

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SINGLE BENCH, CHENNAI**

**CP/157&158/CAA/2018
In
CA/107 &108/CAA/CB/2018**

Under Section 230 to 232 of the Companies Act 2013

In the matter of Scheme of Arrangement (Demerger)

Between

M/s. Sricity Projects Private Limited
(Demerged Company)

And

M/s. Sricity Private Limited
(Resulting Company)

And

Their Respective Shareholders And Creditors

Order delivered on 27th August, 2018

CORAM:

CH. MOHD SHARIEF TARIQ, MEMBER (J)

For Petitioner(s): Mr. A.M. Ilango, Counsel

ORDER

Per: CH. MOHD SHARIEF TARIQ, MEMBER (J):

1. Under Consideration are two Company Petitions CP.Nos.157/CAA/2018 & 158/CAA/2018 filed under Section 230 to 232 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and

Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.

2. The instant Petitions pertain to the proposed Scheme of Arrangement (Demerger) by virtue of which M/s. Sricity Projects Private Limited (hereinafter referred to as '**Demerged Company**') has proposed to transfer and vest its 'Construction Business Division' to M/s. Sricity Private Limited (hereinafter referred to as '**Resulting Company**').

3. The Demerged Company viz., M/s. Sricity Projects Private Limited is a private limited company, incorporated on 18.12.2008 under the provisions of the Companies Act, 1956, having its registered office at No. 85, Kutchery Road, Mylapore, Chennai-600004. The Resulting Company viz., M/s. Sricity Private Limited is also a private limited company, incorporated on 27.09.2005 under the Companies Act, 2013, having its registered office at No. 85, Kutchery Road, Mylapore, Chennai-600004.

4. The main objects of the Demerged Company is to carry on the business of civil, mechanical, electrical, interior and

labour contracts to governments, quasi governments, public sector undertakings, Private Sector Undertakings, non-profit organisations, trusts, societies and/or to others etc. The object of the Resulting Company is to carry on the business of establish, build, maintain, operate own, lease out and/or sell, townships, housing colonies, information technology parks and/or industrial estates, developing/operating/maintaining single product/multi-sector/ multi-product Special Economic Zone ("SEZ") and Domestic Tariff Area ("DTA") etc.

5. This Bench vide its Order dated 08.06.2018, in CA/107/CAA/CB/2018 and CA/108/CAA/CB/2018 dispensed with the convening, holding and conducting the meeting of the Equity shareholders, secured and unsecured creditors of the Demerged Company; and directed to conduct the meeting of the Equity Shareholders, Secured and Unsecured Creditors of the Resulting company. The Petitioner Companies have complied with all the Orders passed by this Bench.

6. The Counsel appearing for the Petitioner Companies submitted the reasons and circumstances leading to and justifying the proposed Scheme of demerger, which make it beneficial for the Companies concerned, including their shareholders, creditors and employees. He has submitted that the proposed Scheme of Demerger will enable pooling of resources of the Demerged Company with the resources of the Resulting Company resulting in more productive utilization of said resources, and cost and operational efficiencies which would be beneficial to all the stakeholders.

7. The Scheme provides that the construction business division of the Demerged Company (Comprising of the assets and liabilities as more fully described under Schedule I), collectively, shall be demerged and vested with the Resulting Company, as going concern.

8. The Regional Director, Southern Region (for short, '**RD**') in the Report Affidavit (for brevity, '**Report**') dated 17.08.2018 submitted that Clause 8 of the Scheme of the Companies provides for the protection of the interest of

the employees/staff/workmen of the demerged undertaking.

9. The RD further submitted that as per the report of RoC, Chennai, the Demerged Company and resulting company are regular in filing their statutory returns. There is no prosecution filed, no complaints pending and no inspection/investigation has been conducted.

10. As per Clause 10.1 to 10.3 of the Scheme of Demerger all the proposed accounting treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013, and to this effect the CA's Certificate is annexed to the Petition.

11. The Scheme will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditors in any manner. There is no requirement to modify the proposed Scheme. The Scheme of Demerger appears to be fair and reasonable and is not contrary to public policy and not violative of any provisions of law. All the statutory

compliances have been made under section 230 to 232 of the Companies Act, 2013.

12. Therefore, the Scheme annexed with Petitions stands sanctioned. The Scheme sanctioned shall be binding on all the Equity Shareholders, the Creditors of the Demerged Company, Resulting Company and on all their respective employees. The Scheme shall become effective from the Appointed Date viz., 01.04.2016.

13. However, it is further clarified that this Order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.

14. The Companies to the said Scheme or other person interested shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.

15. The Petitioner Companies shall file with the concerned Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order.

16. The Order of sanction to this Scheme shall be prepared by the Registry as per the relevant format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14th December, 2016.

17. Thus, the Scheme stands sanctioned and CP/157/CAA/2018 and CP/158/CAA/2018 stand disposed of.

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(CH. MOHD SHARIEF TARIQ)
MEMBER (JUDICIAL)