

FUNCTIONING OF THE NATIONAL COMPANY LAW TRIBUNAL IN MERGERS AND ACQUISITION CASES: INSIGHTS FROM THE CHANDIGARH BENCH

- *Tamanna Bansal and Dr. Ankit Srivastava**

ABSTRACT

The Company Law Board was set up under the Companies Act 1956, and after that, the National Company Law Tribunal was incorporated by virtue of Section 408 of the Companies Act 2013. This tribunal was established after a recommendation from the V. Bala Krishna Eradi Committee, and later, National Company Law Tribunals were constituted on 1 June 2016. The National Company Law Tribunal mainly deals with insolvency, bankruptcy, and company law matters. The laws for mergers and acquisitions are provided under sections 230-232 of the Companies Act, 2013. Further, the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016. The paper shall focus on the jurisdiction and procedure followed by the National Company Law Tribunal in sanctioning the proposed scheme of merger/amalgamation/ demerger /acquisition. Further, the paper shall specify the powers and functions of the National Company Law Tribunal. Lastly, the paper will specify the case studies and their analysis pertaining to the notable judgments passed by the National Company Law Tribunal, Chandigarh bench.

<i>I. Introduction.....</i>	<i>89</i>	<i>III. Powers And Functions Of National Company Law Tribunal In Mergers And Acquisitions Matters.....</i>	<i>94</i>
<i>II. Jurisdiction And Procedure Of Approval Of The Merger And Acquisition Matters Before The National Company Law Tribunal.....</i>	<i>91</i>	<i>IV. Notable Cases Of The Chandigarh Bench: Case Studies And Analysis.....</i>	<i>96</i>
<i>A. Jurisdiction.....</i>	<i>91</i>	<i>V. Conclusion.....</i>	<i>102</i>
<i>B. Procedure.....</i>	<i>91</i>		

* Tamanna Bansal is a Ph.D. Scholar at Rajiv Gandhi National University of Law, Patiala, and Dr. Ankit Srivastava is an Assistant Professor at Rajiv Gandhi National University of Law, Patiala. Views stated in this paper are personal.

I. INTRODUCTION

Earlier, there was a Company Law Board set up under the Companies Act 1956, and after that, the National Company Law Tribunal was incorporated by virtue of the Companies Act 2013. It was established by the government in the year 2016 under Section 408 of the Companies Act, 2013¹ which provides the setting up of the tribunal across the country for subject-related matters, specifically company and insolvency bankruptcy matters. This tribunal was established after a recommendation from the V. Bala Krishna Eradi Committee, and later, National Company Law Tribunals were constituted on 1 June 2016. A total of 11 benches are set up all over the country with the Appellate Authority at New Delhi and Chennai. The National Company Law Tribunal and its Appellate Authority are governed by the Ministry of Corporate Affairs. The National Company Law Tribunal is a quasi-judicial body which generally operates for corporate disputes of a civil nature under the Companies Act. The appeal under the Companies Act 2013 from a National Company Law Tribunal lies with the National Company Law Appellate Tribunal.

The laws for mergers and acquisitions are provided under Sections 230-232 of the Companies Act, 2013. Further, the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 provide the rules which specifically the companies have to follow for filing the application of the merger and acquisition before the appropriate authority and further, the rules which are to be followed by the Authority while passing the final order. There are various types of processes that the company follows, including mergers, acquisitions, amalgamations and demergers. All are prescribed under Chapter XV of the Companies Act, 2013, which was notified vide notification dated

¹ Companies Act, 2013, s 408.

14.12.2016 by the Ministry of Corporate Affairs, and all the Sections came into force on 15.12.2016.

There is a thin line difference between mergers, acquisitions and amalgamations. A merger is a process in which two corporate entities combine to form a single new entity. The acquisition is a process where the second entity acquires the first entity completely or partially, and the second entity still persists. The amalgamation is a process where there is full control of the company taken by another company, including all the assets and liabilities. A demerger is a process where one or more companies are completely dissolved and form a new resulting company. There are various types of mergers, including: horizontal merger, vertical merger and conglomerate merger. The horizontal mergers are mergers where two or more companies where there is direct competition amongst the companies and both companies are in the same industry. A vertical merger is a merger where the companies are in the same industry, but their area of operation is divided at different levels. The vertical merger can be further divided into a backward merger or a forward merger. The conglomerate mergers are mergers where the companies are unrelated, and they merge only for the business benefits, like expansion of business or synergy benefits. The main objective behind the merger is to maximise the business and growth, improve the company's performance and financial stability, lower the cost of the invested capital, increase the market standing and share in the market to attain tax deductions. The process of mergers and acquisitions is more effective after the evolution of the Companies Act, 2013, and it has helped to make the mergers a time-bound process with more effective participation of the stakeholders, employees, board management and debenture holders.

II. JURISDICTION AND PROCEDURE OF APPROVAL OF THE MERGER AND ACQUISITION MATTERS BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

A. Jurisdiction

The National Company Law Tribunal has the jurisdiction to entertain merger and acquisition cases under the Companies Act, 2013, under Section 230-232.² The jurisdiction of the companies lies where the company is registered with the Registrar of Companies. The National Company Law Tribunal entertains matters according to the registration of the company with the Registrar of Companies as the territorial jurisdiction. The National Company Law Tribunal can reject or approve the merger/ acquisition/ amalgamation/ demerger under the Companies Act, 2013. Further, the National Company Law Tribunal can keep a check on the actions of the companies.

B. Procedure

The main thing for the mergers and acquisitions is to be seen is the Articles of Association and Memorandum of Association of the company. In case the Articles of Association and Memorandum of Association provides that the transferor company as well as the transferee company has the power to merge the companies, then the merger can proceed and in case the Articles of Association and Memorandum of Association does not provide any such clause, then an amendment is required to be made in the Articles of Association and Memorandum of Association for providing the clause for the merger. Then once the Articles of Association and Memorandum of Association are clear, then the companies have to send the notices for the

² Companies Act, 2013, s 230-232.

convening of the board meeting specifying the agenda, date and time of the meeting for at least not less than 7 days prior to the meeting as specified under Section 173 of the Companies Act, 2013³. The Board Meeting is to be convened involving the Board of Directors for obtaining the consent for the proposed scheme of merger and for passing a resolution with a minimum 50% present and voting in the meeting conducted. Once the resolution has been passed, the application is to be made before the National Company Law Tribunal for the approval of the mergers/ acquisitions/ amalgamation/ demerger.

There are two motions involved in the approval of the mergers/ acquisitions/ amalgamation/ demerger.

The first motion application is filed by the companies before the National Company Law Tribunal in Form NCLT-1, seeking convening or dispensation of the meetings of the shareholders for approval of the merger. The 1st Motion application filed by the companies should be accompanied by the relevant documents necessary for the merger, including:

- Basic documents of the company including: Memorandum of Association, Articles of Association, Incorporation certificate, Master Data
- Copy of the Proposed Scheme
- Valuation Report of assets and liabilities by the certified Statutory Auditor
- Share Entitlement Ratio certificate issued by the certified Statutory Auditor
- Board meeting resolution where the scheme was approved

³ Companies Act, 2013, s 173.

- Audited Balance sheets for the last F.Y.
- Provisional Financial Statements for the last quarter.
- Affidavit under Section 133 of the Companies Act, 2013, that the companies are in consonance with the Indian Standards.
- Affidavit that no proceedings are pending against the companies
- List of all the shareholders and creditors certified Statutory Auditor
- Consent affidavits of all the shareholders and creditors giving consent to the scheme of arrangement/merger/amalgamation or acquisition

Once the relevant documents are filed before the National Company Law Tribunal, after perusal of the records, in case a minimum 90% consent from the shareholders and creditors have been received, then the meetings are dispensed, and the First Motion order is passed. In case there is less than 90% consent from the shareholders and creditors, then the directions are given to convene the meeting of the shareholders and creditors whose consent is less. The meeting is headed by Chairperson, Alternate Chairperson and Scrutiniser, who would record the votes for, against and abstain from the approval of the Proposed Scheme and thereafter, a report has to be filed before the National Company Law Tribunal in Form CAA 5 stating the voting status including: percentage voted for, percentage voted against and percentage of shareholders or creditors abstained from voting.

Then, once the first motion application is approved and the consent of the shareholders and creditors has been received, the second motion application is to be filed before the National Company Law Tribunal for the final approval of the proposed scheme. In the second motion application, first the interim prayer regarding the publication of the notices for inviting the objections to the approval of the Scheme from the general public and for sending the notices to the statutory authorities like: Regional Director, Central Government;

Jurisdictional Income Tax Department, Official liquidator and concerned Registrar of Companies is made. On the perusal of the record by the National Company Law Tribunal, the interim prayer is allowed in accordance with the law and the publication of the notices for inviting objections to the approval of the Scheme from the general public is made by the petitioner companies. Further, the notices are sent to the statutory authorities like: Regional Director, Central Government; Jurisdictional Income Tax Department, Official liquidator and concerned Registrar of Companies inviting their report on the proposed scheme so as to know any dues/penalty/investigation/proceedings pending and inviting objections from the authorities to the proposed scheme. Once the reports are received in Form CAA-4 from the statutory authorities, in case there are any extreme observations made by the statutory authorities which would impact the companies, stakeholders or any other related party, then the petitioner companies have to file their reply to such observations clarifying the same. Thereafter, the perusal of the record is done by the National Company Law Tribunal, and the final approval of the proposed scheme is granted.

III. POWERS AND FUNCTIONS OF NATIONAL COMPANY LAW TRIBUNAL IN MERGERS AND ACQUISITIONS MATTERS

The main functions of the National Company Law Tribunal under the Companies Act, 2013 are as under:

Registration of a company, which involves new companies being incorporated along with the registration of the Memorandum of Association and Articles of Association under the provisions provided in the Companies Act, 2013. Once the merger and acquisition order is passed by the National Company Law Tribunal, then the registration of the new entity takes place by submitting the copy of the order with the Registrar of Companies. Further, the

National Company Law Tribunal has the vested power to cancel the registration of the company and dissolve the company in case the company does not comply with the relevant laws.

The earlier Act only focused on the transfer of the shares by the company or the reduction of the share capital. However, now the new Companies Act, 2013 has also provided the power to the National Company Law Tribunal to pass orders related to the reduction of the share capital under Section 66 of the Companies Act, 2013⁴. The National Company Law Tribunal has the power to pass an order related to the transfer of shares or the reduction of the share capital.

Further, the National Company Law Tribunal has the power to wind up the company once the merger or acquisition has taken place. The liabilities and assets of the companies as specified in the scheme of the merger or amalgamation shall be complied with, and the earlier entity will be dissolved.

The National Company Law Tribunal has the power to approve or reject the proposed scheme. After the perusal of the record, if it is found that the documents, as well as the proposed scheme, are genuine and in the interest of the public, then the proposed scheme shall stand approved. In case the companies are bogus in nature or the proposed scheme is not in consonance with the interest of the public or the stakeholders, the National Company Law Tribunal has the power to reject the said proposed scheme. Further, in case any liabilities or proceedings are pending on the part of the companies or there are any objections from the statutory authorities, the National Company Law Tribunal has the power to reject the proposed scheme. The National Company Law Tribunal can also give directions which are to be followed after the approval of the scheme such as filing of the Form CAA-7 before the National

⁴ Companies Act, 2013, s 66.

Company Law Tribunal submitting the schedule of assets and then they can issue a formal order which is required to be filed before the Registrar of Companies for changing the status of the transferor as well as the transferee company. Further, the National Company Law Tribunal can also give directions related to the filing of the latest Income Tax Returns and Audited Financial Statements, etc.

IV. NOTABLE CASES OF THE CHANDIGARH BENCH: CASE STUDIES AND ANALYSIS

In the present case, there were fifteen transferor company including:- *Adeline Builders & Developers Private Limited, Armand Builders & Constructions Private Limited, Americus Real Estate Private Limited, Dlf Commercial Developers Limited, Elvira Builders & Constructions Private Limited, Eastern India Powertech Limited, Lada Estates Private Limited, Lear Builders & Developers Private Limited, Melosa Builders & Developers Private Limited, Mens Buildcon Private Limited, Narooma Builders & Developers Private Limited, Nudhar Builders & Developers Private Limited, Rachelle Builders & Constructions Private Limited, Royalton Builders & Developers Private Limited, Saket Holidays Resorts Private Limited With Transferee Company i.e. Dlf Home Developers Limited CP (CAA) No. 7/Chd/Hry/2021⁵ under Sections 230-232 of the Companies Act, 2013⁶ and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016⁷. The notices were sent to the statutory authorities including: - Regional Director Central Government, Registrar of Companies, Official Liquidator, Income Tax Department, Competition Commission of India, Director, Department of Town and*

⁵ *Dlf Home Developers Limited CP (CAA) No. 7/Chd/Hry/2021.*

⁶ Companies Act, 2013 (n 2).

⁷ Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

Country Planning, Haryana at Chandigarh, Real Estate Regulatory Authority (RERA), Haryana, and Greater Mohali Area Development Authority (GMADA). The approval of the Competition Commission of India was not required as the petitioner companies stated that under sub-clause (2) of Section 6 of the Competition Act, 2002⁸ they were exempted vide Entry 9 to Schedule 1 in terms of Regulation 4 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. Moreover, no reply from the Director, Department of Town and Country Planning, Haryana at Chandigarh, Real Estate Regulatory Authority (RERA), Haryana, and Greater Mohali Area Development Authority (GMADA), which was presumed that they have nothing to say in the present matter. Therefore, the Tribunal approved the scheme of Amalgamation.

In the case of *PepsiCo India Holdings Private Limited, PepsiCo Panimex Inc. CP and PepsiCo Investments Ltd. (CAA) No.13/Chd/Hry/2023*⁹, the scheme of amalgamation was filed between the companies under Section 230-232 and 234 of Companies Act, 2013¹⁰ and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, out of which PepsiCo India Holdings Private Limited was the transferee company being the Indian entity and rest two companies which were transferor companies being the foreign entities with their registered offices situated at Mauritius. It was a case of an inbound merger. The scheme of amalgamation was sanctioned by the bench after the perusal of the records, including the Financial Statements, Audited Accounts, Share Entitlement Ratio, Valuation Report, and Statutory Auditor's certificate. Further, the reports from the statutory authorities, including the Regional Director Central

⁸ Competition Act, 2002, s 66.

⁹ *PepsiCo India Holdings Private Limited, PepsiCo Panimex Inc. CP and PepsiCo Investments Ltd. (CAA) No. 13/Chd/Hry/2023*.

¹⁰ Companies Act, 2013, s 230-232 and 234.

Government, Registrar of Companies, Official Liquidator, Reserve Bank of India, and Income Tax Departments, were received. Moreover, the director of the petitioner company filed an affidavit that the scheme of amalgamation is in compliance with Section 230 to 232 and Section 234 of the Companies Act, 2013¹¹ read with Companies (Compromises, Arrangement and Amalgamations) Rules, 2016 along with the Foreign Exchange Management (Cross Border Merger) Regulations, 2018 under the Foreign Exchange Management Act, 1999. Therefore, the scheme of amalgamation was allowed.

In the case of *AIX Connect Private Limited with Air India Express Limited*, the composite scheme of arrangement was filed before the bench under Sections 230 to 232 of the Companies Act, 2013,¹² read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016¹³. The company was engaged in the business of cargo service and aircraft passengers and was a wholly owned subsidiary of Air India Ltd. The reports from the Regional Director, Central Government, Registrar of Companies, Official Liquidator, and Income Tax Departments, along with the report from the Ministry of Civil Aviation were received by the bench before giving approval for the sanctioning of the scheme. The report of the Ministry of Civil Aviation, had given a minimum time of 8 months for the completion of the arrangement procedure, along with the filing of the requisite documents with the respective departments from the date of approval of the Tribunal's order. Therefore, after going through the reports of the statutory authorities and obtaining the required 90% consent from the shareholders and creditors, the bench approved the composite scheme of arrangement.

¹¹ Companies Act, 2013 (n 10).

¹² Companies Act, 2013 (n 2).

¹³ Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, r. 3 and 5.

In the case of *Tripiti Infrastructure Private Limited with Milkfood Limited CP (CAA) No. 54/CHD/PB/2022*¹⁴, the scheme of amalgamation was filed before the Tribunal. For this amalgamation, a notice to the statutory authorities, including the Regional Director of Central Government, Registrar of Companies, Official Liquidator, Income Tax Departments, and Food Safety and Standards Authority of India, was sent. The notice was sent to the Food Safety and Standards Authority of India as the nature of the business of companies was related to the manufacturing of food items. The reports were received from the statutory authorities. The report of the Food Safety and Standards Authority of India wherein it was stated that, “*they had no role in the Amalgamation between the two Petitioners. However, subsequent to amalgamation, in case of any changes involving the information that would need changing in the records of FSS Act, the same must be done on priority and appropriate amendments shall be made in the FSSAI License/ Records*”. Moreover, the appointed date for the scheme was 01.04.2020, which was ante-dated beyond one year from the date of filing i.e. 16.09.2021. As per the definition of the ‘appointed date’ as mentioned in Part I of the scheme, it states that, “*11. "Appointed Date" means April I, 2020 or such other date as may be approved by the Hon'ble National Company Law Tribunal (NCLT) or Hon'ble National Company Law Appellate Tribunal (NCLAT), or any other competent Court (s), judicial or quasi-judicial authority or any other competent authority having power to sanction the Scheme, as the case may be.*¹⁵” Moreso, during the course of arguments, no valid justification was given by Ld. counsel for the petitioner companies. It was submitted by Ld. counsel for the petitioner companies that, on instructions, he has no objection if the appointed date is

¹⁴ *Tripiti Infrastructure Private Limited v. Milkfood Limited CP (CAA) No. 54/CHD/PB/2022.*

¹⁵ *ibid.*

changed from 01.04.2020 to 01.04.2023. Therefore, in view of the above discussion, the appointed date is changed from 01.04.2020 to 01.04.2023 by the Tribunal. Thus, the scheme of Amalgamation was sanctioned by the bench.

In the case of *Confirm Ticket Online Solutions Private Limited and Le Travenues Technology Limited CP (CAA) No. 35/Chd/Hry/2023*¹⁶, the scheme of Amalgamation under Sections 230-232 of the Companies Act, 2013¹⁷ and other applicable provisions of the Act read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, were filed before the Tribunal. The notices were published in the newspaper inviting any objection to the Scheme from the public and similarly, notices were sent to the statutory authorities including: Central Government through the Regional Director (Northern Region), Ministry of Corporate Affairs; (2) Registrar of Companies for New Delhi and Haryana; (3) Official Liquidator (attached to the Hon'ble High Court of Punjab and Haryana); and (4) jurisdictional Income Tax Departments. After receiving the reports from the authorities. No adverse observations were made to the scheme. Therefore, the said scheme of Amalgamation was approved by the bench.

In the case of *Hologram Holdings Private Limited and Swen Holdings Private Limited with Sulphur Securities Private Limited CP (CAA) No. 20/Chd/Hry/2022*¹⁸, the scheme of the merger was rejected by the bench. In the present case, the report of the Income Tax Department indicated that the outstanding demand of Rs. 3,98,48,160/- for AY 2012-13 against the Transferor Company (Hologram Holdings (P) Ltd.) was pending along with

¹⁶ *Confirm Ticket Online Solutions Private Limited and Le Travenues Technology Limited CP (CAA) No. 35/Chd/Hry/2023*.

¹⁷ Companies Act, 2013 (n 2).

¹⁸ *Hologram Holdings Private Limited and Swen Holdings Private Limited v. Sulphur Securities Private Limited CP (CAA) No. 20/Chd/Hry/2022*.

the proceedings. Further, the learned counsel for the Income Tax Department also stated that in view of the proceedings, the assessment against the company has been reopened. Therefore, the National Company Law Tribunal ordered the companies to furnish the documents, including the GST Returns, Income Tax Returns, Financial Statements, and Statutory Audited Report, in order to showcase that the company is carrying on the business and is working. Sufficient time to submit the documents was granted by the National Company Law Tribunal. Further, the Registrar of the Companies in its report pointed out that the company was a shell company, considering the same, the physical verification of the registered office of the company alongwith the physical verification of the available documents at the office was ordered by the National Company Law Tribunal which was to be conducted by the Registrar of the Companies as per Rule 25B of the Companies (Incorporation) Rules, 2014 and the provision of Section 12(9) of the Companies Act, 2013¹⁹. Further, there was manipulation in the Financial statements of the company. The Transferee Company's income jumped from NIL to Rs. 118.09 crores in 01 year, and the tax on the same was shown as Rs. 1.02 lakhs. Further, the National Company Law Tribunal analysed that, *“the Company claimed in its Schedule of Significant Accounting Policies and Notes on Account that during the FY 2023-24, the Company made a revenue from operations amounting to Rs. 11,809.28 lakhs as Long Term Capital Gain and earned a net profit (Before Tax) of Rs. 11,257.56 lakhs. The earnings per share having a nominal value of Rs. 10/- per share was stated to have gone up from NIL as on 31.03.2023 to Rs. 263.62 lakhs for the period ending on 31.03.2024. The non-current investments as on 31.03.2024 amounting to Rs. 40,076.14 lakhs are made mostly in the group companies, which are subsequently found sharing the same addresses. From the Profit & Loss Account for the year ended*

¹⁹ Companies Act, 2013, s 19.

31.03.2024, the office expenses have gone up to Rs. 3.27 lakhs from a mere Rs.11,000/- for the immediately preceding year²⁰". The entries were controlled by one individual. It was observed that the share premium amounted to Rs. 528.24 crores in FY 2023-24, and moreover, the profit earned by the company was counted in the Long Term Capital Gains. The shares were issued with the large-scale manipulation of accounts. Further, the bench observed that the profits on the income in case of the Transferee Company were not backed by a reliable source of the investment or were not supported by the actual assets owned by the company. The expenses of the company shockingly were very less amounting to Rs. 3.27 lakhs against the revenue of Rs. 118.09 crores which is a clear indication of the speculative income based on the share transactions only available on papers and hence, it does not require large contingent of employees as compared to the employees in the normal business entity. The main aim of the merger is to reduce the cost pertaining to the business; however, in the present case, the cost was already minimal and not as per the industry standards. Moreover, the transactions appear to be accommodation entries as the group companies are exchanging the transactions amongst themselves. Therefore, the scheme of the merger was rejected by the bench, stating that there are only paper transactions being carried out to increase the value of the shares of the company and to avoid the payment of taxes. Therefore, the scheme is not in consonance with the public interest as it is a clear case of money laundering.

V. CONCLUSION

The National Company Law Tribunal follows a regulatory framework that helps corporate institutions as well as businesses to grow and expand their businesses. By way of merger/acquisition/amalgamation/demerger, the

²⁰ *Hologram Holdings* (n 18).

National Company Law Tribunal provides an edge to the businesses to merge with their entities or to form a new one, which helps them to generate more employment opportunities and improve the synergy value and financial status of the company. By way of merger/acquisition/amalgamation/demerger, the companies get an edge to expand their business, thereby reducing the cost of the workforce, infrastructure and capital invested. The Companies Act upholds the basic structure of the Constitution of India and follows the rule of law, ensuring that the interests of all Stakeholders, employees, shareholders, creditors, and members are protected. The corporate strategies are followed by the companies along with rules and procedures prescribed under the law for achieving the maximum profit in the business. The regulatory bodies help the corporates to grow and also keep a check on the day-to-day functioning of the businesses. A quasi-judicial body like the National Company Law Tribunal is aimed at providing a speedy resolution to the subject-related company law matters in a time-bound manner. The main aim of setting-up of National Company Law Tribunal was to resolve the disputes which are arising out of specific subject and in a manner, the objective of setting up of the Tribunal has been achieved as National Company Law Tribunals across the country are speedily disposing of the matters and are delivering the landmark judgments which act as a precedent for the future. Thus, the formation of the National Company Law Tribunal has made a tragic shift in the corporate field. The National Company Law Tribunal, Chandigarh Bench, has held to cull out the loopholes in the company law by way of delivering landmark judgments, which have helped the other Benches across the country to dispose of the matters with more effectiveness. The landmark case of *Hologram Holdings Private Limited*²¹ passed by the Chandigarh Bench has set a benchmark by ordering physical verification of the Offices as well as the documents of the

²¹ *Hologram Holdings* (n 18).

company by the Registrar of Companies. It has helped to check the authenticity of the existence of the company as well as to introspect their financial records. Another case of *Triputi Infrastructure Private Limited with Milkfood Limited*²² has set another standard for checking the appointed date which should not be the ante-dated as sometimes the Schemes are filed before and the passing of the order takes two to three years during which, the financial status of the Company changes and leads to loopholes in the Scheme as well as in working of the company. The change date would now disclose the true financials of the company. In another case of *AIX Connect Private Limited with Air India Express Limited*²³ the special approval from the Ministry of Civil Aviation was sought for the approval of the Scheme which has set a benchmark for the other Tribunals to look into the all the possible statutory authority's approval to be sought before the approval of the Scheme. All the landmark cases specified above show that the National Company Law Tribunal, Chandigarh Bench, has set precedents for the other Tribunals and has made effective use of the law.

²² *Triputi Infrastructure* (n 14).

²³ *AIX Connect Private Limited v. Air India Express Limited* CP (CAA) No. 1/Chd/Hry/2024.