The Hon'ble Sri Justice C.V.Nagarjuna Reddy

<u>Company Petition Nos.175, 176, 177 and 178 of 2015</u>

<u>Dt: 01.09.2015</u>

<u>C.P.No.175/15:</u>

Between:

**M/s.Maheshwari Mega Ventures Limited
Hyderabad, rep. by its Managing Director
Sri Manish Kumar Malpani**

…Petitioner /Demerged Company

<u>C.P.No.176/15:</u>

Between:

**M/s.Kshitij Infra Ventures Private Limited
Hyderabad, rep. by its Director
Girish Mallpani**

…Petitioner /Resulting Company No.1

<u>C.P.No.177/15:</u>

Between:

**M/s.Tanishq Infra Ventures Private Limited
Hyderabad, rep. by its Director
Shruti Mallpani**

…Petitioner /Resulting Company No.2

<u>C.P.No.178/15:</u>

Between:

**M/s.MPM Mall and Arcades Private Limited
Hyderabad, rep. by its Director
Raj Kumar Mallpani**

…Petitioner /Resulting Company No.3

Counsel for the petitioners: Mr.VS.Raju

The Court made the following:

<u>Common Order</u>:

Company Petition No.175 of 2015 is filed by M/s.Maheshwari Mega Ventures Limited (hereinafter referred as ‘the Demerged Company’) under Sections 391 and 394 of the Companies Act, 1956 (for short ‘the Act’) seeking approval of the proposed Scheme of Arrangement *viz.*, demerger of its (i) Real Estate undertaking into M/s.Kshitij Infra Ventures Private Limited (hereinafter referred as ‘the Resulting Company No.1’); (ii) Hotel Undertaking into M/s.Tanishq Infra Ventures Private Limited (hereinafter referred as ‘the Resulting Company No.2); and (iii) Retail Undertaking into M/s.MPM Mall and Arcades Private Limited (hereinafter referred as ‘the Resulting Company No.3’).

Company Petition Nos.176, 177 and 178 of 2015 are filed by Resulting Company Nos.1 to 3 for the same relief.

The Demerged Company pleaded that it was incorporated as a Public Limited Company under the Act on 19.03.2004; that its registered office is situated at

Door No.8-2-608/35 & 36, Plot No.73, Third Floor, Mallpani House, Gaffar Khan Colony, Road No.10, Banjara Hills, Hyderabad; that its main objects are (i) to purchase, acquire, own, lease, let out or otherwise dispose of any land, buildings, premises and to set up, carry on and act as developers, contractors, builders for construction of roads, infrastructure projects, buildings, multi-storied flats, houses, factories, shopping malls, super markets and deal in any manner with the movable properties of any kind; (ii) to purchase or otherwise acquire any land, building or premises and to turn into account, develop, improve, alter, demolish or let out for the purpose of carrying on the business of the hotel, restaurant, coffee house, lodging, housekeepers, refreshment rooms, family entertainment center, multiplex center, food courts *etc.*; and (iii) to carry on the business of manufacture, import and export; that its authorized share capital, as on 31st March, 2014, is Rs.25 Crores divided into 2.5 Crore equity shares of Rs.10/- each; and that its issued, subscribed and paid-up share capital, as on 31.03.2014, is

Rs.14,92,33,000/- divided into 1,49,23,300 equity shares of Rs.10/- each.

Resulting Company No.1 pleaded that it was originally incorporated as a private limited company under the name and style of M/s.Kshitij Infra Ventures Private Limited on
04-07-2008; that its Corporate Identity Number is U45400AP2008PTC0059990; that its registered office is situated at Door No.8-3-323, Ameerpet X Roads, Hyderabad; that its authorized share capital, as on 31.03-2014, is Rs.5 Lakhs divided into 50,000 equity shares of Rs.10/- each; and that its issued, subscribed and paid-up share capital, as on 31.03.2014, is Rs.1 lakh divided into 10,000 equity shares of Rs.10/- each.

Resulting Company No.2 pleaded that it was incorporated as a private limited company under the name and style of M/s.Tanishq Infra Ventures Private Limited on 07.07.2008; that its Corporate Identity Number is U45400AP2008PTC060036; that its registered office is situated at Door No.8-3-323, Ameerpet X Road, Hyderabad; that its authorized share capital, as on 31-03-2014, is Rs.5

lakhs divided into 50,000 equity shares of Rs.10/- each; and that its issued, subscribed and paid-up share capital, as on 31.03.2014, is Rs.1 lakh divided into 10,000/- equity shares of Rs.10/- each.

Both Resulting Company Nos.1 and 2 pleaded that their main objects are (i) to carry on in India or elsewhere the business to undertake development of infrastructure, work on build, operate, own and transfer/build, *etc.*, as contracted from the Central Government, various State Governments, Union Territories, Cantonments, local authorities, Gram Panchayats, autonomous bodies and other Government or Non-Government Departments *etc.*; and (ii) to carry on in India or elsewhere, either alone or jointly with one or more persons, Government, local or other bodies, the business to construct, build, alter, acquire, design, erect, develop and act as civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, *etc.*

Resulting Company No.3 pleaded that it was incorporated as a private Limited Company under the name and style of M/s.MPM Mall & Arcades Private Limited on 21.03.2014; that its Corporate Identity Number is U45200AP2014PTC093692; that its registered office is situated at Door No.4-1-833, Abids, Hyderabad; that its main objects are (i) to carry on in India or elsewhere the business of maintaining, operating, renting out, giving on lease, managing malls, shopping centers, immovable properties of all nature and description including shopping malls, commercial complexes, shopping plazas *etc.*; (ii) to act as advisors, consultants, service providers, service contractor or sub-contractor, suppliers, administrator, licensor, designer, controller, to render various mall management services for enhancing value, increasing of footfalls and ambience of the malls *etc.*, and (iii) to carry on in India or elsewhere the business of buildings, leasing, hiring, contractors, erectors, constructors of buildings of all nature being residential, industrial, institutional or commercial, townships, holiday resorts, hotels *etc.*,; that its authorized share capital, as on 31-03-2014, is Rs.1 lakh divided into 1 lakh equity shares of Re.1/- each; and that its issued, subscribed and paid-up share capital as on 31st March, 2015 is Rs.1 lakh divided into 1 lakh equity shares of Re.1/- each.

All the four Companies pleaded that the proposed Scheme of Arrangement involves demerger of various undertakings of the Demerged Company *viz*., Real Estate, Hotel and Retail into Resulting Company Nos.1 to 3 respectively; that there are several businesses being carried on by the Demerged Company, which have significant potential for growth and development and require infusion of funds and undivided attention for optimum growth, expansion and development; that each of the business divisions require different skills to be managed in the day-to-day operations; that the Demerged Company's core strength is construction and infrastructure division; that since the ventures/projects of the company, ultimately, are meant for use of the public at large, they need optimum supervision and attention for the due compliance of prescribed regulatory/safety standards; that the Demerged Company is finding it difficult to deliver optimum supervision and due attention to each and every project; and that the proposed Scheme of Arrangement will be advantageous and beneficial to all the Companies and their respective shareholders, creditors and employees.

All the Companies further pleaded that anticipating the above benefits, their Board of Directors, in their respective meetings held on 20.03.2015, resolved to approve the proposed Scheme of Arrangement (Annexure-A9) and fixed the appointed date as 01.04.2014.

The Demerged Company pleaded that it has seventy shareholders, eight secured creditors and forty five unsecured creditors; that this Court *vide* Order, dated 28-04-2015, in Company Application No.855 of 2015, appointed three separate Chairpersons for convening their meetings for consideration of the proposed Scheme of Arrangement.

The Chairpersons have, accordingly, filed their respective reports stating that pursuant to this

Court's Order, they have caused individual notices on the equity shareholders, unsecured creditors and secured creditors of the Demerged Company and have also carried out publication in two daily newspapers *viz.*, Business Standard (English) and Andhra Bhoomi (Telugu) of Hyderabad Editions on 16-05-2015, notifying the date of meetings and accordingly, convened the meetings on 13-06-2015 at 10.30 a.m., 11.30 a.m., and 12.30 p.m., respectively.

In the first report, the Chairperson stated that the meeting of the equity shareholders, held on the aforesaid date at 10.30 a.m., was attended by 17 shareholders in person and 5 shareholders through proxy; that the proposed Scheme of Arrangement was read out and explained to them; that all of them have voted in favour of the proposed Scheme of Arrangement; and that, accordingly, all of them have unanimously passed the resolution to approve the proposed Scheme of Arrangement.

In the second report, the Chairperson stated that the meeting of the unsecured creditors, held on the aforesaid date, was attended by 16 unsecured creditors valued at Rs.11,37,10,152/- in person and 10 unsecured creditors valued at Rs.2,15,62,574/- through proxy; that the proposed Scheme of Arrangement was read out and explained to them; that all of them have voted in favour of the proposed Scheme of Arrangement; and that, accordingly, all of them have unanimously passed the resolution to approve the proposed Scheme of Arrangement.

In the third report, the Chairperson stated that the meeting of the secured creditors, held on the aforesaid date, was attended by 6 secured creditors valued at
Rs.26,16,56,545/-; that the proposed Scheme of Arrangement was read out and explained to them; that all of them have voted in favour of the proposed Scheme of Arrangement; and that, accordingly, all of them have unanimously passed the resolution to approve the proposed Scheme of Arrangement.

Resulting Company No.1 pleaded that it has no secured and unsecured creditors; that it has two shareholders and that this Court *vide* Order, dated 28-04-2015, in Company Application No.856 of 2015 dispensed with the requirement of convening their meeting for consideration of the proposed Scheme of Arrangement.

Resulting Company No.2 pleaded that it has no secured and unsecured creditors; that it has two shareholders and that this Court *vide* Order, dated 28-04-2015, in Company Application No.857 of 2015 dispensed with the requirement of convening their meeting for consideration of the proposed Scheme of Arrangement.

Resulting Company No.3 pleaded that it has no secured and unsecured creditors; that it has two shareholders; and that this Court *vide* order, dated 28-04-2015, dispensed with the requirement of convening their meeting for consideration of the proposed Scheme of Arrangement.

In all these Company Petitions, this Court ordered notices to the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad, besides ordering publication of advertisement in two daily newspapers each. In compliance with the said order, dated 07-07-2015, all the Companies have caused notices on the Regional Director, Government of India, Ministry of Corporate Affairs, South Eastern Region, Hyderabad; and that all the Companies have carried out publication of notices in two daily newspapers *viz*., 'The Business Standard' (English) and 'Andhra Bhoomi' (Telugu) of Hyderabad and Karimnagar editions and 'The Business Standard' (English) of Hyderabad edition having circulation in the State of Telangana. Accordingly, publication was carried out and the proof thereof was filed through separate Memos in all these Company Petitions.

In response to the notices, the Regional Director has filed his Common report, dated 20-08-2015, wherein it is *inter alia* stated that in pursuance of General Circular No.1/2014, dated

15-01-2014, issued by the Ministry of Corporate Affairs, New Delhi, the opinion of the Income Tax Department was sought *vide* letter, dated 20-07-2015, and that no comments/objections were received by him from the Income Tax Department. It is further stated that the Registrar of Companies, Hyderabad, has reported that all the Demerged and the Resulting Companies are regular in filing returns and that no inspections and investigations are pending against them.

Having regard to the report of the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad, the unanimous resolutions of the shareholders, the secured and the unsecured creditors of the Demerged Company, the consent affidavits of the shareholders of all the three Resulting Companies and as no claims or objections have been received in pursuance of publication of notice in newspapers, this Court is satisfied that the proposed Scheme of Arrangement is in conformity with the provisions of the Act and that the same is not being opposed by any stakeholders or general public.

Therefore, the proposed Scheme of Arrangement is sanctioned with effect from the appointed date *i.e.,* 01.04.2014. All the Demerged and the Resulting Companies shall, within 30 days of receipt of a copy of this order, cause a certified copy of the same to be delivered to the Registrar of Companies, Hyderabad, and take all other consequential actions in pursuance of the approval of the proposed Scheme of Arrangement.

All the Company Petitions are, accordingly, allowed.

(C.V.Nagarjuna Reddy, J)

Dt: 1st September, 2015
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