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

ITEM No.04
C.P. (CAA) No.11/BB/2026

IN THE MATTER OF:

Aureustech Systems Pvt. Ltd. … Petitioner

Petition under Sec 230-232 of CA, 2013

Order delivered on: 10.08.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner	:	R. Inbaraju, Advocate
For Respondent	:	None

ORDER

1. Heard Learned Counsel for the Petitioner.
2. **The Company Petition is allowed** vide separate order.
3. File be consigned to the record room.

-Sd-	**-Sd-**
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

RO

<u>IN THE NATIONAL COMPANY LAW TRIBUNAL</u>

<u>BENGALURU BENCH,</u>

<u>(Hybrid Mode)</u>

<u>C.P. (CAA) No. 11 /BB /2026</u>

<u>(U/s. 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 Read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)</u>

<u>IN THE MATTER OF SCHEME OF:</u>

M/S. AUREUSTECH SYSTEMS PRIVATE LIMITED

SJR Equinox, Sy.No.47/8, Doddathogur Village,

Begur Hobli, Electronics City Phase 1,

Hosur Road, Electronics City,

<u>Bengaluru – 560 100</u> ... **Petitioner Company No.1/ Transferor Company**

M/S. HAPPIEST MINDS TECHNOLOGIES LIMITED

53/1-4, Hosur Main Road,

Madivala (Next to Madivala Police Station),

<u>Bengaluru – 560 068</u> ... **Petitioner Company No.2/ Transferee Company**

<u>Order delivered on: 10.08.2026</u>

<u>Coram</u>: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)

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

<u>Counsels Present:</u>

For the Petitioner Companies	:	Shri R. Inbaraju, Adv.
For the ROC & RD	:	None
For the Income-tax Department	:	Shri Ganesh R. Ghale, Adv.

O R D E R

1. This second motion Petition was filed on 04.03.2026 by the Petitioner Companies under the aforementioned provisions for sanctioning of the Scheme of Amalgamation of the Petitioner Companies and their respective Shareholders and Creditors under the provisions of the Companies Act, 2013, with effect from the Appointed Date so as to be binding on all the shareholders and creditors of the Petitioners; and to dissolve the Transferor Company without winding up. /

2. In the First Motion Application bearing C.A. (CAA) No.41/BB/2025 filed by the Petitioner Companies, this Tribunal, by its Order dated 13.02.2026 dispensed with the meetings of the Equity Shareholders of the Transferor Company and Secured Creditors of the Transferee Company. As the Petitioner Company No.1 nil Secured Creditors, Unsecured Loan Creditors and Unsecured Trade Creditors, no meetings of such classes of creditors were required. In view of the precedents cited and the facts of the case, the Tribunal also dispensed with the meetings of Equity Shareholders, Unsecured Loan Creditors, and Unsecured Trade Creditors of the Transferee Company, subject to the issuance of individual notices to all Unsecured Loan Creditors and Unsecured Trade Creditors with outstanding balance of Rs.1,00,000/- and above.

3. On 06.03.2026 when the Petition was posted for hearing, following directions were issued in the case:

> *3 Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies (Companies Arrangements and Amalgamation) Rules, 2016 provides for issuance of Notice on such Petitions. Hence, issue notice to the following statutory authorities for submitting their representation if any.*
>
> *a. The Central Government, through the Jurisdictional Regional Director, Ministry of Corporate Affairs.*
>
> *b. The RoC to be sent at roc.bangalore@mca.gov.in.*

c. *The Official Liquidator at ol.bangalore@mca.gov.in.*
d. *The Income Tax Authority at bangalore.pccit@incometax.gov.in.*
e. *National Stock Exchange of India Limited (NSE)*
f. *Foreign Exchange Department*
g. *Reserve Bank of India*
h. *Securities and Exchange Board of India*
i. *BSE Limited (BSE)*
j. *The Statutory Regulators/Sectoral Regulators, if applicable.*

All the authorities on receipt of notice, are directed to file their representation, if any, within 30 days. In case, no representation is received, it will be presumed that they have no objection to the proposed scheme of the petitioners.

Notice is also directed to be published in two prominently circulating national daily newspapers namely "The Financial Express" in English and "Vishwavani" in Kannada in terms of Rule 7 of the Companies (Companies Arrangements and Amalgamation) Rules, 2016.

4. The Petitioner Companies have complied with the above directions and submitted evidence of service of notices *vide* diary no.1701 dated 07.04.2026 along with the copies of newspaper.

5. The main objects, dates of Incorporation, authorized, issued and paid-up share capitals, rationale of the scheme and interest of employees have already been *prima facie* considered while passing the first motion order dated 13.02.2026.

6. The Board Resolutions of the Petitioner Companies dated 28.07.2025 and 29.07.2025, approving the Scheme are annexed as **Annexure 11 & 12.**

7. The Certificates of Statutory Auditor of Petitioner Companies have been filed to the effect that the proposed accounting treatment as specified in Clause 12 of the Scheme and as reproduced in **Annexure**

25 & 26 to the Petition is in compliance with Accounting Standards notified under Section 133 of the Act, as amended from time to time along with the rules made thereunder and other generally accepted accounting Principles, as applicable.

8. Affidavits have been filed on behalf of the Petitioner Companies to state that there are no Sectoral Regulators, No Corporate Debt Restructuring is involved and No Investigations, Litigations or Proceedings pending against the Petitioner Companies or the Directors thereof before any Statutory Authority.

9. The audited financials as on 31.03.2025 of the Petitioner Companies and the unaudited financial statements of the Petitioner Companies as on 31.12.2025 are attached as **Annexures 4, 5, 9 & 10** to the Petition.

10. As per the Scheme, the "**Appointed Date**" means **April 1st, 2026** or such date as may be directed by National Company Law Tribunal, Bengaluru Bench or such other authorities.

11. **<u>REPORT OF THE RD & ROC:</u>**

Pursuant to the notice, the Regional Director (RD) has received a report from the Registrar of Companies (ROC) and replies from the Petitioner Companies. The RD has thereafter filed its report dated 14.05.2026, wherein following observations are made:

3. Based on report of Registrar of Companies, Karnataka vide No. ROCB/CAA-230-232/CP(CAA)No.11/BB/2026/Happiest/2026/103 dated 16.04.2026 (copy of ROC, Karnataka report enclosed as Annexure-1) and reply of the Petitioner Companies dated 06.05.2026, the following observations has been made:

1) As per the last financial statements filed as on 31.03.2025 of the Transferor Company, Happiest Minds Inc, a foreign body corporate and its nominee holds entire equity shares of 100% in the Transferor Company. As per the last financial

statements filed as on 31.03.2025 of the Transferee Company, no shareholders hold more than 50% equity shares. However, highest among them, Mr. Ashok Soota an individual, holds 32.80% equity shares in the Transferee Company.

2) As per Clause 10.1 of Part C of the Scheme, the Transferor Company being the wholly owned subsidiary of the Transferee Company all equity shares held by the Transferee Company and its nominee(s) in the Transferor Company shall be automatically cancelled and extinguished, without requiring any further application, act or deed.

3) As per Clause 1.4 of Part A of the Scheme, the Appointed Date is 1st April 2026, which is a future Appointed Date. As per Section 232(6) of the Companies Act, 2013, the Scheme shall indicate an Appointed Date and as per General Circular No.09/2019 Para 6(d), a future Appointed Date based on a trigger event may be identified. The Tribunal may be pleased to direct the Petitioner Companies to explain the reasons for opting for an Appointed Date of 01.04.2026.

4) As per Clause 9 of the Petition, the Transferee Company has listed its equity shares in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 17.09.2020. With reference to this Directorate's letters dated 21.04.2026 issued to RBI, SEBI, NSE and BSE, till date no reply/comments in the matter have been received. The Tribunal may be pleased to direct the Transferee Company to show compliance with the SEBI (Listing Obligations and Disclosure Requirements), 2015. Further, the Transferee Company may be asked to submit No Objection Certificates from Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited and Bombay Stock Exchange Limited and the Reserve Bank of India for the proposed

merger of the unlisted Transferor Company with the listed Transferee Company.

5) The Capital Structure of the Transferee Company as provided in Clause 3.2 of Part 4 of the Preamble of the Scheme does not match with the Capital Structure in the Master Data of the Company in the Ministry of Corporate Affairs. The Tribunal direct the Petitioner Company to clarify the same, along with details of share allotments / transfers, if any, and how the interests of shareholders are protected.

6) As per Clause 11.1 of Part C of the Scheme, which provides for Clubbing of Authorised Share Capital. This term as used in the Scheme is not in line with the provisions of Section 232(3) (i) of the Companies Act, 2013. The Tribunal may be pleased to direct the Transferee Company to comply with the provisions of the Section and pay the difference of the fee, after setting off the fee already paid by the Transferor Companies on their capital.

7) As per Note No. vii(b) of Annexure-B to the Independent Auditor's Report for the financial year ending 31.03.2025, the Transferor and Transferee Companies have outstanding disputed dues towards Professional Tax and GST to the tune of Rs.14,568/ and Rs.785 Lakhs respectively. The Tribunal may be pleased to direct the Petitioner Companies to furnish an undertaking to the effect that they will settle such dues as and when the claim is crystallized.

8) As per Notes No.19 and 25 of the Audited Financial Statements for the year ending 31.03.2025, the Transferor and Transferee Companies have outstanding undisputed dues to the tune of Rs.76 Lakhs and Rs.2,218 Lakhs respectively. The Tribunal may be pleased to direct the Petitioner Companies to furnish an undertaking to the effect

that they will settle the statutory dues immediately, if not settled so far.

9) As per Notes No.16 and 24 of the Audited Financial Statements for the year ending 31.03.2025, the Transferor and Transferee Companies have total outstanding dues to Micro, Small and Medium Enterprises to the tune of Rs.3 Lakhs and Rs.184 Lakhs respectively. The Tribunal may be pleased to direct the Petitioner Companies to show as to how they are complied with Micro, Small and Medium Enterprises Development Act, 2006 and furnish an undertaking that they will settle the dues as per the said Act immediately, if not settled so far.

10) As per the Audited Financial Statements for the year ending 31.03.2025, the Transferor and Transferee Companies have foreign transactions. The Tribunal may direct the Petitioner Companies to submit the relevant approvals and compliance made under FEMA/RBI regulations before the Scheme is allowed.

11) The Transferee Company has certain ESOPs (Employee Stock Option Plans) and ESPSs (Employee Stock Purchase Plans). The employees' rights shall not be affected or varied in any case adversely. The Tribunal may direct the Petitioner Transferee Company to clarify as to what measures are being taken to protect their interests and whether the Companies have received any objections to the Scheme from them. Further, the terms and conditions after the amalgamation should not be detrimental to the existing ESOP/ESPS holders under any circumstances.

12) The object Clauses of the Transferee Company needs to be suitably altered so as to enable it to carry out the objects of the Transferor Companies post-sanction of the Scheme, by

complying with the applicable provisions of the Companies Act, 2013 and also by filing the relevant e-forms.

13) The Accounting Treatment as mentioned in the Scheme should be as per the prescribed Accounting Treatment under the Companies Act, 2013 and the applicable Accounting Standards issued from time to time.

14) The Petitioner Companies are required to comply with the provisions of Section 239 of the Companies Act, 2013 with respect to preservation of books and papers of Amalgamated Company. The Tribunal may direct the Petitioner Companies to furnish an undertaking in this regard.

15) 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 the merger, amalgamation or acquisition shall continue after such merger, amalgamation, or acquisition.

16) With reference to this Directorate's letter dated 23.04.2026 issued to the Principal Commissioner of Income Tax, Bengaluru, till date no reply/comments have been received in the matter. The Tribunal may direct the Petitioner Transferee Company to furnish an undertaking that "as and when the demand arises from the Income Tax Department against the Transferor Company, the Transferee Company is ready to pay such dues on behalf of the Transferor Company.

17) The Official Liquidator, Karnataka, vide report dated 08.05.2026, has filed his Report before the Tribunal dated 08.05.2026, and a copy of the same has been furnished to this Directorate. The Tribunal direct the Petitioner Transferee Company to furnish an undertaking that it shall comply with the observations pointed out by the Official Liquidator before the Scheme is allowed.

11.1. Reply by the Petitioner Companies:

Reply-affidavit to the common report of RD & ROC is filed by the Petitioner Companies vide Diary No.6247 dated 21.05.2026, inter alia stating as under:

a) **Para Nos.1 to 5 of the Report**: It is submitted that subsequent to the financial year ended 31.03.2025, the shareholding structure of the Transferor Company underwent a change. Pursuant to the Share Purchase Agreement dated 04.02.2025, the shares held by Happiest Minds Inc.in Aureus Tech Private Limited were acquired by the Transferee Company. Consequently, upon completion of the share transfer on 29.06.2025, the Transferor Company became a wholly owned direct subsidiary of the Transferee Company.

   Accordingly, as on the date of filing of the present Petition, the entire equity share capital of the Transferor Company is held by the Transferee Company and its nominee(s) and Clause 10 of Part C of the Scheme, which provides for automatic cancellation and extinguishment of the equity shares held by the Transferee Company and its nominees in the Transferor Company upon the Scheme becoming effective, is legally valid and appropriate. No new shares are required to be issued in consideration of the scheme. The Petitioner Companies submitted that the Scheme does not require any revision in this regard.

b) **Para No.6 of the Report:** That Section 232(6) of the Companies Act, 2013 expressly provides that a Scheme shall be deemed to be effective from the "Appointed Date" as specified in the Scheme. The said provision is enabling in nature and grants the parties the discretion to mutually determine and agree upon an appropriate Appointed Date from which the Scheme shall operate.

In this regard, the Ministry of Corporate Affairs ("MCA") has issued General Circular No.09/2019 dated 21st August 2019, clarifying the scope of Section 232(6). The said Circular categorically provides that:

(i) The Appointed Date may be a specific calendar date or may be tied to the occurrence of a specified event;
(ii) Such Appointed Date may either precede or succeed the date of filing of the application before the Tribunal; and
(iii) The Scheme shall take effect from the Appointed Date as so chosen by the parties.

The Petitioner Companies submit that the Appointed Date of 01.04.2026 has been consciously and commercially determined by the Board of Directors of the Petitioner Companies after due deliberation, keeping in view considerations of business convenience, operational integration, seamless accounting treatment, and alignment with the commencement of the financial year, so as to ensure smooth and efficient implementation of the Scheme.

Further, an Appointed Date which is a future date is expressly permissible under Section 232(6) of the Companies Act, 2013 read with General Circular No. 09/2019 issued by the Ministry of Corporate Affairs. Accordingly, the Appointed Date 01.04.2026 does not require any modification and is legally valid, commercially justified, and proper in all respects.

c) **<u>Para No.7 of the Report:</u>** That the Transferor Company is a wholly owned subsidiary of the Transferee Company, Happiest Minds Technologies Limited, which is a listed entity on BSE Limited and National Stock Exchange of India Limited. In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with applicable SEBI Circulars, in the case of a merger of a wholly owned subsidiary (or step-down subsidiary) with its listed holding company, prior approval/no-objection from SEBI and the Stock Exchanges is not required. The Petitioner Companies pray that this Tribunal may take note of the said regulatory position.

However, as required under the Listing Regulations, the Transferee Company has duly intimated the Stock Exchanges regarding the proposed Scheme by way of a letter dated 29.07.2025. A copy of the said intimation is enclosed as Annexure-3. Further submitted that upon receipt if any communication or observation from SEBI, BSE Limited, National Stock Exchange of India Limited, or the Reserve Bank of India, the same shall be forthwith placed before this Tribunal.

d) **<u>Para No.8 of the Report:</u>** That the discrepancy in the Capital Structure of the Transferee Company as stated in Clause 3.2 of Part A of the Preamble to the Scheme vis-a-vis the Master Data available on the MCA portal is attributable to two separate Schemes of Merger involving wholly owned subsidiary companies of the Transferee Company, both of which were duly sanctioned by the Tribunal.

Pursuant to the aforesaid merger schemes, the requisite Form INC-28 were duly filed with the Registrar of Companies. Copies of the e receipts / challans evidencing filing of the said Form INC 28 is enclosed as Annexure- 4.

Further submitted that since the amalgamating companies were wholly owned subsidiaries of the Transferee Company, no shares were required to be listed or allotted pursuant to the said mergers. Accordingly, the interest of the shareholders, creditors, and other stakeholders of the Transferee Company remain fully protected, intact, and unaffected.

e) **Para No.9 of the Report:** That upon the Scheme of Amalgamation becoming effective, the Transferee Company shall duly comply with the provisions of Section 232(3) (i) of the Companies Act, 2013 and shall pay the requisite statutory fees, if any, after setting off the fees already paid by the Transferor Companies in their respective authorised share capital.

An undertaking affidavit confirming the aforesaid compliance has been duly executed by the Transferee Company is enclosed as Annexure-5.

f) **Para No.10 of the Report:** That the outstanding disputed dues towards Professional Tax and Goods and Services Tax, as referred to in Note No. vii (b) of Annexure-B to the Independent Auditor's Report for the financial year ended 31.03.2025, are subject matters of dispute and are presently pending adjudication before the appropriate statutory and quasi-judicial authorities. The Petitioner Companies have contested such demands in accordance with law and the same have not attained finality. The Petitioner Companies undertakes that upon the crystallisation of any liability pursuant to the final orders of the competent authority, the same shall be duly discharged and settled in full compliance with applicable law. An undertaking affidavit confirming the aforesaid is enclosed as Annexures 5.

g) **Para No.11 of the Report:** That the outstanding undisputed statutory dues as referred to in Notes No.19 and 25 of the Audited Financial Statements for the financial year ended 31.03.2025 shall be duly paid and settled by the Transferee Company, to the extent not already settled, upon the Scheme of Amalgamation becoming effective or as and when the same fall due, whichever is earlier, in accordance with applicable law.

An undertaking affidavit confirming the aforesaid undertaking is enclosed as Annexure-5.

h) **Para No.12 of the Report:** That the Petitioner Companies have at all times been complying with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') to the extent applicable.

Further the outstanding dues payable to Micro, Small and Medium Enterprises, as disclosed in Notes No. 16 and 24 of the Audited Financial Statements for the financial year ended 31.03.2025, shall be duly settled by the Transferee Company in full compliance with the provisions of the MSMED Act, to the extent not already settled, upon the Scheme of Amalgamation becoming effective or as and when the same fall due, whichever is earlier. An Undertaking Affidavit confirming the aforesaid undertaking is enclosed as Annexure-5.

i) **Para No.13 of the Report:** That the Petitioner Companies have been at all times complying with the applicable provisions of the Foreign Exchange Management Act, 1999 ('FEMA') and the rules, regulations and directions issued by the Reserve Bank of India ("RBI") thereunder, to the extent applicable. Further submitted that all necessary approvals, filings, and compliances relating to foreign transactions undertaken by the Petitioner Companies have been duly made and complied with in accordance with applicable FEMA / RBI regulations. The Petitioner Companies further undertake to comply with all applicable FEMA and RBI requirements in relation to the Scheme of Amalgamation, as may be applicable upon the Scheme becoming effective. An undertaking confirming the aforesaid undertaking is enclosed as Annexure-5.

j) **Para No.14 of the Report:** That as expressly provided under Clause 6 of the Scheme of Amalgamation, the rights and interests of the existing ESOP and ESPS holders of the

Transferee Company shall not be adversely affected pursuant to the Scheme becoming effective.

Further, submitted that all benefits, rights, terms, and conditions available to the existing ESOP / ESPS holders shall continue to subsist in accordance with the applicable plans / policies of the Transferee Company and the provisions of law, and the same shall not be varied, modified, or curtailed to their detriment on account of the proposed amalgamation. The Transferee Company further confirms that it has not received any objections or adverse representations to the Scheme from any ESOP / ESPS holder.

k) **Para No.15 of the Report:** That upon the Scheme becoming effective, the Transferee Company shall, if and to the extent required take all necessary steps for alteration of its Object Clause in compliance with the applicable provisions of the Companies Act, 2013 and shall file the requisite e forms with the Registrar of Companies within the prescribed time.

l) **Para No.16 of the Report:** That the accounting treatment prescribed under the Scheme of Amalgamation shall be in full compliance with the applicable provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) / Accounting Standards as notified by the Ministry of Corporate Affairs from time to time. The Petitioner Companies further undertake that all accounting entries and treatment arising pursuant to the Scheme shall be carried out in accordance with applicable law and applicable accounting principles as may be in force at the relevant time.

m) **Para No.17 of the Report:** That the Petitioner Companies shall duly comply with the provisions of Section 239 of the Companies Act, 2013 with respect to the preservation, maintenance, and safekeeping of the books of accounts, papers, and records of the Transferor Company upon the

Scheme becoming effective. Further submitted that the books and papers of the Transferor Company shall not be disposed of without obtaining the prior approval of the Central Government, wherever required under the provisions of the Companies Act, 2013. An Undertaking Affidavit confirming the aforesaid undertaking is enclosed as Annexure-5.

n) **Para No.18 of the Report:** That the Transferee Company acknowledge and confirm that, in terms of Section 240 of the Companies Act, 2013, the liability, if any, in respect of offences committed under the Companies Act, 2013 by the Officers in default of the Transferor Company prior to the Scheme becoming effective shall continue and shall not be affected, extinguished, or absolved by virtue of the proposed amalgamation. It is further submitted that the Scheme of Amalgamation does not in any manner seek to absolve, discharge, or extinguish any such liability under the applicable provisions of law.

o) **Para No.19 of the Report:** That the Transferee Company undertakes that as and when any demand or liability arises from the Income Tax Department against the Transferor Company, the Transferee Company shall duly honour and pay such dues on behalf of the Transferor Company in accordance with applicable law. Further, the proposed Scheme of Amalgamation shall not in any manner prejudice the rights of the Income Tax Department to recover any lawful dues, liabilities, interest, or penalties, if any, from the Transferee Company upon the Scheme becoming effective. An Undertaking Affidavit confirming the aforesaid undertaking is enclosed as Annx.-5.

p) **Para No.20 of the Report:** That the Transferee Company undertakes to duly comply with the observations, directions, and requirements, if any, as set out in the Report dated 08.05.2026 filed by the Official Liquidator, Karnataka, before this Tribunal, Bengaluru Bench. Further submitted that the Transferee Company shall take all necessary steps to ensure compliance with the observations of the Official Liquidator in accordance with law and to the satisfaction of this Tribunal. An Undertaking Affidavit confirming the aforesaid undertaking is enclosed as Annexure- 5.

12. <u>Report of OL:</u>

Pursuant to the notice, the Official Liquidator has filed report vide diary no.6260 dated 08.05.2026 making following observations:

1. That the Transferor Company and the Transferee Company have filed a petition U/s. 230 to 232 of the Companies Act, 2013 before the Tribunal, Bengaluru Bench in C.P. (CAA) No. 11/BB/2026 seeking approval for sanction of scheme of amalgamation of Transferor Company with the Transferee Company.
2. That as per Petition and further information/documents provided by the Transferor Company, the requisite report of the Official Liquidator in respect of Transferor Company is furnished in succeeding paras of the instant report.
3. Both Transferor Company and Transferee Company are registered in the State of Karnataka.
4. The appointed date proposed is 01.04.2026. As per MCA's Master data, the Transferor Company has filed its latest Balance sheet as at 31.03.2025.
5. That Transferor Company informed this office vide their letter dated 13.04.2026 that there are no inquiry, inspection and investigation ordered by the MCA or ROC against Transferor Company under the provision of the Companies Act,1956/2013.
6. As per the master data of MCA no charge is subsisting against the assets of Transferor Company.

7. That the Audit for Transferor Company for the year ended 31.03.2025 was completed by Jaa & Associates, Chartered Accountants.
8. There is one common Director in Transferor Company and Transferee Company.
9. The Transferor Company is a wholly owned subsidiary of the Transferee Company.
10. An undertaking may be obtained from the Petitioner Company that they will pay applicable stamp duty and other charges to the State Government within a reasonable time of 6 months.
11. Observations of the Official Liquidator:
    a. The Board of Directors of Transferor Company & Transferee Company have approved the scheme on 29.07.2025. The Transferor Company vide their letter dated 13.04.2026 have informed that currently there are 2 Equity Shareholders, there are No Secured Creditors, Unsecured Loan Creditors and Unsecured Trade Creditors as on 30.06.2025 and have given their consent to the proposed scheme.
    b. As per Balance Sheet as at 31.03.2025, the Transferor Company have dues of the MSME. The Transferee Company needs to settle the MSME dues as per the MSME Act.
    c. From the Financial Statement of the Transferor Company for the FY ending 31.03.2024 & 31.03.2025 it is observed that the company is a going concern and has Revenue from operations to the extent of Rs.45,53,00,000/- & Rs.43,54,00,000 /- respectively.
    d. As per the Financial Statements of the Transferor Company as at 31.03.2025 of Rs.35,50,00,000/- is shown towards Employee Benefits Expenses. Further, in the scheme **as per Part 'B' Clause 6 of the Scheme: Staff, Workmen and Employees:**

6.1."On the Scheme becoming effective, all staff workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date".

e. As per Part 'C' Clause 11 of the Scheme: Consideration For Amalgamation:

10.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, all equity shares held by the Transferee Company and its nominee(s) in the Transferor Company shall be automatically cancelled and extinguished, without requiring any further application, act, or deed.

f. **As per Part 'C' Clause 11 of the Scheme: Increase in Authorised Capital of Transferee Company:**

11.2 Consequently, existing Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument, or deed, be and stand altered, modified and amended pursuant to Sections 61 to 64 and other applicable provisions of the Companies Act, 2013 by substituting the existing Clause with the following:

"V. The Authorised Share Capital of the Company is Rs. 59,00,00,000/- (Rupees Fifty-Nine Crore only) divided

into 22,98,00,000 (Twenty-Two Crore Ninety-Eight Lakhs) Equity Shares of face value of Rs.2/- (Rupees Two Only) each and 2,00,000 (Two Lakhs) Non-Cumulative Compulsorily Convertible Preference Shares (Series A Preference Shares) of face value of Rs.652/- (Rupees Six Hundred and Fifty-Two Only) each.

12.1. <u>Reply by the Petitioner Companies:</u>

The Petitioner Companies have filed following reply to OL report vide diary no.6301 dated 14.05.2026.

a) **<u>Para No.1 of the report:</u>** It is submitted that the statement contained in Para 1 of the Report of the Official Liquidator correctly records the filing of the Company Petition under Sections 230 to 232 of the Companies Act, 2013 before the Tribunal seeking sanction of the Scheme of Amalgamation. The contents of the said paragraph are factual, true and correct to the best of their knowledge, information and belief, being matters of record, and therefore do not call for any further clarification or traverse.

b) **<u>Para No.2 of the report:</u>** It is submitted that the statement contained in Para 2 of the Report of the Official Liquidator is factual in nature and correctly records that the requisite report has been prepared based on the petition and the information/documents furnished by the Transferor Company. The contents of the said paragraph are true and correct to the best of their knowledge, information and belief and, being procedural in nature, do not call for any further clarification or traverse.

c) **<u>Para No.3 of the report:</u>** It is submitted that the Transferor Company as well as the Transferee Company are duly registered under the provisions of the Companies Act, 2013 (and earlier enactments, as applicable) with the Registrar of Companies, Karnataka, and have their registered offices situated in the State of Karnataka. The statement made in this regard is true and correct as per the records available on the MCA portal and the statutory records of the respective Companies.

d) **Para No.4 of the report:** It is submitted that the Appointed Date proposed under the Scheme is 01.04.2026, which has been determined based on commercial and accounting considerations and is permissible under Section 232(6) of the Companies Act, 2013. Further submitted that the Transferor Company has duly filed its latest audited Financial Statements as at 31.03.2025 as reflected in the MCA Master Data.

e) **Para No.5 of the report:** It is submitted that the Transferor Company had informed the office of the Official Liquidator vide its letter dated 13.04.2026 that no inquiry, inspection or investigation has been ordered or is pending against the Transferor Company by the Ministry of Corporate Affairs or the Registrar of Companies under the provisions of the Companies Act, 1956 or the Companies Act, 2013. The said statement is true and correct to the best of their knowledge, information and belief and is based on the records of the Company.

f) **Para No.6 of the report:** It is submitted that the statement made in Paragraph 6 of the report are correct and are not required to be traversed.

g) **Para No.8 of the report:** It is submitted that the statutory audit of the Transferor Company for the financial year ended 31.03.2025 was conducted and completed by Jaa & Associates Chartered Accountants, in accordance with the applicable provisions of the Companies Act, 2013.

h) **Para No.10 of the report:** It is submitted that there are One Common Directors on the Board of both the Transferor

Company and the Transferee Company. The said position is based on the statutory records and filings of the respective Companies and is true and correct to the best of their knowledge, information and belief.

i) **<u>Para No.11 of the report:</u>** It is submitted that the statement made in Paragraph 11 of the report are correct and are not required to be traversed.

j) **<u>Para No.12 of the report:</u>** The Transferee Company undertakes and confirm that, up on the Scheme becoming effective, the Transferee Company shall duly pay all applicable stamp duty and other charges payable to the State Government within a reasonable period of six (6) months, in accordance with applicable law. An undertaking affidavit duly affirmed by the Transferee Company is enclosed as Annexure-3.

k) **<u>Para No.13 of the report:</u>**

13(a): It is submitted that the Board of Directors of the Transferor Company and the Transferee Company approved the Scheme of Amalgamation on 29.07.2025. Further, the Transferor Company, vide its letter dated 13.04.2026, has confirmed that as on 30.06.2025, it had 2 Equity Shareholders and no Secured Creditors, Unsecured Loan Creditors, or Unsecured Trade Creditors. Pursuant to the Order dated 13.02.2026 passed by this Tribunal, the meeting of the Equity Shareholders of the Transferor Company was dispensed with.

13(b): The Authorised Signatory of the Transferee Company undertakes and confirm that the Transferee Company shall duly settle all the outstanding MSME dues of the Transferor Company, in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, upon the Scheme becoming effective. An Undertaking Affidavit to the above effect, duly affirmed by the Transferee Company, is enclosed as Annexure-3.

13(c): It is submitted that as per the audited Financial Statements of the Transferor Company for the financial years ended 31.03.2024 and 31.03.2025, the Company has prepared its accounts on a going concern basis and has reported revenue from operations amounting to Rs. 45,53,00,000/- & Rs. 43,54,00,000/- respectively. The said figures are duly reflected in the audited financial statements of the Company and are true and correct as per the records of the Transferor Company.

13(d): It is submitted that as per the audited Financial Statements of the Transferor Company as at 31.03.2025, an amount of Rs. 35,50,00,000/- is reflected towards Employee Benefit Expenses, which represents expenditure incurred in the ordinary course of business. Further submitted that, Clause 6 of Part 'B' of the Scheme specifically provides that upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall become employees of the Transferee Company without any break or interruption in service and with continuity of service, and on terms and conditions not less favourable than those applicable immediately prior to the Scheme. The Scheme thus adequately safeguards the interests of the employees, and no employee shall be prejudiced in any manner by virtue of the amalgamation.

13(e): It is submitted that as stated in Part 'C, Clause 11 of the Scheme under the heading "Consideration for Amalgamation", since the Transferor Company is a wholly owned subsidiary of the Transferee Company, all equity shares held by the transferee Company and its nominee(s) in the Transferor Company shall stand automatically cancelled and extinguished upon the Scheme becoming effective, without requiring any further act, application, or deed.

13(f) : It is submitted that as stated in Part 'C' , Clause 11 of the Scheme under the heading "Increase in Authorised Capital of the Transferee Company," upon the Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall stand increased and Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument, or deed, stand altered, modified and amended pursuant to Section 61 to 64 and other applicable provisions of the Companies Act, 2013, in the manner set out in the Scheme.

13. <u>Report of the Income Tax Department</u>

<u>13.1. Transferor Company</u>

The Income Tax Department has filed the report dated 28.07.2026, stating that:

a. Assessment proceedings for A.Y.2023-24 is pending.
b. A tax demand for the A.Y.2023-24 is pending for recovery and assessee preferred appeal before DRP which is pending adjudication.
c. As per ITBA, there are no investigation/enquiry proceedings pending against the Transferor Company.
d. The Company has filed the ITRs for Assessment Years 2021-22, 2022-23, 2023-24 and 2024-25.
e. The scheme is not found to be opposite to the public policy. However, the transferee company shall be held responsible for any demand or liability which may arise in the name of the Transferor company in the future including the proposed Scheme.

f. As per the Scheme of Arrangement, all business activities of Transferor Company are proposed to be transferred to Transferee Company. All the pending proceedings under the provisions of the Income Tax Act, 1961 as well as all the outstanding demands or liabilities and future demands or liabilities pertaining to in the case of Transferor Company shall be raised in the name of Transferee Company.

g. In view of the above, the I.T. Department has No Objection to the proposed Scheme.

<u>13.1.1. Transferee Company:</u>

On being notified, the Income Tax Department has filed report dated 04.05.2026, stating that:

i. Assessment proceedings for A.Y.2024-24 is pending.

ii. Tax demand for the A.Y.2021-2022 and 2023-2024 are pending for recovery.

iii. There are no investigation/enquiry proceedings pending against the Transferor Company.

iv. The Company has filed the ITRs for Assessment Years 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26.

v. As per the Scheme of Arrangement, all business activities of Transferor Company are proposed to be transferred to Transferee Company. All the pending proceedings under the provisions of the Income Tax Act, 1961 as well as all the outstanding demands or liabilities and future demands or liabilities pertaining to in the case of Transferor Company shall be raised in the name of Transferee Company.

vi. In view of the above, this office has No Objection to the proposed Scheme.

13.2. <u>Reply of the Transferor Company to the IT Report:</u>

The reply – affidavit to the Income Tax Dept., Report has been filed by the Transferor Company filed *vide* diary no.7845 dated 30.07.2026, stating that:

1. **<u>Reply to the observation 3 of the Report</u>:** The matter is presently sub judice before the Hon'ble Dispute Resolution Panel ("DRP"), and the next hearing in the said proceedings is scheduled to be held on 4.08.2026. The Transferor Company submits that, upon the Scheme becoming effective, any tax liability, demand, or other dues that may arise pursuant to the outcome of the aforesaid proceedings shall be duly discharged by the Transferee Company in accordance with the terms of the Scheme. The details of the pending proceedings are enclosed as Annexure 2.
2. **<u>Reply to the observation 4 of the Report</u>:** The aforesaid matter is presently sub judice before the Hon'ble Dispute Resolution Panel ("DRP"), and the next hearing in the said proceedings is scheduled to be held on 04.08.2026. The Transferor Company submits that, upon the Scheme becoming effective, any tax liability, demand, or other dues that may arise pursuant to the outcome of the aforesaid proceedings shall be duly discharged by the Transferee Company in accordance with the terms of the Scheme. The details of the pending proceedings are enclosed herewith as **Annexure 2.**
3. **<u>Reply to the observation 9 of the Report</u>:** It is Submitted that the authorised signatory of Petitioner Company No. 1/ Transferor Company, undertake and confirm that the Transferor Company is the wholly owned subsidiary of Transferee Company. Accordingly, the requirement of the valuation report is not applicable in the present case.
4. **<u>Reply to the observation 13 of the Report</u>:** It is submitted that the authorized signatory of the Petitioner Company No. 1/ Transferor Company, undertake and submitted that, pursuant

to the Scheme of Amalgamation, all business undertakings of Transferor Company are proposed to be vested in Transferee Company. Accordingly, all pending proceedings under the Income Tax Act, 1961, and any existing, future, or contingent demands and liabilities relating to the Transferor Company shall, upon the Scheme becoming effective, stand continued, enforced, and be raised in the name of the Transferee Company, i.e., Happiest Minds Technology Limited. An undertaking affidavit, duly executed and confirming the aforesaid, is enclosed.

13.2.1. <u>Reply of the Transferee Company</u>

The reply – affidavit to the Income Tax Dept, Report has been filed by the Transferee Company filed *vide* diary no 6300 dated 14.05.2026, stating that: -

13.2.1.1. **<u>Observation 3 of the Report:</u>** It is stated that the details/ information sought by the Faceless Assessment Team have been duly submitted. They are currently awaiting further communication from the Department. As of today, there is no pending action required from the Company's end in this matter. Acknowledgment copy of the last submission made is attached as Annexure 2.

Further, it is submitted that upon the Scheme becoming effective, the Transferee Company shall duly comply with and discharge any liability, demand, obligation, or requirement, if any, arising pursuant to the aforesaid pending proceedings in accordance with applicable law. In this regard, an undertaking affidavit confirming the same is enclosed as Annexure 4.

13.2.1.2. **<u>Observation 4 of the Report:</u>** The Assessing Officer had initiated penalty proceeding under Section 270 A of the Income Tax Act relating to alleged under-reporting of income, and the proceedings were concluded with an order favouring the Revenue. Against the said order, the Company has filed an appeal before the Hon'ble CIT (A). The appeal proceedings are currently under process and the Company has duly responded to all communications/notices issued by the Hon'ble CIA (A) as on date. Copy of Form 35 is enclosed as Annexures 3a & 3b.

Further , it is submitted that upon the Scheme becoming effective, the Transferee Company shall duly discharge and settle any penalty, liability, obligation, or demand, if any, that may arise pursuant to the proceedings initiated under Section 270A of the Income-tax Act or otherwise in accordance with law. An undertaking affidavit confirming the same has been enclosed herewith as Annexure 4.

13.2.1.3. **Observation 9 of the Report:** The Authorised Signatory of the Transferee Company undertakes that the Transferee Company is the wholly owned subsidiary of Transferee Company. Accordingly, the requirement of the valuation report is not applicable in the present case.

13.2.1.4. **Observation 13 of the Report:** The Authorised Signatory of the Transferee Company undertakes and submitted that, pursuant to the Scheme of Amalgamation, all business undertakings of Transferor Company are proposed to be vested in Transferee Company. Accordingly, all pending proceedings under the Income Tax Act, 1961, and any existing, future, or contingent demands and liabilities relating to the Transferor Company shall, upon the Scheme becoming effective, stand continued, enforced, and be raised in the name of the Transferee Company, i.e., Happiest Minds Technology Limited. An undertaking affidavit, duly executed and confirming tire aforesaid, is enclosed herewith as Annexure 4.

14. Upon being notified in terms of Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Reserve Bank of India ("RBI") submitted its reply vide letter dated 16 April 2026. A perusal of the said reply indicates that the RBI has taken note of the proposed Scheme of Amalgamation and has recorded its observations/no objection thereto, subject to compliance with the applicable provisions of the Foreign Exchange Management Act, 1999 and the rules, regulations, circulars and directions issued thereunder from time to time.

15. Thereafter, the Authorized Representative of the Petitioner Company No.1/Transferor Company filed a reply affidavit dated 30.04.2026 vide Diary No.6178, inter alia affirming that the statements and disclosures made in the report submitted to the RBI in connection with the scheme are true and correct. The Transferor Company is compliant with and shall continue to comply with all applicable rules, regulations and guidelines prescribed by the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. An undertaking affidavit on behalf of the Transferee Company is enclosed as Annexure-7.

Further pursuant to the scheme with effect from the appointed date the entire undertaking of the Transferor Company shall be transferred and vested with the Transferee Company. Therefore, the Transferee Company shall, upon the effectiveness of the proposed Scheme, comply with all applicable rules, regulations, guidelines and statutory requirements prescribed by the RBI and the FEMA Act, 1999, as well as any other relevant laws, in relations to the Transferor Company.

16. We have heard Ld. Counsels for the parties and carefully perused the pleadings and entire materials on record.

17. The reports of the Statutory Authorities and their replies by the Petitioner Companies are taken on record. The requisite undertakings have been furnished and certification completed. Perceptibly the concerned Statutory Authorities are satisfied by the responses on behalf of the Petitioners and that due care has been taken of their concerns. Thus, there remains no impediment to the approval of Scheme.

18. In view of the above factual situation, the **Scheme of Amalgamation as annexed at Annexure 16 is approved with the appointed date being 01.04.2026** and it is further directed that the Scheme is to be binding on all the directors, shareholders and creditors of the Petitioner 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 or anything to be done in legal compliance.

AND THIS TRIBUNAL DOES FURTHER ORDER:

i. That the Petitioner Companies do, within 30 days after the date of receipt of this Order, cause a certified copy of this Order to be delivered to the Registrar of Companies, Karnataka for registration.

ii. The Petitioner Company is directed to comply with the provisions of Section 314 of the Income-Tax Act, 2025 (Section 170A of the erstwhile Income Tax Act, 1961) within the stipulated period. The records of Transferor and Transferee Companies shall be preserved as per the undertakings furnished by them in the manner and for the duration as prescribed under section 239 of the Companies Act, 2013.

iii. That any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

iv. The approval/sanctioning of the Scheme shall not be construed as an exemption from any of the provisions under the Income Tax Act, 2025 (erstwhile Income-Tax Act, 1961), the Companies Act, 2013 or any other applicable statute and that the authorities concerned therein shall be at liberty to take appropriate action, in accordance with law.

v. The GSTIN and PAN of Transferor Company shall be surrendered to the respective Government Departments within one month.

vi. The Petitioner Companies have given various undertakings in response to observations made by the Statutory Authorities, which are all accepted. They shall remain bound by the terms thereof and committed to ensure meticulous compliance in letter & spirit.

19. Registry is directed to issue formal Orders in Form No.CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, on the Transferee Company on filing Schedule of the Properties i.e.,

(i) freehold properties, and

(ii) leasehold properties of the Transferor Company, by way of an affidavit.

20. C.P. (CAA) No.11/BB/2026 is allowed and disposed of.

21. Copy of this Order be communicated to the Petitioner Companies through their representing Counsel.

-Sd-	-Sd-
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**