

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

**CP/174 & 175/CAA/2017
[CA/92 & 93/CAA/2017]**

Under Section 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Arrangement (Demerger) between

**M/s. RAJALI PACKAGING PRIVATE LIMITED
(Demerged Company)
And
M/s. KUV TRADING INDIA PRIVATE LIMITED
(Resulting Company)**

Order delivered on: 02.11.2017

For the Petitioner(s): Shri A.M Ilanago, Advocate

Per: K. ANANTHA PADMANABHA SWAMY, MEMBER (J)

ORDER

1. Under Consideration are two Company Petitions No. CP/174/CAA/2017 and CP/175/CAA/2017 filed under section 230 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules 2016. The instant petitions pertain to the proposed Scheme of Arrangement (Demerger) between M/s Rajali Packaging Private Limited (hereinafter referred as '**Demerged Company**') and M/s. KUV Trading India Private Limited (hereinafter referred as '**Resulting Company**') where the trading division of Rajali Packaging will be hived off and vested in M/s. KUV Trading India Private Limited
2. The Details of Share Capital, Shareholders, Secured & Unsecured Creditors of the Companies are as under:

Particulars	Authorised Capital (Rs)	Issued, S&P Capital (Rs)	No. of Equity Share-holders	No. of Secured Creditors	No. of Un-secured Creditors
Demerged Company	Rs. 25,00,000	Rs. 25,00,000	7	Nil	1
Resulting Company	Rs. 10,00,000	Rs. 1,00,000	2	Nil	Nil

3. The Demerged Company is a Private Limited Company having its registered office at 68, Periyanna Mudali Street, Chennai-600001. The Resulting Company is a Private Limited Company, having its registered office at 71, Thatha Muthaiyappan Street, Chennai-600001. The main objects of the Petitioner company, set out in Clause III (A) of its Memorandum of Association, is to manufacture, process, buy, sell, import, Export or otherwise, plastic packing, polythene packing gunny bags, containers, bottles, hollow wares, whether made of leather plastic, High Density Polytheline (H.D.P), Low Density Polytheline (L.D.P), polypropoline, plastic, Poly Vinayal Chloride (P.V.C) and other man made fibrous materials etc. The Resulting Company is carrying on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting , marketing or supplying, trading, dealing, dealing in any manner whatsoever in all type of card board Plastic packing, containers, bottles and other related material on retail as well as on wholesale basis in India or elsewhere etc.

4. This Bench vide its order dated 19.06.2017, in CA/92/CAA/2017 and CA/93/CAA/2017 dispensed with the convening and holding of the meeting of the Equity Shareholders and secured and unsecured creditors of the Demerged Company and Resulting Company. The petitioner companies complied with all the orders passed by this bench.
5. Mr. A.M Ilango, learned counsel appearing for the Petitioner/ Resulting Companies submitted that the proposed demerger under this scheme would result in accelerated growth, it would be advantages to re-organise the company demerging transferring and vesting rationale and circumstances that have necessitated the proposed scheme are that the Demerger will enable consolidation of the business of the two entities which will facilitate in focused growth, operational efficiency, resulting in more productive utilization of said resources and cost & operational efficiency which would be beneficial to all stakeholders. The learned counsel further submits that no investigation proceedings are pending against the Companies under the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.
6. The Regional Director, Southern Region (In short, '**RD**') in the Report Affidavit (for brevity, '**Report**') dated 22.08.2017 submitted that this Hon'ble Tribunal vide order dated 19.06.2017 in CA/92 & 93/CAA/2017, has taken on record the consent affidavit of all the shareholders of the demerged and resulting Company. Its further stated that the demerged

company is not having any secured creditor and as for the unsecured creditor it has taken on record the NOC of the only unsecured creditor filed by the company, and the resulting company is not having any secured and unsecured creditors and to this effect certificate from the Chartered Accountant was furnished by the resulting company. As per Clause 2.21 of the scheme of the companies provide for the protection of the employees of the demerged undertaking.

7. As per the report of ROC, Chennai, the demerged as well as the resulting companies are regular in filing its statutory returns. As for the resulting company, as it was incorporated in November, 2016 hence the first statutory returns are not yet due. In respect of both the companies no prosecution filed, no complaints pending and no inspection/investigation has been conducted. However, the scheme of arrangement of demerger filed with the petitions has been examined and it has been decided not to make any objection to the scheme.
8. Further perusal of the scheme shows that the accounting treatment is in conformity with the established accounting standards. In short, there is no apprehension that any of the creditors would lose or be prejudiced if the proposed scheme is sanctioned. The said Scheme of arrangement 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. The Appointed date of the said Scheme is 1st April, 2017.

9. There is no additional requirement for any modification and the said Scheme of arrangement 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. Taking into consideration the above facts, the Company Petition is allowed and the scheme of arrangement annexed with the petition is hereby sanctioned which shall be binding on the members, unsecured creditors and shareholders.

10. While approving the scheme as above, I further clarify 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.

11. 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.

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



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

14. Accordingly, the Scheme stands sanctioned and CP/174 & 175/CAA/2017 stands disposed of.



**K. ANANTHA PADMANABHA SWAMY,
MEMBER (J)**

TJS