Further, the Petitioner Companies shall within thirty days of the date of the receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor companies shall be dissolved and the Registrar of Companies shall place all documents relating to the Transferor Companies on the file kept by him in relation to the Transferee Company and the files relating to all the Petitioner Companies shall be consolidated accordingly.

22. In compliance with the requirement of Section 232 (7) of the Act, the transferee company shall until the full implementation of the Scheme of Arrangement shall file a statement every year in the Form CAA 8 along with the required fees with the Registrar of Companies as prescribed in the Companies (Registration offices and fees) Rules 2014 within 210 days from the end of each financial year.

23. The petition stands disposed of in the above terms.

24. Let copy of the order be served to the parties.

Sd/-

(ANU JAGMOHAN SINGH)

MEMBER (TECHNICAL)

Sd/-

(JYOTSNA SHARMA)

MEMBER (JUDICIAL)