



NATIONAL COMPANY LAW TRIBUNAL  
COURT-V, MUMBAI BENCH

36. C.P.(CAA)/42(MB) 2022 in C.A.(CAA)/140(MB)2021

CORAM:

SMT. ANURADHA SANJAY BHATIA,  
MEMBER (T)

SMT. SUCHITRA KANUPARTHI,  
MEMBER (J)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL COMPANY  
LAW TRIBUNAL ON **20.06.2022**.

NAME OF THE PARTIES: Krystal Integrated Services Private Limited

SECTION: 230-232 of the Companies Act, 2013

**ORDER**

1. Mr. Hemant Sethi, Counsel for the Petitioner is present.
2. Petition allowed. Detailed order would follow.

Sd/-  
ANURADHA SANJAY BHATIA  
Member(Technical)

Sd/-  
SUCHITRA KANUPARTHI  
Member(Judicial)

/z/

Certified True Copy \_\_\_\_\_  
Date of Application 22/06/2022  
Number of Pages 1  
Fee Paid Rs. 5/-  
Applicant called on 5/7/22  
Copy prepared on 05/7/2022  
Copy issued on 05/7/2022

*P. S. Sonawale,*  
Deputy Registrar 5/7/2022  
National Company Law Tribunal, Mumbai Bench





**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH – COURT V**

CP(CAA)/42/MB/ 2022  
Connected With  
C.A. (CAA)/140/ MB/ 2021

In the matter of Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromise Arrangements and Amalgamations) Rules, 2016;

AND

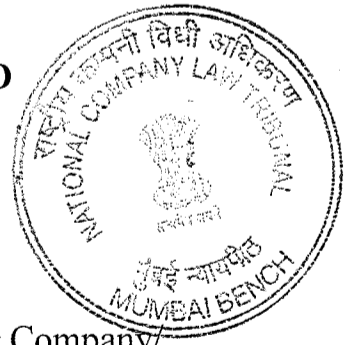
In the matter of Scheme of Arrangement in the nature of Demerger between Krystal Integrated Services Private Limited (“the Transferor Company/Demerged Company”) and Volksara Techno Solutions Private Limited (“the Transferee Company/Resulting Company”) and their respective shareholders.

**KRYSTAL INTEGRATED SERVICES PRIVATE LIMITED**

A Private Limited Company incorporated under, the provisions of the Companies Act, 1956 having, its registered office at Krystal House, 15A 17 Shivaji Fort CHS, Duncans Causeway Road , Mumbai 400022,

...First Petitioner Company/ Transferor Company/

Demerged Company





**VOLKSARA TECHNCO SOLUTIONS PRIVATE LIMITED**

A Private Limited Company incorporated,  
under the provisions of the Companies,  
Act, 2013 having its registered office at 15A/17,  
Shivaji Fort Co-Op HSG. Soc. Duncan, Causeway Road,  
Near Sion Talao, Sion, Mumbai - 400022 India.

...Second Petitioner Company/ the Transferee Company/  
Resulting Company

*Hereinafter together referred to as Petitioner Companies*

Order delivered on: 20.06.2022

Coram:

Hon'ble Ms. Suchitra Kanuparthi, Member (Judicial)

Hon'ble Ms. Anuradha Sanjay Bhatia, Member (Technical)

Appearances (*via videoconferencing*):

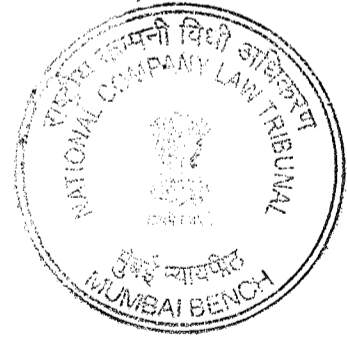
For the Petitioners: Mr Hemant Sethi, Ms Vidisha Poonja, Advocate, i/b Hemant  
Sethi & Co., Advocates

For the Regional Director (WR): Ms. Rupa Sutar, Deputy Director, MCA

Per: *Anuradha Sanjay Bhatia, Member (Technical)*

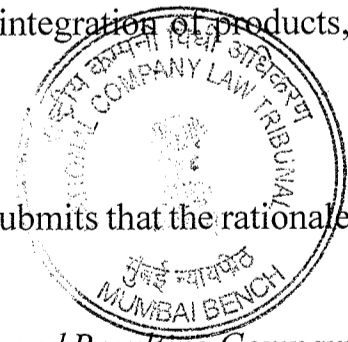
**ORDER**

1. The Court is convened by videoconference.





2. Heard Learned Counsel for the Petitioner Companies. No objector has come before the Tribunal to oppose the petition and nor has any party controverted any averments made in the petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act') and in the matter of Scheme of Arrangement in the nature of Demerger between Krystal Integrated Services Private Limited ("*First Petitioner Company/Demerged Company*") and Volksara Techno Solutions Private Limited ("*Second Petitioner Company/Resulting Company*") and their respective shareholders.
4. The Learned Counsel for the Petitioner Companies submits that the First Petitioner Company is engaged in the business of providing integrated facility management service, security guard services and façade cleaning services to pan India customers. It is also engaged in special projects business which include Combined Effluent Treatment Plant (CEPT) Projects and Smart City Projects and the Second Petitioner Company is engaged in the business of Integrated Security Solutions for Businesses, Corporates, and Public sector & Government offices. It provides comprehensive security and safety solutions and integration of products, systems and services.
5. The Counsel for the Petitioner Companies further submits that the rationale for the Scheme is as under:  
*The board of directors of the Demerged Company and Resulting Company believe that following benefits will accrue pursuant to the Scheme of Arrangement:*





*Pursuant to the proposed restructuring, the management of the respective companies foresee the following benefits to the companies and its shareholders:*

- a) The segregation will enable greater / enhanced focus of the management and thereby facilitate the management to efficiently exploit opportunities for each of the said businesses;*
- b) Proposed restructuring will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;*
- c) Allow management to pursue independent growth strategies for each businesses;*
- d) Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;*
- e) Simplification of group structure;*
- f) unlocking the value of the smart city business for the shareholders of the Demerged Company;*
- g) strategic fit for the Resulting Company by serving existing markets and catering to additional order requirements, new markets;*
- h) synergies leading to economies of scale*

*In view of the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company have considered the Scheme, whereby 'Smart City Business' of the Demerged Company would be transferred and vested with and into the Resulting Company pursuant to Sections 230*

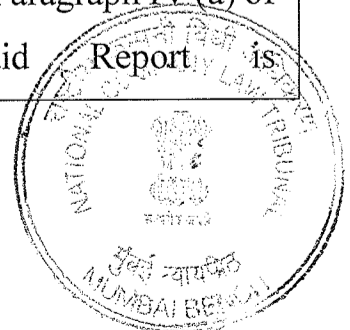




*to 232 and other relevant provisions of the Companies Act, 2013, to the extent applicable.*

6. The Petitioner Companies have approved the Scheme by passing their respective Board Resolutions dated March 30, 2021 and have approached the Tribunal for sanction of the Scheme.
7. Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal.
8. The Regional Director has filed his report dated March 30, 2022 ('Report') praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in paragraphs IV (a) to (h). In response to the observations made by the Regional Director, the Petitioner Companies have also given necessary clarifications and undertakings vide their rejoinder affidavit dated April 7, 2022. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:

<b>Sr. No. Para No. (IV)</b>	<b>RD Report/ Observations Dated March 30, 2022.</b>	<b>Response of the Petitioner Companies</b>
(a)	<i>In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such</i>	In so far as the observation made in Paragraph IV (a) of the said Report is





	<p><i>accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.</i></p> <p>(b) <i>As per Definition of the Scheme, “Appointed Date” for the purpose of this Scheme and for Income Tax Act, 1961, the “Appointed Date” means 1 April, 2020 being the date and time with effect from which the Smart City Business’ of KISPL shall be demerged and vested with and into Resulting Company in terms of this Chapter and other relevant provisions of this Scheme, upon sanction of the</i></p>	<p>concerned, the Petitioner Companies undertake that in addition to compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the Scheme to comply with all applicable Accounting Standards such as AS-5 (IND AS-8), to the extent applicable.</p> <p>In so far as the observation made in Paragraph IV (b) of the said Report is concerned the Petitioner Company clarifies that the Appointed Date is 01.04.2020 as mentioned in the Scheme which is in compliance with the Companies Act, 2013 and that the Scheme shall take effect from such Appointed Date. Further, the Petitioner Companies undertakes to comply with</p>
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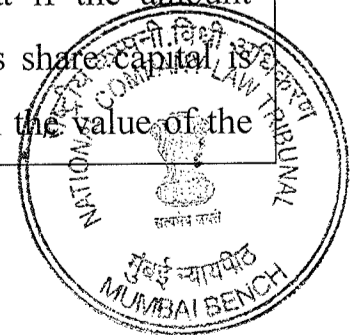
<p><i>Scheme by the Tribunal coming into effect;</i></p> <p><b>“Effective Date”</b> means the last of the dates on which all the conditions and matters referred to in clause 15 hereof have been fulfilled. References in this Scheme to the date of “Coming into effect of this Scheme” shall mean the effective date.</p> <p><i>In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon’ble Tribunal taking into account it’s inherent powers.</i></p> <p><b>Further, the Petitioners may be asked to comply with the requirements and clarified</b></p>	<p>the requirements clarified vide circular No.7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs to the extent applicable.</p>
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(c)	<p><i>vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p> <p>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230 (6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal</p>	<p>In so far as the observation made in paragraph IV (c) of the Report is concerned, the Petitioner Companies clarify that vide order dated 21.10.2021 meetings of the Shareholders and Secured Creditors were dispensed with. Further, in so far as the Unsecured Creditors are concerned notices were issued to all Unsecured creditors inviting their objections if any, however no objections have been received by the Petitioner Companies to that effect.</p>
(d)	<p><i>As per Clause 6.3 of Accounting Treatment of the Scheme; stated that any excess of amount credited as share capital as per 6.2 above over the value of the net assets and reserves of Smart</i></p>	<p>In so far as the observation made in paragraph IV (d) of the Report is concerned clarify that if the amount credited as share capital, is lower than the value of the</p>



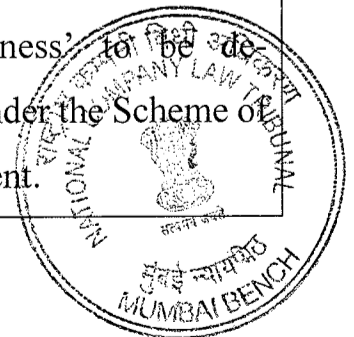


	<p><i>City Business shall be recognised in the financial statements as goodwill arising on demerger. If the amount credited as share capital as per 6.2 above is lower than the value of the net assets of Smart City Business, the difference shall be treated as the Capital Reserve. In this regard it is submitted that as per Accounting Standard 14, such surplus/deficit if any arising out of the Scheme should be credited/debited to the <b>Capital Reserve/goodwill. Such Capital Reserve, arising out of the amalgamation shall not be considered as free reserve and not available for distribution of dividend.</b></i></p>	<p>Net assets of Smart City Business, the difference shall be treated as the Capital Reserve. In this regard, the Petitioner Companies hereby undertake that the surplus shall be credited to Capital Reserve Account arising out of demerger and deficits shall be debited to Goodwill Account and also that such Capital Reserves shall not be available for distribution of dividend.</p>
(e)	<p><i>It is submitted that the Petitioner Company has stated that the Scheme is in Compliance of Section 2(19AA), in this regard, petitioner company may be directed to place on record that as</i></p>	<p>In so far as the observation made in paragraph IV (e) of the Report is concerned, he Petitioner Companies undertake that they shall ensure compliance of section</p>



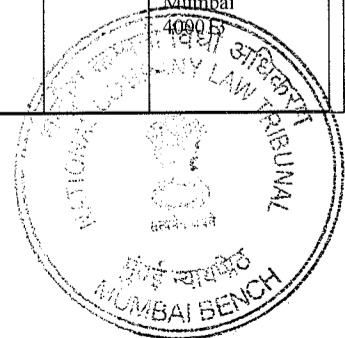


(f)	<p><i>to how this Scheme is in compliance of Section 2 (19AA) of the Income Tax Act, 1961.</i></p> <p><i>The Petitioner Companies be directed to place on record of this Tribunal the list of assets to be demerged with complete details (item wise) of its assets and valuation.</i></p>	<p>2(19AA) and any other applicable provisions of the Income Tax Act, 1961.</p> <p>In so far as the observation made in paragraph IV (f) of the Report is concerned, the Petitioners clarify that the list of assets and liabilities relating to the Demerged Undertaking along with its valuation as on 31.03.2020 is annexed marked as <b>Annexure A</b> to the Affidavit-in-Rejoinder.</p>
(g)	<p>The Petitioner Company to place on record as to what is the business left in demerged company after transfer of Demerged undertaking.</p>	<p>In so far as the observation made in paragraph IV (g) of the Report is concerned, the Petitioners clarify that after the demerger of the Demerged Undertaking, the First Petitioner Company will be left with business other than that of the 'Smart City business' to be demerged under the Scheme of arrangement.</p>



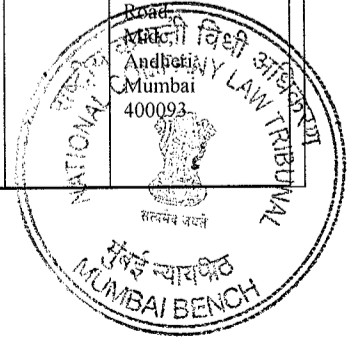


(h )	a)ROC Mumbai Report dated 10.12.20 21 has interalia men- tioned that there are no prosecu- tion, no tech- nical scrutiny, no in- quiry, no in- spection and no com- plaints pending against Peti- tioner	Sr No	SRN	Charge Id	Char- ge Hold- er Name	Date Of Creation	Date Of Modifi- cation	Amount	Address
		1	T901741 94	1005483 95	Un- ion Bank Of India	09/03/20 22		8400000	Wadala Branch, Wadala Telephone Ex- change Premis- esno.2, Gr Flr, G D Amberkar Rd, Naigaon Wadala (West) Mumbai 400014
		2	T467670 34	1004805 58	Hdfc Bank Lim- ited	13/09/20 21		3561000	Hdfc Bank House, Senapati Bapat Marg Lower Parel West Mumbai 400013
		3	T101022 18	1004270 75	Mum- bai Dis- trict Cen- tral Co- oper- ative Bank Lim- ited	04/03/20 21		5000000 0	1st Floor, Pri- yadarshani Ma- hila Chs. Ltd62, Bha- vani Shankar Road, Dadar West Mumbai 400028
		4	R984431 04	1004126 91	Mum- bai Dis- trict Cen- tral Co- oper- ative Bank Lim- ited	15/01/20 21		2500000 00	1st Floor, Pri- yadarshani Ma- hila Chs. Ltd62, Bha- vani Shankar Road, Dadar West Mumbai 400028
		5	R690961 05	1003805 92	Tata Capi- tal Fi- nan- cial Ser- vices Lim- ited	30/09/20 20		3500000 0	11th Floor, Tower, A, Penin- sula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013
		6	R593499 36	1003701 01	Hdfc Bank Lim- ited	01/09/20 20		535000	Hdfc Bank House, Sen- apati Bapat Marg, Lower Parel Mumbai 400013





<p><i>Companies.</i></p> <p><i>Further, the ROC Mumbai report made following observations:-</i></p> <p><i>a)The De-merged Company has huge Number of Open Chargers.</i></p> <p><i>b)The Resulting Company has two charges.</i></p> <p><i>c)Interest of the</i></p>	7	R59865766	100370484	Hdfc Bank Limited	01/09/2020		535000	Hdfc Bank House, Senapati Bapat Marg, Lower Parel Mumbai 400013
	8	R55557128	100366345	Axis Bank Limited	19/08/2020		2800000	Trishul, 3rd Floor, Opp To Samarsheshwar Templelaw Garden Ellis Bridge Ahmedabad 380006
	9	R52831971	100363085	Hdfc Bank Limited	14/08/2020		729000	Hdfc Bank House, Senapati Bapat Marg, Lower Parel Mumbai 400013
	10	R68019496	100342939	Mumbai District Central Co-operative Bank Limited	13/02/2020	25/09/2020	14500000	1st Floor, Priyadarshani Mahila Chs. Ltd62, Bhavani Shankar Road, Dadar West Mumbai 400028
	11	R48808414	100130650	State Bank Of India	15/09/2017	23/06/2020	47800000	11st Floor, Sbi Building, Plot No. B-1central Road, Andheria Mumbai 400093





<i>Creditors should be protected. d)May be decided on its merits.</i>	1	T817387	1050636	Un-ion Bank Of India	13/06/2014	03/01/2022	3960000	Wadala Branch, Wadala Telephone Exchange Premisesno.2,Gr Flr,G D Ambedkar Rd,Naigao n Wadala (West), Mumbai 400014
	2	75	0					
	Sr . No	SRN	Charge Id	Charge Holder Name	Date Of Creation	Date Of Modification	Amount	Address
	1	R13126842	100173410	Apna Sahakari Bank Ltd.	20/03/2018	07/11/2019	15000000	Madhukala Co-Op. Hsg. Society R.K. Vaidya Road, Dadar (W) Mumbai 400028
2	R13123039	100173406	Apna Sahakari Bank Ltd.	17/03/2018	07/11/2019	30000000	Madhukala Co-Op. Hsg. Society R.K. Vaidya Road, Dadar (W) Mumbai 400028	
		In so far as the observation made in Paragraph IV (h) 3 of the said Report is concerned, the Petitioners clarify that the Scheme does not envisage any compromise with it's creditors and all creditors would be paid off in it's entirety in the normal course of business. The Petitioner Companies therefore, undertakes that the interest of the creditors would stand duly protected at all times.						

10. The clarifications and undertakings given by the Petitioner Companies are accepted by this Tribunal.
11. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.





12. Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Smart City Business of the Demerged Company with and into the Resulting Company and in terms of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company (whose names are registered in the Register of Members of the Demerged Company or his /her/its legal heirs, executors or administrators or, as the case may be, successors).

*1,47,750 Equity Shares of the face value Rs. 10/- (Rupees Ten Only) each credited as fully paid up of the Resulting Company in the ratio of 1 Equity Share of face value of Rs. 10/- (Rupees Ten Only) each of the Resulting Company for every 39 equity shares of Rs. 10/- each (Rupees Ten only) credited as fully paid-up held by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Demerged Company. Any fractional entitlement arising on this account shall be rounded up on upper side for this purpose.*

13. Since all the requisite statutory compliances have been fulfilled, CP (CAA)/42/MB/2022 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.
14. The Scheme is hereby sanctioned with the Appointed Date of April 01, 2020.
15. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies





electronically along with e-form INC-28 within 30 days from the date of receipt of the certified copy of Order by the Petitioner Companies. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.

16. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated/ certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified Order from the Registry of this Tribunal.
17. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Joint or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
18. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
19. Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
20. Ordered accordingly.

Sd/-

Anuradha Sanjay Bhatia  
Member (T)

Sd/-

Suchitra Kanuparthi  
Member (J)



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Date of Application. 22/06/22 \_\_\_\_\_  
Number of Pages 15/- \_\_\_\_\_  
Fee Paid Rs. 75/- \_\_\_\_\_  
Applicant called for copy on 5/7/22 \_\_\_\_\_  
Copy prepared 05/07/22 \_\_\_\_\_  
Copy Issued on 05/07/22 \_\_\_\_\_

  
Deputy Registrar 5/7/2022  
National Company Law Tribunal, Mumbai Bench