THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, CHANDIGARH
(through web-based video conferencing platform)

CP (CAA) No.8/Chd/Hry/2021
(2nd Motion)

Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

Panasonic India Private Limited
with its registered office at
12th Floor, Ambience Tower,
Ambience Island, NH-8, Gurgaon - 122002
CIN : U51395HR2006PTC064080

...Transferor Company/Petitioner Company No.1

AND

Panasonic Life Solutions India Private Limited
with its registered office at
12th Floor, Ambience Tower,
Ambience Island, NH-8, Gurgaon - 122002
CIN : U31200HR1981FTC088701

…Transferee Company/ Petitioner Company No.2

Judgment delivered on: 19.05.2022

Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)

Present through Video Conferencing : -

For the Petitioner Companies: 1. Mr. Ajay Vohra, Senior Advocate
2. Mr. Nesar Ahmad, Practising Company Secretary
3. Mr. G.S. Sarin, Practising Company Secretary

For the Income Tax Department: 1. Mr. Yogesh Putney, Senior Standing Counsel
2. Mr. Harveet Singh Sehgal, Advocate

Per: Subrata Kumar Dash, Member (Technical)

JUDGMENT

This is a joint second motion application filed by Petitioner Companies namely; **Panasonic India Private Limited** (Transferor

Company/Petitioner Company No.1), and **Panasonic Life Solutions India Private Limited** (Transferee Company/Petitioner Company No.2) under Section 230-232 of the Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the Rules).

2. The Petitioner Companies have prayed for sanctioning of the Scheme of Amalgamation between the respective companies. The said Scheme is attached as Annexure-12 of the application.

3. The Petitioner Companies have filed the first motion application bearing CA (CAA) No.44/Chd/Hry/2020 before this Tribunal for seeking directions for dispensing with the meetings of Equity Shareholders, Secured and Unsecured Creditors of the Applicant Companies. The First motion application was disposed of vide order dated 01.03.2021, with directions to dispense with the meetings of Equity Shareholders, Secured and Unsecured Creditors of both the Applicant Companies for the reasons mentioned in the aforesaid orders.

4. The main objects, date of incorporation, authorized and paid-up share capital, and the rationale of the Scheme had been discussed in detail in the first motion order dated 01.03.2021.

5. In the second motion proceedings, certain directions were issued by this Tribunal vide order dated 23.07.2021 and in compliance of such directions, an affidavit of compliance was filed vide diary No.00397/1 dated 16.09.2021. The notice of hearing was published in “Business Standard” (English) Haryana Edition and “Business Standard” (Hindi) Haryana Edition on 06.09.2021. The original copies of the newspapers are attached as Annexure-7 of the aforesaid affidavit. It has also stated in the affidavit that copies of notices were served upon the (a) Central Government through Regional Director (Northern Region), Ministry of

Corporate Affairs, New Delhi; (b) Competition Commission of India (CCI); (c) Registrar of Companies, NCT of Delhi and Haryana; (d) the Official Liquidator; (e) Income Tax Department through the Nodal Officer-Principal Chief Commissioner of Income Tax, Aaykar Bhawan, Sector-17E, Chandigarh by way of speed post. Copy of table of service, notices sent to authorities, speed post receipts, and tracking report of the notices are attached as Annexures-2, 3, 4, and 5 respectively of the aforesaid affidavit. This Bench has again issued notices to the Regional Director, Registrar of Companies, and the Official Liquidator by order dated 17.09.2021, and the petitioner companies have filed an affidavit of service by Diary No.00397/6 dated 29.10.2021 wherein original speed post receipts along with tracking report are attached.

6. It is also deposed by the authorised signatories of the petitioner companies that the Petitioner Companies have not received any objection from the public till date, after the publication of the aforementioned advertisement on 06.09.2021. The aforesaid affidavit is attached as Annexure A-3 of Diary No.00061 dated 14.01.2022.

7. In response to the abovementioned notices, the statutory authorities have furnished their replies.

7.1 **<u>Registrar of Companies (RoC)/Regional Director (RD)</u>**

The Registrar of Companies (RoC) has along with the report of the Regional Director (RD) has been attached as Annexure - A of diary No.00397/8 dated 10.03.2022. The R.D. in its report has observed that as per the report of the Registrar of Companies, both companies have filed the Balance Sheets and Annual Returns upto 31.03.2020. No

prosecution has been filed and no inspection or investigation has been conducted in respect of the petitioner companies.

Thus, there are no adverse observations of RD/RoC in respect of the petitioner Companies.

7.3 **Official Liquidator**

The Official Liquidator has filed his report vide Diary No.00397/4 dated 21.09.2021. The relevant parts of the report in respect of Petitioner Company No.1 are extracted below:

i) The Companies do not have any pending litigations which would impact its financial position.

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise; and

(iii) There were no amounts required to be transferred to the Investor Educations and Protection Fund by the company.

On a perusal of the report, it is seen that the Official Liquidator has made no adverse observation against the petitioner companies.

7.4 **Competition Commission of India (CCI)**

The Competition Commission of India (CCI) has filed his report vide Diary No.519 dated 08.09.2021. It is stated that the aforesaid matter has not been filed with the Commission under the provisions of the Act and the Tribunal may seek an undertaking from the companies involved that approval of the Commission is not required for the said matter. The petitioner companies have deposed by way of affidavits

that the Regulation 4 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 ('CCI Regulations') provides that the categories of combinations mentioned in Schedule I of the CCI Regulations, are ordinarily not likely to cause an appreciable adverse effect on competition in India and the applicant companies are both enterprises forming part of the same group and their amalgamation thereby qualifies for the exemption available under entry 8 of Schedule I of the CCI Regulations. The aforesaid affidavit has been attached as Annexure-4 of Diary No.00061 dated 14.01.2022.

Thus, there is no adverse observation of the Competition Commission of India (CCI) in respect of the petitioner companies.

7.5 **Income Tax Department**

The Income Tax Department filed its report by Diary No.00397/3 dated 17.09.2021, wherein it has been stated that the effective ownership of both the petitioner companies is held by M/s Panasonic Corporation, Japan as per the disclosures made in the audit reports of the petitioner companies. It has also referred to the accumulated losses of around Rs.14,37,59,45,286/- for the Assessment Year 2020-2021 i.e. Rs.14,375 Million in the hands of the Transferor Company, i.e. Panasonic India Private Limited. It is further stated that the Scheme of Amalgamation is not at arm's length and could not be termed as a prudent acquisition on any commercial or business terms and the entire benefit accrued to one company only i.e. M/s Panasonic Corporation, Japan. It is further alleged that the Scheme of Amalgamation's main

objective appears to be to take benefit of accumulated losses which are eligible for set off in future periods. A reference to the provisions of Section 79 and Section 72A of the Income Tax Act, 1961 has been made by the Department in its observation which reads as under:-

> *"9.2. It is observed from the Income tax return filed in the case of Panasonic India Private Limited (Transferor Company) for the AY 2020-21 that the Company has carry forward business loss of INR 364,06,61,236/-. As per the provisions of the Income Tax Act, the benefit of carry forward losses are not automatically allowed in the hands of the successor in the case of amalgamation. As per Section 79 of the Income tax Act, the benefit of carry forward loss will be lapsed in case of change in the shareholding of the company carrying more than 51% of the voting power. Further, as per Section 72A of the Income Tax Act the accumulated loss and unabsorbed depreciation of the amalgamating company shall be deemed to be the loss or allowance for unabsorbed depreciation of the amalgamated company for the previous year in which the amalgamation is effected, subject to the certain conditions as laid down in sub-section (2) of Section 72A."*

As per the report of the Income Tax Department, there would be a loss of revenue approximately to the tune of Rs.3,594 Million (Plus surcharge and cess as applicable) [25% of Rs.14,375 Million]. It is further stated that there will be a loss of revenue on account of possible non-payment of the capital gains realizable by the shareholders of the Transferor Company while selling shares of the Transferee Company in the future as these shareholders are residents of Singapore and the Netherlands and they enjoy such benefits under the provisions in the respective DTAAs. It is also stated that the copy of the Share Valuation and Exchange Ratio Report issued by the Chartered Accountant for the petitioner companies have not been shared with the Income Tax Department but it appears that by issuing 25,91,034 shares of the Transferee Company, the shareholders of the Transferor Company will

be benefited in spite of having negative net worth. It is further stated that the merger is nothing but a vehicle to transfer accumulated losses eligible for set off from Transferor to Transferee Company which would attract General Anti Avoidance Rules and the provisions of Section 96(1) of the Income Tax Act, 1961. Reliance has been placed on the decision of the NCLT, Mumbai Bench in the case of ***Gabs Investments Pvt. Ltd. and Ajanta Pharma Ltd. (CSP No.995 and 996 of 2017 and CSA No.791 and 792 of 2017) decided on 30.08.2018.***

7.6 The applicants have filed their responses to the above said report of the Income Tax Department by Diary No.00397/5 dated 22.10.2021, stating in detail the commercial rationale driving the amalgamation, which includes a reduction in operating and marketing cost, economies in procurement, increase value to customers, offering holistic customer solutions, besides enhancing of the shareholders' value.

7.6.1 It is further stated that the amalgamation between the companies should fulfill the conditions laid down in Section 2(1B) of the **Income Tax Act, 1961** to qualify as a tax neutral merger, which reads as under:

> *"**2. Definitions.***
> *In this Act, unless the context otherwise requires, —*
> *….. ……*
> *(1B) "amalgamation", in relation to companies, means the merger of one or more companies with another company or the merger of two or more companies to form one company (the company or companies which so merge being referred to as the amalgamating company or companies and the company with which they merge or which is formed as a result of the merger, as the amalgamated company) in such a manner that-*
>
> > *(i) all the property of the amalgamating company or companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;*

(ii) all the liabilities of the amalgamating company or companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation;

(iii) shareholders holding not less than three-fourths in value of the shares in the amalgamating company or companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the amalgamated company or its subsidiary) become shareholders of the amalgamated company by virtue of the amalgamation,

otherwise than as a result of the acquisition of the property of one company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first-mentioned company."

7.6.2 Further a reference has been made to the provision of Section 47(vi) of the Income Tax Act, 1961, which reads as under:

*"**47. Transactions not regarded as transfer.***
Nothing contained in Section 45 shall apply to the following transfers:--
…. …. ….
(vi) any transfer, in a scheme of amalgamation, of a capital asset by the amalgamating company to the amalgamated company if the amalgamated company is an Indian company."

7.6.3 Section 47(vii) provides exemption subject to the conditions laid down therein qua the shareholders of the amalgamating company receiving shares of the amalgamated company in lieu of the shares held in amalgamating company. The said Section reads as under:

*"**47(vii)** any transfer by a shareholder, in a scheme of amalgamation, of a capital asset being a share or shares held by him in the amalgamating company, if—*
(a) the transfer is made in consideration of the allotment to him of any share or shares in the amalgamated company except where the shareholder itself is the amalgamated company, and
(b) the amalgamated company is an Indian company."

7.6.4 It is therefore submitted that the tax neutrality in the hands of the amalgamating company and the shares of the amalgamating company

is conferred by the provisions of the Act and therefore no case can be made out of prejudice to revenue if compliances with the aforementioned provisions of the Income Tax Act, 1961 are made.

7.6.5 Regarding the valuation of shares of Transferor Company, it is submitted by the petitioner companies that the allegation that the shareholders of Transferor Company are getting shares worth Rs.25.91 Million in the Transferee Company as against the negative net worth of the Transferor Company is patently incorrect. The determination of the swap ratio was on the basis of the share entitlement ratio issued by a registered valuer and it had duly captured the basis of computation of such valuation. Furthermore, the imputed value of Rs.25.91 Million denotes the face value of the shares being issued by the Transferee Company and not its actual value.

7.6.6 It is further stated that there are strict conditions laid down under Section 72A of the Income Tax Act, 1961, and also in Rule 9(C) of the Income Tax Rules, 1962 and the petitioner companies have to fulfill those conditions in order to qualify for carrying forward and set off unabsorbed business losses and unabsorbed depreciation of the amalgamating company in the hands of the amalgamated company. The petitioner companies point out that the compliance with conditions laid down under Section 72A of the Income Tax, 1961 read with Rule 9(C) of the Rules can always be verified by the Assessing Officer at the time of completing the assessment of the petitioner companies for the relevant assessment year. It is further pointed out that Para 5.4 of the Scheme provides that pursuant to amalgamation all the pending tax

litigations of the Transferor Companies could be continued in the hand of the Transferee Company in the same manner.

7.6.7 Regarding the allegations of revenue loss relating to capital gains in the hands of shareholders of Transferor Company upon the ultimate sale of shares in Transferee Company, it is submitted that the non-resident shareholders of the Transferor Company would anyway have had no obligation to pay capital gain taxes subject to relief under India's Tax Treaty with the Netherlands and Singapore on the transfer of shares of the Transferor Company if the transaction had not taken place. The exemption available with respect to taxability of potential capital gains is on account of shareholders being residents of the foreign country and being entitled to the benefit of the respective DTAA. It is further stated that the valuation report obtained in this regard ensures that the value with the shareholders of the Transferor Company remains the same both pre and post-merger transaction.

7.6.8 Regarding the submissions in relation to the applicability of GAAR, it is stated that the provisions of Section 96 of the Income Tax Act are not applicable as the amalgamation "is not an impermissible avoidance arrangement" and its main purpose is not to obtain a tax benefit.

7.6.9 Reliance has been placed by the petitioner companies on the decision of the Hon'ble Apex Court in the case of ***Vodafone International Holdings B.V. Vs. Union of India & Anr. : 41 ITR 1,*** which held that *on application of judicial anti-avoidance rule, the Revenue may, in the facts of a given case, invoke the "substance over form" principle or "piercing the corporate veil" test an disregard the transaction/structure, if there is*

abuse of organization/legal form without reasonable business purpose, which results in tax avoidance. The petitioner companies state *"that in essence, the Supreme Court held that if the arrangement, re-organization, restructuring, etc. are undertaken for sound commercial and legitimate tax planning reasons, then, the same could not be disregarded by the Revenue. Thus, so long as the sole motive of the transaction is not to avoid tax, which otherwise does not lack business/commercial substance, the same cannot be interfered with".* A further reference has been made to the decision of the NCLT, Delhi Bench ***order dated 12.11.2018 in Company Petition No.CAA-385(ND)/2017 (PIPL Business Advisors & Ors. with NIIT Technologies Limited).*** It has also relied upon the decision of the Hon'ble NCLT, Mumbai Bench in the case of ***Gabs Investments Pvt. Limited and Ors. in CSP No.995 of 2017 and CSP No.996 of 2017 in CSA Nos.791, 792 of 2017 decided on 30.08.2018*** and in the case of Hon'ble NCLAT in ***Wiki Kids Ltd. and Ors. Vs. Regional Director, South East Region and Ors. in Company Appeal (AT) No.285 of 2017 decided on 21.12.2017.*** The facts here are totally different as the Transferor Company did not have any business activity and was merely holding shares of a listed company and there was no commercial rationale for the proposed merger except simplification of the shareholding of the listed company which did not benefit the other public shareholders at large.

7.7 In the subsequent report dated 08.12.2021 of the Income Tax Department filed by Diary No.00397/7 dated 14.12.2021, the

Department has reiterated the facts and the position of law already submitted by its earlier report by Diary No.00397/3 dated 17.09.2021.

7.8 Further response to the Income Tax report dated 08.12.2021 has been filed by the Transferee Company by Diary No.00397/9 dated 28.12.2021 reiterating the facts already stated in their earlier response dated 22.10.2021.

7.9 Subsequently, the petitioner companies were directed by order dated 25.02.2020 of this Tribunal, to furnish the details of shareholding both prior to and after the amalgamation of the petitioner companies, the Return filing status of the petitioner companies under the Income Tax Act, and the grounds on which appeals were pending before the Income Tax Appellate Authorities. The petitioner companies were further directed to share valuation and exchange ratio reports with the Income Tax Department as the same were not forwarded to the Department earlier. The petitioner companies have filed the aforementioned clarifications sought in Diary No.00397/11 and 00397/12 both dated 22.03.2022 submitting the shareholding patterns of the petitioner companies prior to and after the amalgamation along with the other details requisitioned by this Bench. It is further clarified that the share valuation and exchange ratio report have been shared with the Income Tax Department.

7.10 Subsequently, The Income Tax Department was further directed by this Bench on 25.03.2022, to submit a note indicating the extent of loss to revenue arising out of the proposed amalgamation and the basis of such projection of loss along with the Department's response to the

shared valuation and exchange ratio report forwarded subsequently by the petitioner companies to the Department. During the hearing on 07.04.2022, the Income Tax Department clarified that they do not feel the necessity to file any further report in the matter.

7.11 We have gone through the submissions made and the documents produced before this Bench carefully.

7.12 Though the Income Tax Department has placed reliance on the decision of the NCLT, Mumbai Bench in the case of ***Gabs Investments Pvt. Ltd. and Ajanta Pharma Ltd. (CSP No.995 and 996 of 2017 and CSA No.791 and 792 of 2017) decided on 30.08.2018***, the facts of the case are clearly distinguishable from the present case. In the case of ***Gabs Investments Pvt. Ltd. (supra)***, the objective of the Scheme was for simplification of the shareholding structure and reduction of shareholding tiers to streamline the shareholding of the promoter group. In the present case, the petitioner companies have clearly made out a case of operational synergy between the amalgamating companies. The rationale of the Scheme had been discussed in detail in the first motion order dated 01.03.2021, which justifies the claim of the applicants that the Scheme is for business consolidation and the tax arrangements are merely a consequential fall out of the implementation of the Scheme. In this connection, we may also profitably refer to the judgment of the Hon'ble Apex Court in the case of ***Hindustan Lever Employees' Union V. Hindustan Lever Ltd. MANU/SC/0101/1995 : [1995] 83 Comp Cas 30 (SC); [1995],*** where Justice Sen J. speaking for himself and Venkatachaliah C.J., made the following pertinent observations in paragraph 84 at page 528 of the report (at page 65 of

83 Comp Cas):*”..........The court will decline to sanction a scheme of merger if any tax fraud or any other illegality is involved. But that is not the case here. A company may, on its own, grow up to capture a large share of the market. But unless it is shown that there is some illegality or fraud involved in the Scheme, the court cannot decline to sanction a scheme of amalgamation.”* The other case relied upon by the Income Tax Department i.e. of Hon’ble NCLAT in ***Wiki Kids Ltd. and Ors. Vs. Regional Director, South East Region and Ors. in Company Appeal (AT) No.285 of 2017 decided on 21.12.2017***, is also clearly distinguishable on facts from the present case. In the case of ***Wiki Kids Ltd. (supra),*** the applicant was yet to start commercial operations and did not have a profit loss account, and it had stated its income from business operations as Nil. The Hon’ble NCLAT upheld the NCLT’s orders rejecting the prayer for amalgamation on the ground that there was wide variation in the valuation and a possibility of unfair advantage flowing to the promoters of the group. Admittedly, these facts are totally at variance with the facts of the present case. In the result, it is clear that the judicial decisions relied upon by the Income Tax Department do not support their plea for rejection of the present petition at hand.

7.13 We are also conscious of the decision of the Hon’ble Delhi High Court in the case of ***CIT v. EKL Appliances Ltd. 345 ITR 241,*** wherein, the Court, in the context of transfer pricing provisions, frowned upon re-characterization of the transaction, inter alia, observing that the tax administrator(s) should not disregard and/or restructure legitimate business transactions or substitute other transactions for them. The aforesaid test was reiterated by the same Court in the case of ***Pr. CIT***

Vs. Kusum Healthcare Pvt. Ltd. : [2017] 398 IT 66 (Del). We have also noted that the NCLT, Delhi Bench vide order dated 12.11.2018 in ***Company Petition No.CAA-385(ND)/2017*** sanctioned the scheme of merger of PIPL Business Advisors and Investment Private Limited and GSPL Advisory Services and Investments Private Limited with NIIT Technologies Limited and rejected the plea of tax avoidance (GAAR) by the Income Tax Department.

7.14 It is also noted that though the Income Tax Department received the copy of the valuation report and the exchange ratio report subsequent to the specific directions by this Bench, it could not point out in concrete terms any adverse issue relating to the valuation of the shares made by the petitioner companies.

7.15 We emphasize that the treatment of carrying forward and set off of accumulated loss and unabsorbed depreciation allowance in amalgamation or demerger etc. of companies are clearly spelt out under Section 72A of the Income Tax Act, 1961 read with Rule 9(C) of the Rules. Further conditions regarding carrying forward and set off losses in cases of certain companies are equally clearly spelt out in Section 79 of the Income Tax Act, 1961. These provisions, in our opinion, are sufficient to protect the interest of revenue in any case of amalgamation or demerger etc. Even if a proposal of a Scheme of Amalgamation has been approved by the Adjudicating Authority, it is clarified that no provision of such a Scheme can override the existing provisions of the Income Tax Act. In any case, the above issues will come up for the consideration of the Assessing Officer at the time of assessment of the petitioner companies, and the Department can

analyze the Scheme and is entitled to take any decision as per the provisions of the Income Tax Act on any issues including those discussed above. The Transferee Company has already submitted an undertaking in the form of an affidavit that it would extend its complete cooperation to the income tax authorities in any proceedings that exist/may arise post the sanction of the Scheme of Amalgamation by this Adjudicating Authority. As regards the provision of GAAR, the Income Tax Department is at liberty to invoke the provisions if the Assessing Officer during the course of assessment or reassessment proceedings, believes that GAAR should be invoked but the case will have to be referred to the Principal Commissioner or Commissioner of Income Tax, who in turn has to refer the matter to an Approving Panel in accordance with the provisions of Section 144BA of the Act.

7.16 In view of the aforementioned discussions, we do not find enough merit in the objections raised by the Income Tax Department to justify any adverse inference with regard to the proposed Scheme of Amalgamation.

8. The certificate of the Statutory Auditors with respect to the Scheme between Applicant Companies to the effect that the accounting treatment proposed in the Scheme is in compliance with applicable Indian Accounting Standards (Ind AS) as specified in Section 133 of the Act, read with Rules thereunder and other Generally Accepted Accounting Principles was filed as Annexure-14 of the petition.

9. We have heard the learned Senior Counsel and others for petitioner companies and learned Senior Standing Counsel for the Income Tax Department and perused the records carefully.

10. In the context of the above discussion, the Scheme contemplated between the petitioner companies, appears to be prima facie in compliance with all the requirements stipulated under the relevant Sections of the Companies Act, 2013. In the absence of any objections before us and since all the requisite statutory compliance have been fulfilled, this Tribunal sanctions the scheme of amalgamation appended as Annexure “12” with the company petition.

11. Notwithstanding the submission that no investigation is pending against the petitioner companies, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

12. While approving the scheme as above, it is clarified 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, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

THIS TRIBUNAL DO FURTHER ORDER:

(i) That all the property, rights and powers of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly, the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Company but subject nevertheless to all charges now affecting the same;

(ii) That all the liabilities and duties of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be

transferred to and become the liabilities and duties of the Transferee Company;

(iii) That the Appointed Date for the scheme shall be 01.01.2020 as specified in the scheme;

(iv) That the proceedings, if any, now pending by or against the Transferor Company be continued by or against the Transferee Company;

(v) That the employees of the Transferor Company shall be transferred to the Transferee Company in terms of the 'Scheme';

(vi) That the fee, if any, paid by the Transferor Company on its authorized capital shall be set off against any fees payable by the Transferee Company on its authorized capital subsequent to the sanction of the 'Scheme';

(vii) That the Transferee Company shall file the revised memorandum and articles of association with the Registrar of Companies, N.C.T. of Delhi & Haryana and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company; after setting off the fees paid by the Transferor Company;

(viii) That the Petitioner Companies shall, 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 for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file relating to the said Transferee Company, and the files relating to the Transferor Company and Transferee Company shall be consolidated accordingly, as the case may be;

(ix) That the Transferee Company shall deposit an amount of ₹1,00,000/- (Rupees One Lakh Only) to be paid in favour of “Pay and Accounts Officer, Ministry of Corporate Affairs, New Delhi ” and ₹1,00,000/- (Rupees One Lakh Only) in favour of "The Company Law Tribunal Bar Association" Chandigarh within a period of four weeks from the date of receipt of the certified copy of this order;

13. As per the aforesaid directions, Form No. CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, formal orders be issued on the petitioners to the filing of the Schedule of Properties within three weeks from the date of receiving a certified copy of this order.

14. All the concerned Regulatory Authorities to act on a copy of this order annexed with the Scheme duly authenticated by the Registrar of this Bench.

15. The certified copy of this order, if applied for, be supplied to the parties, subject to compliance with all requisite formalities.

16. The Company Petition CP (CAA) No.8/Chd/Hry/2021 is disposed of accordingly.

Sd/-
(Subrata Kumar Dash)
Member (Technical)

Sd/-
(Harnam Singh Thakur)
Member (Judicial)

May 19, 2022
AV