

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

**CP/179 & 180/CAA/2017  
[TCA/54 & 55/CAA/2017]**

**Under Section 230 to 232 of the Companies Act, 2013**

**In the matter of Scheme of Arrangement (Demerger) between**

**M/s. CONGRUENT SOLUTIONS PRIVATE LIMITED  
(Demerged Company)**

**With**

**M/s. CONGRUENT IT SERVICES PRIVATE LIMITED  
(Resulting Company)**

**Order delivered on: 23.11.2017**

**For the Petitioner(s) : Ms Preeti Mohan, Advocate**

**Ms Pavitra Venkateswaran**

**Per: K Anantha Padmanabha Swamy, Member (J)**

**ORDER**

1. Under consideration are two Company Applications which were filed before the Hon'ble High Court of Madras transferred to this Tribunal pursuant to the Companies (Transfer of proceedings) Rules, 2016 and numbered as CP/179/CAA/2017 and CP/180/CAA/2017, pertaining to the proposal of the Scheme of Arrangement (Demerged). The purpose of the company petitions is to obtain sanction of the scheme of Arrangement (Demerger) (in Short, '**Scheme**') by virtue of which the Technology Services division of M/s. Congruent Solutions Pvt Ltd (hereafter referred

to as '**Demerged Company**') is proposed to be vested with M/s. Congruent IT Services Pvt Ltd (hereafter referred to as '**Resulting Company**').

The Details of Share Capital, Shareholders, Secured &Unsecured Creditors of the Companies are as under:

Particulars	Authorised Capital (Rs)	Description of Shares	Issued, S&P Capital (Rs)	No. of Equity Share-holders	No. of Secured Creditors	No. of Un-secured Creditors
Demerged Company	60,00,000	ES	59,41,940	25	2	28
		PS	6,41,08,200	2		
Resulting Company	10,00,000	-	1,00,000	2	Nil	1

2. The Demerged Company is a Private Limited Company having its registered office at First Floor, North Wing, Central Square I C28-C35, Cipet Road, Thiru Vi Ka Ind Estate, Guindy Chennai-600032. The Resulting Company is a Private Limited Company, having its registered office at Sri Tower, 2<sup>nd</sup> Floor, No.34, Developed Plot (South Phase) Guindy, Chennai-600032. The main objects of the Demerged/Resulting Company as set out in its Memorandum of Association, is to carry on the business of software designing, development, customization,



implementation, maintenance, testing and benchmarking, designing, development and dealing in computer software and solutions etc.

3. This Bench vide its order dated 25<sup>th</sup> April, 2017, in CA Nos TCA/54/CAA/2017 and TCA/55/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 other orders passed by this bench.
4. Ms. Preethi Mohan, learned counsel appearing for the Petitioner Companies submitted that the rationale and circumstances that have necessitated the proposed scheme of demerger are that the Demerger Company have three business divisions such as the Technology Service Division that largely operates from India and renders customized software development services for customers in the US and UK; the Product Division which has developed a software product that will serve customers in the retirement and allied verticals, the IP for this product is owned by the Demerged Company. The Business Support Division team that service as a KPO for customers in the US retirement vertical and renders back- office processing or test services. All staff and employees of the demerged Company pertaining to the technologies service business shall become staff and employees of the Resulting Company without any

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break in their service. 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.

5. The Regional Director, Southern Region (In short, '**RD**') in the Report Affidavit (for brevity, '**Report**') dated 13.10.2017 submitted that this Bench vide order dated 25.4.2017 in TCA/54 & TCA/55/CAA/2017, has dispensed with the meeting of the equity shareholders and the Optionally Convertible Preference shareholders of the Demerged Company as well as the equity shareholders of the Resulting Company.
6. As per the records of ROC, Chennai, the Demerged Company is having two secured creditors and the company was asked to furnish the consent affidavit from the said two secured creditors. As for the Resulting Company it has no secured creditors which was taken note of by this Tribunal.
7. As per the report of ROC, Chennai, the Demerged Company is regular in filing its statutory returns. As for the Resulting Company as it was incorporated only in April 2016, 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. Further the RD stated that the scheme of arrangement of demerger filed with the

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petitions has been examined and it has been decided not to make any objection to the scheme and prayed to dispose of the matter on merits. 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 30<sup>th</sup> April, 2016.

8. There is no additional requirement for any modification and the said Scheme of Arrangement (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 requirements of section 230 to 232 of the Companies Act, 2013 are complied with 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 of both Demerged/ Resulting Company.
9. 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

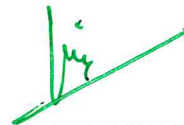
obtained or, even compliances that may have to be made as per the mandate of law.

**10.**The Companies to the present 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 Scheme.

**11.**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.

**12.**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 14<sup>th</sup> December, 2016.

**13.**Accordingly, the Scheme stands sanctioned and CP/179 & 180/CAA/2017 stands disposed of.



**K.ANANTHA PADMANABHA SWAMY  
MEMBER (JUDICIAL)**

TJS