<u>IN THE NATIONAL COMPANY LAW TRIBUNAL,</u>

<u>NEW DELHI BENCH, COURT-III</u>

COMPANY APPLICATION NO. (CAA) – 89(ND)/2025

(Under Section 230-232 and other applicable provisions of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)

<u>IN THE MATTER OF SCHEME OF ARRANGEMENT:</u>

M/s. CONTINENTAL DEVICE INDIA PRIVATE LIMITED

<u>HAVING ITS REGISTERED OFFICE AT:</u>

C-120, NARAINA INDUSTRIAL AREA, NEW

NEW DELHI-110028

... APPLICANT NO. 1/DEMERGED COMPANY

WITH

M/s. CDIL SEMICONDUCTORS PRIVATELIMITED

<u>HAVING ITS REGISTERED OFFICE AT:</u>

C-120, NARAINA INDUSTRIAL AREA-1,
NARAINA VILLAGE, NEW DELHI, INDIA, 110028.

...APPLICANT NO. 2/ RESULTANT COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

<u>Order Pronounced on: 14.05.2026</u>

<u>CORAM:</u>

SHRI BACHU VENKAT BALARAM DAS,

HON'BLE MEMBER (JUDICIAL)

SHRI RAVINDRA CHATURVEDI

HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant : Mr. Varun Jain, Mr. Abhay Singh, Advs.

ORDER

The present application has been jointly preferred by **Continental Device India Private Limited (Applicant No. 1/Demerged Company)** with **CDIL Semiconductors Private Limited (Applicant No. 2/Resultant Company)** seeking approval of this Tribunal for the Scheme of Arrangement under Sections 230 and 232 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 in respect of the Demerged and the Resultant Company, proposing a Scheme of Arrangement for M/s Continental Device India Private Limited with M/s. CDIL Semiconductors Private Limited (hereinafter referred to as **Applicant Companies**) seeking the following prayers:

a. *Appropriate order for dispensing with the requirement for convening the meeting of the Equity Shareholders of the Applicant Companies, and also to dispense with the requirement of issue and publication of notices for the same;*

b. *Appropriate order for dispensing with the requirement for convening the meeting of the Secured Creditors of the Applicant Companies, and Unsecured Creditors of the Resultant/Applicant Company No. 2 to dispense with the requirement of issue and publication of notices for the same;*

c. *Appropriate order for conveying the meeting of the Unsecured Creditors of the Demerged Company/Applicant Company No. 1, a through Video Conferencing, and necessary directions in this regard related to convening the meeting.;*

d. *Issue Direction for Appointing Advocate SP Chawla, Chairman of the Meeting, PCS Priyank Kukreja, Vice Chairman of the meeting and PCS Rimpi Jain, Scrutinizer of the meeting;*

e. *Direct service of notice to Central Government, Regional Director Northern Region, New Delhi, Registrar of Companies, NCT of Delhi & Haryana, Official Liquidator and Income Tax Department or such authorities as the Tribunal may deem fit, to make their respective representations, -if any, to this Hon'ble Tribunal, under provisions of Section 230 (5) Companies Act, 2013 and further direct them to serve a copy of their representation on the Applicant Companies' Advocate;*

f. *Issuing direction for permitting the filing of application and other documents as may be required, for the purpose of sanctioning the proposed Scheme; and.*

g. *Passing such other and further orders as are deemed necessary in facts and circumstances of the case.*

2. The Applicant No. 1, M/s. Continental Device India Private Limited (hereinafter referred to as **Demerged Company**), having CIN: U32109DL1964PTC004291 was incorporated under the provisions of the Companies Act, 1956 as a private limited company on 10.12.1964 with the Registrar of Companies, NCT of Delhi & Haryana at Delhi. The registered office of the Company is presently situated at C-120, Naraina Industrial Area, New Delhi-110028.

   The Authorised Share Capital of the Demerged Company is Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 49,00,000 (Forty Nine Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each and 10,000 (Ten Thousand) Redeemable Preference shares of Rs. 100/- (Hundred) each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 4,30,00,000/- (Rupees Four Crore Thirty Lakh Only) divided into 43,00,000 (Forty Lakh Thirty-Five Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each.

3. The Applicant No. 2, M/s. CDIL Semiconductors Private Limited (hereinafter referred to as **Resultant Company**), bearing CIN: U46521DL2024PTC431909, was incorporated under the provisions of the Companies Act, 2013 as a private limited company on 28.05.2024 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi. The registered office address of the Applicant

Company is situated at C-120, Naraina Industrial Area-1, Naraina Village, New Delhi-110028.

The Authorised Share Capital of the Resultant Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each. The present Issued Subscribed and Paid-up Share Capital of the Company is Rs. 2,00,00,000/- (Rupees Two Crore Only) divided into 20,00,000 (Twenty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.

4. The registered offices of the Applicant Companies are situated in Delhi and, accordingly, fall within the territorial jurisdiction of this Bench.

5. The Applicant Companies have placed on record their Certificates of Incorporation, along with copies of their respective Memorandum and Articles of Association, which, inter alia, set out their object clauses. Copies of the audited financial statements, along with the Auditor's Reports for the financial year 2023-2024 have also been placed on record. Further, the un-audited provisional financial statements for the period ended 31.03.2025 have also been placed on record. It is further noted that the Board of Directors of Applicant Companies, at their respective meetings held on 01.09.2025, have approved the proposed Scheme of Arrangement. Copies of the Board Resolutions passed by the Applicant Companies are on record and annexed with the application as Annexure A-5, A-6.

6. The Appointed Date of the Scheme is the 01.04.2025, as mentioned in the scheme.

7. The rationale and benefits for the proposed Scheme of Arrangement, as stated by the Applicant Companies, is provided as under:

4. RATIONALE AND BENEFITS OF THE SCHEME

The circumstances which justify and/or necessitate the proposed Scheme of Arrangement of CDIPL and CSPL, and the benefits of the proposed Demerger as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders inter alia, include the following:

4.1. *The circumstances which justify and/or necessitate the proposed Demerger of the Demerged Undertaking of CDIPL into CSPL, inter alia, include the following:*

a. *The CDIPL and CSPL are all Private Limited group companies.*

b. *CDIPL is primarily engaged in the business of manufacturing Semiconductor silicon chips and devices and electronics products assemblies and electronics manufacturing Services ('EMS").*

c. *CSPL is primarily engaged in the business of semiconductors and other electronic components, their raw materials and parts thereof as per the Memorandum of Association of the company.*

4.2. *As mentioned above, CDIPL is engaged in two different types of businesses which cater to different markets, i.e. through its semiconductor division and through its EMS division. Since both the companies are group companies, it has been found prudent by the management of the respective companies that the entire business of the semiconductor division be consolidated into one company, i.e. the Resultant Company and the residual entire business of the EMS division will be with the Demerged Company.*

4.3. *The Management is proposing to hive off the semiconductor business of the demerged Company (i.e. the Demerged Undertaking) into the Resultant Company to ensure that each of the companies can operate with full focus in the respective markets and can leverage their expertise in the respective markets for proper growth.*

4.4. *The proposed Demerger of the Demerged Undertaking of the Demerged Company into the Resultant Company would enable consolidation of the entire Semiconductor Business into separate independent entity. This results in integration of operations and simplifications of group structures.*

4.5. *The proposed Demerger of the Semiconductor Business of the Demerged Company into the Resultant Company would also result in business synergy, consolidation and pooling off the resources pertaining to the Semiconductor Business.*

4.6. *The proposed Demerger will streamline and simplify the shareholding structure of Group Companies.*

4.7. *It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.*

4.8. *The proposed Demerger will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business. The Scheme will enable the Demerged Companies to focus on their core businesses; to raise funds and to invite strategic investors/partners for their respective core businesses.*

4.9. *The proposed Demerger will have beneficial impact on the Demerged Businesses and the Resultant Company, their employees, shareholders and other stakeholders and all concerned.*

4.10. *With a view to achieve greater management focus and keeping in mind the paramount and overall interest of the shareholders, the Board of Directors of the Demerged Company and the Resultant Company consider that a Scheme of Arrangement for Demerger would be the most appropriate methodology.*

8. Affidavits in support of the above Application have been sworn by Mr. Inderdeep Singh and Mr. Prithvideep Singh on behalf of the Applicant Companies, who have been duly authorized by the Board of Directors of the Demerged and Resultant Company at their respective Board Meetings held on 01.09.2025 and the same have been duly filed along with the Application.

9. The Board of Directors of the Applicant Companies, at their respective meetings held on 01.09.2025, approved and adopted the Scheme of Arrangement.

10. The proposed Scheme involves demerger of Semiconductor Division of Demerged Company with Resultant Company. In consideration of the proposed demerger, equity shares of Resultant Company are proposed to be issued to the equity shareholders of Demerged Company, in such manner as set out in the Scheme. Pursuant to the proposed demerger, the identified and agreed assets of Demerged Company shall be transferred and vested in Resultant Company in accordance with the terms of the Scheme.

11. As per the Scheme of Demerger annexed to the Application, the following has been provided:

    Upon the Scheme finally coming into effect and in consideration of Demerger and vesting of the Demerged Undertaking of the Demerged Company into the Resultant Company, in terms of this Scheme; the Resultant Company, shall, without any further application or deed, issue and allot Share(s), to the Members of the Demerged Company whose names appear in the Register of Members of the Demerged Company as on the Record Date, in the following ratio:

    a) The Resultant Company will issue 1572.50 (One Thousand Five Hundred Seventy Two point Five) Equity Shares of INR 10/- (Indian Rupees Ten) each, credited as fully paid up, to the Equity Shareholders of the Demerged Company for every 1000 (One Thousand) Equity Shares of INR 10 (Indian Rupees Ten) each held by such shareholders in the Demerged Company.

    b) 67,61,750 fully paid-up equity shares of INR 10/- each of CDIL Semiconductors Private Limited shall be issued and allotted for 43,00,000 fully Paid-up equity shares of INR 10/- each held in Continental Device India Private Limited for the proposed demerger.

12. As per the Valuation Report dated 18.09.2025 issued by Hitesh Jhamb, (Registration No. IBBI/RV/11/2019/112355), a Registered Valuer, the share exchange ratio as extracted from the application is as follows:

    "67,61,750 fully paid-up equity shares of INR 10/- each of CDIL SEMICONDUCTORS PRIVATE LIMITED shall be issued and allotted for 43,00,000 fully Paid up equity shares of INR 10/- each held in CONTINENTAL DEVICE INDIA PRIVATE LIMITED for the proposed demerger."

13. The Applicant Companies has placed on record a certificate issued by Statutory Auditors, certifying that the accounting treatment proposed in the Scheme of Arrangement is in conformity with the Applicable Accounting Standards and Generally Accepted Accounting Principles in India (Indian GAAP).

14. The Applicant Company No. 1 / Demerged Company submits that, as on 31.03.2025, it has 09 (nine) equity shareholders. The Demerged Company does not have any secured creditors and has 355 (three hundred fifty-five) unsecured creditors. The aforesaid position is duly supported by a certificate issued by M/s. Raghu Nath Rai and Co., Chartered Accountants, which is enclosed with the application. (Annexure-11, Annexure-13 & Annexure-14 respectively).

15. In respect of Applicant Company No. 2 / Resultant Company, it is submitted that the Resultant Company has 4 Equity Shareholder. Further it has NIL Secured Creditors. In addition thereto, the Resultant Company had 11 (eleven) unsecured creditors, aggregating to a total unsecured debt of ₹18,29,681/- (Rupees Eighteen Lakh Twenty-Nine Thousand Six Hundred Eighty-One Only) as on 31.03.2025. It is submitted that, as on the date of filing of the Scheme of Demerger application, the Company has fully discharged the amounts due to the said unsecured creditors, and no dues remain outstanding as on 31.03.2025. (Annexure-15, Annexure-17 & Annexure-18 respectively). The details of the said unsecured creditors are extracted and set out herein below:

Sr. No	Name of the Unsecured Creditors	Address	Amount Payable	Date of Payment	Mode of Payment (Bank/NEFT/RTGS/Cheque)
1	MOVERS INTERNATIONAL P LTD-27	701-702, THE AVENUE, SAHARA INTERNATIONAL AIRPORT ROAD, MUMBAI - 400059	4,78,839	23-04-2025	Reference Nos, 000047,000048 & 000049 HDFC Bank
2	SASH GLOBAL	PLOT NO. 61 UDYOG	82,581	08-05-2025	Reference Nos,

For CDIL SEMICONDUCTORS PVT. LTD.

	LOGISTICS P LTD-06	VIHAR PHASE 1, GURGAON			000051 HDFC Bank
3	CDIL MOHALI	B-96-97, PHASE VIII, S.A.S. NAGAR, MOHALI	4,51,328	16-05-2025	Reference Nos, 000054 HDFC Bank
4	ALLIANCEG ROW STAFFING PVT LTD	CABIN-4, SCF NO. 11, M/s ALLIANCEG ROW STAFFING PRIVATE LIMITED, Paschim Marg, Kay Aar Enterprises, Sector 54 Phase 2, Mohali, SAS Nagar, Punjab, 160055	83,683	05-04-2025	NEFT – Reference no. HDFCN5202504056099570 HDFC BANK
5	B&J LABOUR CONSULTANTS	SCO 8, 2ND FLOOR SECTOR 41-D CHANDIGARH	19,946	05-04-2025	Reference No. 1015749860 HDFC Bank
6	KRISHNA PACKAGES	PLOT NO. 368,INDUSTRIAL AREA PHASE-9, MOHALI	14,318	09-05-2025	Reference No. HDFCN52025050927106525
7	SAINI MOTOR WORKS	BOOTH NO. 450. SECTOR 48-C, CHANDIGAR	4,000	22-08-2025	Reference No. 000076 HDFC Bank

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8	INDE ENTERPRISES	745, SECTOR 8-B, CHANDIGARH	1,298	22-08-2025	Reference No. 000077 HDFC Bank
9	JAIN STATIONERY MART	BOOTH NO. 321-322 PHASE 5 .MOHALI	1,062	09-05-2025	Reference No. HDFCN5202505092711 0499
10	H.P ALLOY STEELS & MILL STORE	S.C.F-36 PHASE 7,INDUSTRIAL AREA S.A.S NAGAR MOHALI	529	05-04-2025	Reference No. HDFCN5202504056099 9569
11	YANGZHOU HY TECHNOLOGY DEVELOPMENT CO LT	NO. 5, Weichai Avenue, Beishan Industrial Park, Huaisi, Hanjiang District, Yangzhou, Jiangsu, China	6,92,097	04-06-2025	Reference No. 003BC10251550044 HDFC Bank

16. It has been submitted that the proposed Scheme of Arrangement shall not, in any manner whatsoever, adversely affect the rights or interests of any of the members, creditors and other stakeholders. The Scheme will be beneficial to the Demerged Company, Resultant Company and their respective shareholders and creditors as a whole and is also just and equitable. The proposed Scheme of Arrangement is fair, reasonable, and in no way detrimental to the interests of the public at large.

17. The Applicant Companies have also filed an Affidavit dated 24.09.2025 along with the application in compliance with the Section 230(2) of the Companies Act, 2013 stating the following material facts relating to the Applicant Companies:

   a. There is no investigation or any other legal proceeding pending against the Demerged Company.

b. The Demerged Company and the Resultant Company have not entered into any Corporate Debt Restructuring arrangement.

18. The Income Tax Department has filed its report dated 09.10.2025, inter alia stating that an outstanding demand of ₹60,06,193/- is pending against the Demerged Company. It has further been stated that no prosecution proceedings are pending; however, penalty proceedings under Section 271(1)(c) for Assessment Year 2016–17 are pending before the Faceless Assessment Unit. The Department has also submitted that all tax assessment proceedings and appeals, of whatsoever nature, by or against the said Company, pending as on the effective date or arising thereafter, shall be continued and enforced by or against the Company in the same manner and to the same extent as would have been continued or enforced prior to the Scheme. Further, the Department has reserved its right to determine the tax implications arising out of the Scheme of Demerger in accordance with the provisions of the Income Tax Act, 1961, and clarified that the provisions of the said Act shall prevail over anything contrary contained in the Scheme.

19. The details regarding the number and value of shareholders and creditors of the Applicant Companies, along with the status of their consent to the proposed Scheme, is tabulated for ease of reference:

Company	**Particulars**	**Total No.**	**Consent**
Applicant Company no.1/ Demerged Company	Shareholders		Consent affidavits are given by 100% Equity shareholders
	Equity Shareholders	9	
	Preference Shareholders	NIL	N.A.
	Secured Creditors	NIL	N.A.

	Unsecured Creditors	355	N.A.
Applicant Company no.2/ Resultant Company	Equity Shareholders	4	Consent affidavits are given by 100% of equity shareholders
	Preference Shareholders	NIL	N.A.
	Secured Creditors	NIL	N.A.
	Unsecured Creditors	11	The Company discharged all dues.(Annexure-18)

20. The Applicant No. 1/Demerged Company submitted the following:

a. The Demerged Company have NIL Secured Creditor. Therefore, no meeting of secured creditors is required to be convened, and dispensation of the same has been sought.

b. The Demerged Company has 355 unsecured creditors, in the absence of their consents, seeks to convene a meeting of the Unsecured Creditors for the purpose of considering the Scheme of Demerger through Video Conferencing or any other Audio-Video Mode (VC).

c. That 100% Equity Shareholders of the Demerged Company have furnished their respective consents to the proposed Scheme of Arrangement by way of affidavits, thereby signifying their written approval to the Scheme. The Applicant Companies has sought dispensation of the same.

21. The Applicant No. 2/Resultant Company submitted the following:

a. The The Resultant Company has no secured creditors; accordingly, there arises no requirement to convene a meeting of secured creditors, and dispensation from holding such meeting has been sought.

b. The Resultant Company had 11 unsecured creditors, all of whose dues have been fully discharged, with no amounts remaining outstanding. Accordingly, no meeting of the unsecured creditors is required to be convened.

c. That 100% Equity Shareholders of the Resultant Company have furnished their respective consents to the proposed Scheme of Arrangement by way of affidavits, thereby signifying their written approval to the Scheme. The Applicant Companies has sought dispensation of the same

22. We have perused the application and the documents annexed to justify the plea. Factually, we find no impediment to dispense with the meeting of the shareholders, as no apparent prejudice is seen. As far as the rights of the Unsecured Creditors are concerned, the Resultant Company has discharged all the dues, with no amounts remaining outstanding. The legal principles relied upon by applicants will apply to the facts of the case. No prejudice in any form will come upon the Unsecured Creditors, as they are safeguarded.

23. Heard the Ld. Authorized Representative for the Applicants upon perusing the records and documents in the instant proceedings and considering the submissions made on behalf of the Applicants, we allow the instant application and make the following orders:

a) In view of the consents having been obtained by way of affidavits from all the Equity Shareholders and Secured Creditors of both the Applicant Companies, and there being no outstanding dues in respect of the Unsecured Creditors of the Resultant Company as on the date of filing of the application, the requirement of convening meetings of the Equity Shareholders and Secured Creditors of both the Applicant Companies, as well as the Unsecured Creditors of the Resultant Company, is hereby dispensed with.

b) It is directed that a meeting of the Unsecured Creditors of the Demerged Company/Applicant Company No. 1 be convened through Video Conferencing, for the purpose of considering and approving the proposed Scheme of Demerger.

c) The quorum for the meeting of the Unsecured Creditors shall be not less than 75% in value, in accordance with the provisions of Section 230(6) of the Companies Act, 2013.

d) As sought by the Applicants, Mr. S.P. Chawla, Advocate, is appointed as the Chairperson, PCS Priyank Kukreja, shall act as the Vice Chairperson and PCS Rimpi Jain, is appointed as a Scrutinizer, who shall ensure that the registers are properly maintained. The fee of the Chairperson shall be Rs. 2,00,000/-, that of the Vice Chairperson shall be 1,50,000/-, and of the Scrutinizer shall be 1,00,000/- in addition to reimbursement of incidental expenses.

e) In case the quorum as noted above for the above meeting of the Applicant Companies is not present at the meetings, then the meetings shall be adjourned by half an hour, and thereafter the persons present and voting shall be deemed to constitute the quorum. The Chairperson and Vice Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavor should be made by the Applicant Companies to attain at least the quorum fixed, if not more, in relation to the approval of the scheme.

f) Individual notices of the aforesaid meetings shall be sent by the Applicant Companies through e-mail as well as by speed post, at least 30 days prior to the scheduled date of the meeting, specifying the day, date, time, and the mode of the meeting. The notice shall be accompanied by a copy of the Scheme of Arrangement, the prescribed form of proxy, and the explanatory statement as required under the Companies Act, 2013. In addition, such other documents as may be prescribed under the Act or the applicable rules shall also be duly enclosed with the notice.

g) The Applicant Companies shall publish an advertisement at least 30 clear days prior to the aforesaid meeting, indicating the day, date, time, and mode of the meeting. The advertisement shall be published in the 'Financial Express' (English Edition, Delhi) and 'Jansatta' (Hindi Edition, Delhi), and shall state that copies of the Scheme of Arrangement, the explanatory statement required to be furnished pursuant to Section 230 of the Companies Act, 2013, and the prescribed form of proxy shall be made available free of charge at the registered office of the Applicant Companies.

h) Voting shall be allowed on the proposed Scheme by voting in person or through proxy as per the guidelines issued by Ministry of Corporate Affairs.

i) The Applicant Companies shall individually and in compliance of sub-section (5) of Section 230 of the Act read with Rule 8 of Companies (Compromises, Arrangements and Arrangements) Rules, 2016 send intimation in Form No. CAA-3 along with a copy of the Scheme, Explanatory Statement and the disclosures mentioned in Rule 6 of the Rules to the following authorities:

    i. Central Government through the Regional Director (Northern Region);
    ii. Registrar of Companies, NCT of Delhi & Haryana;
    iii. Official Liquidator, High Court of Delhi;
    iv. Jurisdictional Income Tax Department, New Delhi & Chief Commissioner of Income Tax, New Delhi;
    v. Such other Sectoral Regulator(s) governing the business of the Applicant Companies, if any;

Stating that the representations, if any, shall be made within a period of 30 days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the Scheme.

24. The Applicant Companies shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any unsecured creditor entitled to attend the meeting as aforesaid.

25. The Applicant / Resultant Company shall comply with the above directions and timeline prescribed under Rule 15 of the Companies (Compromise, Arrangements and Arrangements) Rules 2016 and file an affidavit of service to report to this tribunal with regard to compliance with the directions given in this order.

26. The authorized representative of the Applicant Companies shall furnish an affidavit of service of notice of meeting and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meeting.

27. On completion of the exercise as above, the Applicant Companies shall be entitled to move an appropriate application.

28. All the aforesaid directions are to be complied with strictly in accordance with the applicable laws, including forms and formats contained in the Rules, as well as the provisions of the Companies Act, 2013, by the Applicant Companies.

29. The Court Officer/Registry is directed to send a copy of this order to the Applicant Companies for necessary steps to be taken at their end.

30. The **Application is allowed and disposed of in aforesaid terms.**

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)

Sd/-
(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)