

**NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH**  
**COURT-III**

**COMPANY PETITION NO. (CAA) - 06 (ND)/2021**

**IN THE MATTER OF:**

**SECTION 230 to 232 OF THE COMPANIES ACT, 2013**

**AND**

**IN THE MATTER OF SCHEME OF AMALGAMATION**  
**AMONGST**

**ACL COMPONENTS LIMITED**

...Transferor Company No. 1/ Non-Petitioner Company

**AND**

**JMA E-COMM PRIVATE LIMITED**

...Transferor Company No. 2/Petitioner Company No. 1

**AND**

**JULLUNDUR AUTO SALES CORPORATTION LIMITED**

... Transferor Company No.3/Petitioner Company No. 2

**WITH**

**JMA MARKETING LIMITED**

... Transferee Company/ Petitioner Company no.3

Delivered On: 26.04.2023

**CORAM:**

JUSTICE TELAPROLU RAJANI (MEMBER JUDICIAL)

DR. BINOD KUMAR SINHA (MEMBER TECHNICAL)

**PRESENT:**

For the Applicant: Mr. Suman Kumar Jha, S. Shiva (Advocates)

**ORDER**

**PER: DR. BINOD KUMAR SINHA, MEMBER (T)**

1. This Petition is preferred jointly by the Transferor Companies and Transferee Company under Section 230 to 232 of Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 for the purpose of the approval of the Scheme of Amalgamation (hereinafter referred to as '**Scheme**' for brevity), as contemplated between the Companies, its Shareholders and Creditors. The copy of the Scheme has been placed on record. The details of the Companies proposed to be amalgamated, as placed on record, are given in the following paragraphs.

2. ACL Components Limited, (hereinafter referred to as ("Transferor Company-1") was incorporated on the 18.04.1985 under the provisions of the Companies Act, 1956 having its registered office at 458-1/16, Sohna Road, Opposite New Court, Gurugram -122001, Haryana. The authorized share capital of the company is Rs. 25,00,000 divided into 5,00,000 equity shares of Rs. 5 each and Issued, subscribed and paid-up is Rs. 10,05,600 divided into 2,01,120 equity shares of Rs. 5 each fully paid-up.

3. JMA E-COM Private Limited, (hereinafter referred to as ("Transferor Company-2") was incorporated on the 05.03.2015 under the provisions of the Companies Act, 2013 having its registered office at C-2/27, Safdarjung Development Area, New Delhi - 110016. The authorized share capital of the company is Rs.10,00,000 divided into 1,00,000 equity shares of Rs. 10 each

and Issued, Subscribed and paid-up capital is Rs. 6,00,000 divided into 60,000 shares of Rs. 10 each fully paid-up.

4. Jullundur Auto Sales Corporation Limited, (hereinafter referred to as “Transferor Company-3”) was incorporated on the 16.09.1948 under the provisions of the Companies Act, 1913 having its registered office at 2749, behind Minerva A Cinema, Kashmere Gate, New Delhi - 110006. The Authorised share capital of the company is Rs. 25,00,000 divided into 5,00,000 equity shares of Rs. 5 each and the Issued, paid-up and subscribed capital is Rs. 20,58,960 divided into 4,11,792 equity shares of Rs. 5 each.

5. JMA Marketing Limited, (hereinafter referred to as (“Transferee Company”) was incorporated on the 07.01.1991 under the provisions of the Companies Act, 2013 having its registered office at 2E/5, Jhandewalan Extension, New Delhi-110055. The authorized share capital of the company is Rs. 1,00,00,000 divided into 10,00,000 equity shares of Rs. 10 each and the Issued, paid-up and subscribed capital is Rs. 73,51,560 divided into 7,35,156 equity shares of Rs. 10 each.

6. The present Petition has been filed by Transferor Companies and Transferee Company jointly for amalgamation. The rationale for amalgamation is stated as follows :-

1. The Transferor Companies and Transferee Company are engaged in similar nature of business hence, the amalgamation of the ACL Components Limited (Transferor Company 1), JMA E-Comm Private Limited (Transferor Company 2), and Jullundur Auto Sales

Corporation Limited (Transferor Company 3) with JMA Marketing Limited (Transferee Company) will strengthen the balance sheet of the Transferee Company and shall create a larger and stronger entity, which will have better resources for business growth and expansion.

2. The Scheme of Arrangement shall provide consolidation of similar nature of business at one place i.e. with the Transferee Company which will enhance the competitive strength and future business potential of consolidated entities and hence there is significant synergy for consolidation of all the entities.

3. Further this Scheme of Arrangement for Amalgamation of the Transferor Companies with the Transferee Company would result, inter-alia, in the following additional benefits to their respective members:

i) Optimum and efficient utilization of capital, resources, assets and facilities;

ii) Enhancement of competitive strengths including financial resources;

iii) Consolidation of businesses and enhancement of economic value addition and shareholder value;

iv) The amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources;

7. From the records, it is seen that the First Motion petition was filed by the Applicant Companies for seeking directions for dispensing and conveying with the meeting of Equity Shareholders, Secured Creditors and Unsecured

Creditors of the Applicant Companies. This Tribunal, in the First Motion  
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D.O.O – 26.04.2023

Application bearing No. CA (CAA) 91 (ND) 2020, vide Order dated 28.10.2020 dispensed with the requirement of convening the meetings of the secured creditors of the Petitioner Companies. Further in terms of the direction of the Tribunal vide order dated 04.12.2022, meetings of the shareholders and unsecured creditors of the Applicant Companies were duly convened on 10.12.2020 under the supervision of the Chairperson Mr. Mukesh Kumar and scrutinizer, Ms. Ketika Goyal. As per the Chairperson's report dated 10.12.2020, the shareholders and unsecured creditors of the Applicant Companies have unanimously consented to the proposed Scheme.

8. Subsequent to the meetings in relation to the Transferee Company and Transferor Companies, the Second Motion petition was moved by the Petitioner Companies in connection with the Scheme of Amalgamation for issuance of notices to the Central Government, Registrar of Companies NCT of Delhi & Haryana, Regional Director (Northern Region) MCA, Income Tax Authorities, Official Liquidator, Reserve Bank of India other sectorial regulators who shall be affected by the proposed Scheme and to such other Objector(s), if any, and also for publication of notice in respect of the said Scheme. The said petition was admitted and directions were issued, vide Order dated 28.10.2020 of this Tribunal, requiring the Petitioner Companies to serve notices to the Central Government, Registrar of Companies NCT of Delhi & Haryana, Regional Director (Northern Region) MCA, Income Tax Authorities, Official Liquidator and other sectorial regulators likely to be affected by the said proposed Scheme and also to carry out necessary

publication in English and Hindi newspapers with respect to the said Scheme.

9. It is submitted by the Petitioners that in compliance of the above stated directions, the Petitioners duly filed an Affidavit of Service by confirming that the aforesaid Notices of the present Company Petition were published on 01.11.2020 in Financial Express (English) and Jansatta (Hindi) newspapers Delhi edition. It is further submitted that the Petitioner Companies also served the Notices of the present Company Petition to all the statutory authorities.

10. The Income Tax Department vide it's report dated 26.10.2021 submitted to this Tribunal stating therein that they have no objection with respect to the present Scheme of arrangement.

11. The Regional Director vide it's report dated 10.09.2021 has not objected to the proposed scheme of arrangement but has made certain observations. The petitioner companies filed reply dated 01.11.2022 in response to the observations made by the Regional Director, under wherein the petitioner companies gave undertaking to appropriately comply with the observations made by the Regional Director. The details are given below:

Observation of the Regional Director	Reply of the Petitioner Companies
The Transferor Company No. 1 is non-applicant in the matter of proposed Scheme of Amalgamation	The Transferor Company No. 1 has duly complied with the observations of the regional director and has filed its

<p>as it is having its registered office in the state of Haryana under the jurisdiction of the Hon'ble National Company Law Tribunal at Chandigarh. Therefore, the said company may be directed to move a separate Company Application before the Hon'ble tribunal at Chandigarh under the provisions of Section – 230 to 232 of the Companies Act, 2013 and rules made there under and submit a copy of the said company Application to this office so as to enable this office to forward a report/ representation under Section 232 of the Act to the Competent Authority.</p>	<p>separate application before NCLT, Chandigarh Bench. The true copy of the report has been marked as Annexure-3 in the reply submitted by the Petitioner Company.</p>
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12. The official Liquidator vide it's report dated 04.01.2022 submitted to this tribunal stating therein that they have no objection with respect to the present scheme of arrangement. Same was recorded in the order dated 02.11.2022.

13. In view of the foregoing facts and discussion and upon considering the approval accorded by the Members and Creditors of all the Companies to the proposed Scheme and also in the view of the fact that no sustainable objections have been raised by the Office of the Regional Director, Income Tax Department or any other interested party, there does not appear to be any impediment in granting sanction to the Scheme proposed of amalgamation.

14. Accordingly, in sequel to the above facts and circumstances, sanction is hereby granted to the Scheme of Amalgamation as proposed by the Petitioner Companies 1, 2 and 3 under Section 230 to 232 of the Companies Act, 2013.

15. The sanctioned Scheme of Amalgamation shall be binding on the Transferor Companies and Transferee Company and their Shareholders and Creditors. The Petitioner Companies shall remain bound to comply with the statutory requirements in accordance with law.

16. Notwithstanding the above, if at any stage any deficiency is found or violation committed qua any enactment, statutory rule or regulation is found to be committed, the sanction granted by this Tribunal to the Scheme will not come in the way of action to be taken, albeit, in accordance with law, against the concerned persons, Directors and Officials of the Applicant Company.

17. 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 other statutory dues, 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 will be made. Further the approval of the Scheme would in no manner affect the tax treatment of the transactions under the Income Tax Act, 1961 or serve as any exemption or defense for the Applicant Company against tax treatment in accordance with the provisions of Income Tax Act, 1961.

18. This tribunal further directs with respect to Transferor companies and Transferee company, that:

(i) Upon the sanction becoming effective from the appointed date of amalgamation and arrangement i.e., 1st April, 2019, the Transferor Companies shall stand dissolved without undergoing the process of winding up. The appointed date is not disturbed in view of the fact that our coordinate NCLT Chandigarh Bench have already sanctioned the scheme in respect of M/s ACL Components Limited; (Transferor Company No. 1/ Non applicant Company before us) vide their order in C.P (CAA) No.11/Chd/Hry/2021 dated 04.08.2022.

(ii) All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Companies is entitled to including under Customs, Excise, Service Tax, VAT, Sales Tax, GST and Entry Tax and Income Tax laws, subsidy receivables from Government, grant from any governmental authorities, direct tax benefit/exemptions/deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee

Company was originally entitled to all such benefits, entitlements, incentives and concessions;

(iii) 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 favor of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obliged thereto;

(iv) 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 favorable than those on which they are engaged by the Transferor Companies, as on the Effective Date, 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;

(v) 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 as on the Effective Date, 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.

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

(vii) 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.

19. Further, the Applicant Company 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.

20. In compliance with the requirement of Section 230 (1) of the Act, the transferee company shall until the full implementation of the Scheme of Amalgamation filed stated in the Form CAA 8 along with the requirement fee as prescribed in the Companies (Registration offices and fees) Rules 2014 within 210 days from the end of each financial year.

21. The Company Petition bearing (CAA) 06 (ND)/2021 is allowed in the above terms.

**SD/-**

**DR. BINOD KUMAR SINHA  
(MEMBER TECHNICAL)**

**SD/-**

**JUSTICE TELAPROLU RAJANI  
(MEMBER JUDICIAL)**