

**NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH (COURT-I), CHANDIGARH**

**CP (CAA) No. 45/Chd/Pb/2025**

*(A Petition under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)*

**IN THE MATTER OF SCHEME OF AMALGAMATION BETWEEN:**

**NAV AUXICHEM PRIVATE LIMITED**

Through Sh. Ram Murthi, Authorized signatory

CIN: U24119PB1994PTC015145

Registered Office at 158, Leather Complex,

Kapurthala Road, Jalandhar City, Punjab (144001)

Email: accounts@perfectbelting.com

PAN: AAACN5476A

...Applicant No. 1/Transferor Company

**AND**

**PERFECT BELTS PRIVATE LIMITED**

(Through Sh. Sugam Gupta, Authorized signatory)

CIN: U29219PB1996PTC017499

Registered Office at 27, Wariana Industrial Complex,

Kapurthala Road, Jalandhar, Punjab (144002)

Email: sales@perfectbelts.com

PAN: AABCP1066F

...Applicant No. 2/Transferee Company

**Order delivered on: 21.05.2026**

**CORAM:   SH. KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)  
              SH. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

**For the Petitioner:** Mr. Karanveer Jindal, Advocate

**For the OL:** Mr. Edward George Augustine,  
Advocate

**For the RD Office, Chandigarh:** Dr. Kishore Kumar Dewarwade,  
Assistant Director

**For Income Tax Department:** Mr. Varun Issar, Senior Standing  
Counsel

**ORDER**

1. The present Joint Company Petition has been filed by Applicant Company No. 1, NAV AUXICHEM PRIVATE LIMITED (*hereinafter referred to as the "Transferor Company"*) and Applicant Company No. 2, PERFECT BELTS PRIVATE LIMITED (*hereinafter referred to as the "Transferee Company"*), along with their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (*hereinafter referred to as the "Act"*), read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, seeking sanction of the Scheme of Amalgamation of the Transferor Company with the Transferee Company (*hereinafter referred to as "the Scheme"*), a copy whereof is annexed as Annexure A-1 to the Petition.

2. The Petitioner Companies had jointly filed the First Motion Application bearing CA (CAA) No. 1/Chd/Pb/2025. This Tribunal, vide its Order dated 07.05.2025, allowed the said Application and dispensed with the requirement of convening separate meetings of shareholders and creditors of both the Petitioner Companies. Specifically, since 100% equity shareholders

of both Companies had given their unconditional consent to the Scheme by way of affidavits, the requirement of convening their meetings was dispensed with. The Transferor Company had no secured creditors; its sole unsecured creditor, being the Transferee Company itself for a sum of Rs. 2,50,000/- which had already stood adjusted, had also given its consent, and accordingly all meetings in respect of the Transferor Company were dispensed with. As regards the Transferee Company, all three secured creditors had given their consent, and accordingly, their meeting was also dispensed with.

3. The meeting of the unsecured creditors of the Transferee Company was similarly dispensed with, subject to the direction that individual notices be sent to all unsecured creditors of the Transferee Company having an outstanding balance exceeding Rs. 1,00,000/- (Rupees One Lakh) as on 31.03.2024, seeking their representations, if any. Details regarding the service of these notices have been filed, indicating that out of 197 unsecured creditors with dues above ₹1 lakh, notices have been served on 193 unsecured creditors, representing more than 99% of the total unsecured amount with dues above ₹1 lakh. Further, no objection has been received from any of the aforesaid unsecured creditors, constituting sufficient compliance with the directions issued in the first motion order.

4. The main objects, date of incorporation, authorized and paid-up share capital, and the rationale of the Scheme have been discussed in detail in the First Motion Order dated 07.05.2025. Briefly, the Transferor Company, NAV AUXICHEM PRIVATE LIMITED (CIN: U24119PB1994PTC015145), was

incorporated on 10.10.1994 and is engaged in the manufacture, processing, and trade of organic and inorganic chemicals, resins, polymers, adhesives, and auxiliaries for leather, textiles, and rubber goods. Its authorized share capital is Rs. 1,00,00,000/- (divided into 10,00,000 equity shares of Rs. 10/- each) and its issued, subscribed and paid-up share capital is Rs. 99,53,000/- (divided into 9,95,300 equity shares of Rs. 10/- each).

5. The Transferee Company, PERFECT BELTS PRIVATE LIMITED (CIN: U29219PB1996PTC017499), was incorporated on 02.01.1996 and is engaged in the manufacture and sale of nylon and polymer transmission belts, V Belts, conveyer belts, and allied products. Its authorized share capital is Rs. 15,00,00,000/- (divided into 15,00,000 equity shares of Rs. 100/- each) and its issued, subscribed and paid-up share capital is Rs. 8,87,36,900/- (divided into 8,87,369 equity shares of Rs. 100/- each).

6. Both Petitioner Companies have their registered offices in the State of Punjab, within the territorial jurisdiction of this Tribunal. Both companies are group companies having common shareholders and directors. The Boards of Directors of both companies approved the Scheme of Amalgamation at their respective meetings held on 30.03.2024, subject to all applicable regulatory approvals and the sanction of this Tribunal.

7. In the Second Motion proceedings, this Tribunal vide Order dated 17.10.2025 directed that notices in Form CAA.3 be issued to: the Central Government through Regional Director, Chandigarh, Ministry of Corporate Affairs; the Registrar of Companies, Punjab and Chandigarh; the Official Liquidator, Punjab and Chandigarh; and the Income Tax Department

through the Nodal Officer, Principal Chief Commissioner of Income Tax, NWR, Aaykar Bhawan, Sector-17E, Chandigarh. The notice of hearing was also directed to be published in “**Business Standard**” (English language, Punjab Edition) and “**Akali Patrika**” (Punjabi language, Jalandhar Edition).

8. In compliance with the said Order, the Petitioner Companies dispatched the statutory notices by Speed Post on 02.12.2025, which were duly delivered on 04.12.2025. The requisite newspaper publications were carried out on 19.11.2025. The authorized signatories of both Petitioner Companies have submitted on oath, vide their respective Affidavits of Service dated 17.01.2026, **that no objection was received from any member of the public in response to the said newspaper publications**, even after the expiry of 30 days from the date of such publication.

9. In response to the above notices, the statutory authorities furnished their Reports and Representations, which are summarized hereunder:

### **9.1 Official Liquidator**

The Official Liquidator (OL) attached to the Hon’ble Punjab and Haryana High Court, Chandigarh, filed its Report dated 29.01.2026. The OL examined the joint petition, the reports of independent auditors, and additional information and documents provided by the Petitioner Companies vide letter dated 15.01.2026 (received on 27.01.2026). On the basis thereof, the OL stated that **this office does not have any specific observations or objections to the proposed Scheme**. Mr. Edward George Augustine, learned Counsel for the OL, confirmed this position before this Tribunal at the final hearing.

## **9.2 Regional Director (RD) and Registrar of Companies (RoC)**

The Affidavit of Shri R.C. Mishra, Regional Director (RD), Chandigarh, Ministry of Corporate Affairs, is dated 24.03.2026. It is accompanied by the Revised Report of the Registrar of Companies (RoC), Punjab and Chandigarh, dated 20.01.2026. The RoC Report records that:- (i) both Petitioner Companies have filed their Financial Statements and Annual Returns up to 31.03.2024; (ii) no prosecution has been filed against either company; (iii) no inspection or investigation is pending against either company under the Companies Act, 2013; and (iv) apart from the observation on the Appointed Date noted below, the petition may be considered on merits. The sole observation was that the Scheme specifies 01.04.2023 as the Appointed Date while the First Motion Petition was filed on 30.05.2024, and that the reason for the retrospective Appointed Date was not stated in the Application. At the final hearing on 17.04.2026, Dr. Kishore Kumar Dewarwade, Assistant Director from the RD's Office, raised this query. Learned counsel for the Petitioner Companies explained that 01.04.2023 was chosen as it is the date immediately following the last available audited balance sheet of both companies as on 31.03.2023, in conformity with General Circular No. 09/20/9 dated 21.08.2019 of the Ministry of Corporate Affairs. The Assistant Director accepted this explanation and confirmed that **the RD's Office has no further observation in the matter**. The RD has additionally requested directions for compliance with Section 239 of the Act (preservation of books and papers) and for

the Transferee Company to discharge any future liabilities of the Transferor Company under Section 240 of the Act.

### **9.3 Income Tax Department**

The Income Tax Department (ITD) has filed its report by the Deputy Commissioner of Income Tax, Circle-1, Jalandhar, vide letter No. DCIT/CIR-1/Jal/2025-26 dated 26.02.2026. Both Petitioner Companies are assessed under Circle-1, Jalandhar. In respect of the Transferor Company (PAN: AAACN5476A), the ITD reported that returns have been filed regularly up to AY 2025-26, no demand is pending, and the processing of the return for AY 2025-26 under Section 143(1) of the Income Tax Act, 1961 is pending, with the Section 143(2) window open till 30.06.2026. In respect of the Transferee Company (PAN: AABCP1066F), the ITD reported that returns have been filed regularly up to AY 2025-26; an outstanding demand of Rs. 56,620/- is pending for AY 2020-21; an assessment is pending for AY 2024-25; the processing of the return for AY 2025-26 under Section 143(1) is pending with the Section 143(2) window open till 30.06.2026; and an appeal is pending before the National Faceless Appeal Centre for AY 2019-20 against the rectification order dated 12.05.2022 passed under Section 154 of the Income Tax Act, 1961. At the final hearing on 17.04.2026, Mr. Varun Issar, learned Senior Standing Counsel for the ITD, confirmed before this Tribunal that the Income Tax Department has no specific objection to the proposed Scheme.

10. The statutory auditors of both Petitioner Companies, M/s S.K. Gupta & Co., have examined the Scheme in terms of Section 232 of the Act and the rules made thereunder and have certified that the proposed accounting treatment is in conformity with the Accounting Standards prescribed under Section 133 of the Act, annexed hereto at Annexure A-18 . The Scheme provides for the amalgamation to be accounted for as an 'Amalgamation in the Nature of Merger' under the 'pooling of interests' method in accordance with AS-14. The pre-merger net worth of the Transferee Company as on 01.04.2023 is Rs. 1,07,17,07,924.71 and that of the Transferor Company is Rs. 6,38,97,418.98, yielding a post-merger net worth of Rs. 1,38,28,86,202.49 as on 30.11.2023, which is highly positive, establishing that the interests of creditors are in no manner prejudiced by the amalgamation.

11. The Share Exchange Ratio has been determined on the basis of the Valuation Report dated 30.03.2024, annexed hereto at Annexure A-17, prepared by Mr. Akhil Jindal, Registered Valuer (IBBI Registration No. IBBI/RV/03/2021/14129), adopting the Net Asset Value methodology. Based on the said Report, and as approved by the Boards of Directors on 30.03.2024, every shareholder/member of the Transferor Company shall **receive 1 (One) fully paid-up equity share of Rs. 100/- each in the Transferee Company for every 24 (Twenty-Four) fully paid-up equity shares of Rs. 10/- each held in the Transferor Company.** There are no foreign shareholders in either company and no consideration is proposed to be paid to any foreign entity or person.

12. We have heard the learned Counsel for the Applicant Companies and also the learned Counsel appearing for the Statutory Authorities, and have gone through the material available on record carefully.

13. On the basis of the facts and submissions made before this Tribunal and on a perusal of the Scheme, the proposed Scheme of Amalgamation is prima facie in compliance with all the requirements stipulated under the relevant provisions of the Act. The sole observation raised by the RD's Office regarding the Appointed Date stands satisfactorily addressed, and no statutory authority has raised any specific objection to the proposed Scheme. The right of clarification given by the Applicant companies, the observations as made by the statutory/regulatory authorities, do not appear to have any impediments in sanctioning the proposed scheme of amalgamation. We are of the considered view that the proposed Scheme is not against the interests of the shareholders, creditors, and other stakeholders of the Petitioner Companies. Since all requisite statutory compliances have been fulfilled, this Tribunal sanctions the Scheme of Amalgamation appended as Annexure A-1 to the Petition, subject to the directions set out hereunder.

14. Notwithstanding the above, if any deficiency is found or violation committed under any enactment, statutory rules, or regulations, the sanction granted by this Tribunal shall not come in the way of action being taken, in accordance with law, against the concerned persons, directors, and officials of the Petitioner Companies.

15. This Order shall not be construed as granting any exemption from payment of stamp duty, taxes, or any other charges payable in accordance with law, or from obtaining any permission or ensuring compliance with any requirement under any other applicable law.

16. The Income Tax Department shall remain free to examine any tax payable as a result of the implementation of the Scheme, and if the Scheme is found to result in tax avoidance or to be otherwise not in accordance with the Income Tax Act, 1961, the Income Tax Department shall be at liberty to initiate such appropriate course of action as may be available in accordance with law. The sanction of the Scheme under Sections 230-232 of the Act shall not adversely affect the rights of the Income Tax Department in any past, present, or future proceedings, and shall not come in the way of the Income Tax Department taking appropriate action in respect of any tax liability.

17. **THIS TRIBUNAL DOES FURTHER ORDER:**

(i) The Scheme of Amalgamation contemplated between the Petitioner Companies, annexed as "Annexure A-1" to the Petition, is hereby sanctioned. It is declared that the Transferor Company, namely NAV AUXICHEM PRIVATE LIMITED (Applicant No. 1), shall stand dissolved without winding up upon the Scheme becoming effective. The same shall be binding on the Petitioner Companies and their respective shareholders, creditors, and all concerned under the Scheme.

(ii) All the properties, rights, and powers of the Transferor Company shall stand transferred and vested, without any further act or

deed, to and in the Transferee Company for all the estates and interests of the Transferee Company, subject to all charges, encumbrances, or liabilities affecting the same, pursuant to Sections 230 to 232 of the Act.

(iii) All the liabilities and duties of the Transferor Company shall be transferred, without further act or deed, to the Transferee Company, and shall pursuant to Sections 230 to 232 of the Act become the liabilities and duties of the Transferee Company.

(iv) All benefits, entitlements, incentives, and concessions under incentive schemes and policies that the Transferor Company is entitled to, including under Customs, Excise, Service Tax, VAT, Sales Tax, GST, Entry Tax, and Income Tax laws, subsidy receivables from the Government, and grants from any governmental authority, 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.

(v) All proceedings, if any, now pending by or against the Transferor Company shall be continued and prosecuted by or against the Transferee Company.

(vi) All contracts of the Transferor Company which are subsisting or having effect immediately before the Effective Date shall stand transferred to and vested in the Transferee Company, and shall be in full force and effect in favour of the Transferee Company, and shall be enforceable by or against the Transferee Company as fully and

effectually as if the Transferee Company had been a party, beneficiary, or obligee thereto instead of the Transferor Company.

(vii) All employees of the Transferor Company shall be deemed to have become the employees and 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 terms and conditions not less favourable than those applicable to them in the Transferor Company as on the Effective Date, including in relation to remuneration, contractual and statutory benefits, incentive plans, terminal benefits, gratuity, provident fund, and any other retirement benefits.

(viii) The Appointed Date for the Scheme is 01.04.2023, being the opening of business on that date, as specified in the Scheme. This Tribunal notes and accepts that the Appointed Date of 01.04.2023 was taken as the date immediately following the last available audited balance sheet of both Petitioner Companies as on 31.03.2023, in conformity with General Circular No. 09/20/9 dated 21.08.2019 of the Ministry of Corporate Affairs.

(ix) The Share Exchange Ratio, as recommended in the Valuation Report dated 30.03.2024 by Mr. Akhil Jindal, Registered Valuer (IBBI Registration No. IBBI/RV/03/2021/14129), and as approved by the Boards of Directors of the respective Petitioner Companies on 30.03.2024, shall be operative, viz., every shareholder/member of NAV AUXICHEM PRIVATE LIMITED (Transferor Company) shall receive 1

(One) equity share of Rs. 100/- (Rupees One Hundred) each fully paid-up in PERFECT BELTS PRIVATE LIMITED (Transferee Company) for every 24 (Twenty-Four) equity shares of Rs. 10/- (Rupees Ten) each fully paid-up held in the Transferor Company.

(x) The authorized share capital of the Transferee Company, after the Scheme becomes effective, shall be dealt with in accordance with Section 232(3)(i) of the Act. The fee, if any, paid by the Transferor Company on its authorized share capital shall be set off against the fee payable by the Transferee Company on the enhanced authorized share capital consequent upon this amalgamation. The Transferee Company shall file the revised Memorandum and Articles of Association with the concerned Registrar of Companies and make the requisite payments of differential fee, if any, after effecting such set-off.

(xi) The Transferee Company is directed to ensure compliance with Section 239 of the Companies Act, 2013 in relation to the books and papers of the Transferor Company, and shall not dispose of the same without obtaining prior permission of the Central Government. The Transferee Company shall also discharge any existing or future liability of the Transferor Company in accordance with Section 240 of the Companies Act, 2013.

(xii) The Transferee Company shall be responsible for all existing and future tax liabilities of the Transferor Company. The pending processing of the return for AY 2025-26 under Section 143(1) of the Income Tax Act, 1961, in respect of the Transferor Company shall continue against and

be prosecuted or recoverable from the Transferee Company as the successor entity, in accordance with Section 170 of the Income Tax Act, 1961. Furthermore, all pending assessments, appeals, and proceedings in respect of the Transferee Company's own liabilities including the pending assessment for AY 2024-25, the pending appeal before the National Faceless Appeal Centre for AY 2019-20 filed against the rectification order dated 12.05.2022, the outstanding demand of Rs. 56,620/- for AY 2020-21, and the processing of its return for AY 2025-26 under Section 143(1) shall continue against the Transferee Company uninterrupted.

(xiii) The Petitioner Companies are directed to file the certified copy of this Order, along with a copy of the Scheme, with the concerned Registrar of Companies electronically in e-Form INC-28, within 30 days, or within such extended timeline as may be available upon payment of an additional fee, from the date of receipt of this Order.

(xiv) The Applicant Companies shall furnish a self-certified copy of the approved Scheme and Schedule of Assets of the Transferor Company to the Designated Registrar of this Tribunal. The Designated Registrar shall issue a certified copy of this Order together with the authenticated copy of the approved Scheme and Schedule of Assets as its enclosures. All concerned Authorities are directed to act on the certified copy of this Order as issued by the Designated Registrar.

(xv) The Transferee Company is directed to lodge a copy of this Order and the approved Scheme and Schedule of Assets of the

Transferor Company, duly authenticated by the Designated Registrar of this Tribunal, with the concerned Superintendent of Stamps for adjudication of stamp duty, if any, within 60 days from the date of receipt of this Order.

(xvi) The Transferee Company shall ensure compliance with the provisions of the Companies Act, 2013 and all other applicable statutes, rules, and regulations consequent upon the implementation of this Scheme. The sanction of this Scheme shall not absolve the Petitioner Companies or their directors and officers of any statutory liability under any applicable law.

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

(xviii) All concerned Regulatory Authorities are directed to act in accordance with this Order, as duly authenticated by the Designated Registrar of this Bench.

18. Accordingly, the Company Petition bearing **CP (CAA) No. 45/Chd/Pb/2025** is ***allowed and disposed of.***

**Sd/-**

**(SHISHIR AGARWAL)**  
**MEMBER (TECHNICAL)**

Yuvraj

**Sd/-**

**(KHETRABASI BISWAL)**  
**MEMBER (JUDICIAL)**