HONOURABLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY PETITION Nos.267 & 268 OF 2016

COMMON ORDER:

These petitions are filed under Sections 391 and 394 of the Companies Act, 1956 (for short, "the Act"), seeking approval of the scheme of arrangement between the petitioner/Demerged company viz., M/s. Rain Entertainments Private Limited and petitioner/Resulting company viz., M/s. Rain Enterprises Private Limited respectively as consented by the shareholders and unsecured creditors of both the companies.

The petitioner/Demerged company was incorporated on 29.07.2010. The authorised share capital of the company is Rs.10,00,00,000/- divided into 1,00,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up capital of the Demerged company is Rs.10,00,00,000/- divided into 1,00,00,000 equity shares of Rs.10/- each.

The petitioner/Resulting company was incorporated on 05.01.2001. The authorised share capital of the company is Rs.7,00,00,000/- divided into 70,00,000 equity shares of Rs.10/- each. The present issued, subscribed and paid-up capital of the Resulting company is Rs.6,44,00,000/- divided into 64,40,000 equity shares of Rs.10/-.

The objects of the Demerged company are to develop, operate, construct, manage, promote, own, procure, utilize or initiate Multiplex entertainment complexes, Multiple cinemas, cinema dimensional and seat simulators and to carry on business etc.

The objects of the Resulting company are to carry on the business of Calcinators of any metallic and non-metallic substances including petroleum coke and needle coke in India and elsewhere and for that purpose, carry on the business of importers, exporters, manufacturers, refiners, processors and etc.

Considering the fact that the share holders had filed the affidavits expressing their consent for the scheme of arrangement by approving the scheme, the meeting of the share holders' of both the Demerged and Resulting companies were dispensed with on 30.06.2016 in C.A.Nos.907 & 908 of 2016. On 27.07.2016, this Court, in the instant company petitions, ordered notice to the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad. The petitioners were directed to cause publication of notice of scheme of arrangement in Business Standard (English) and Andhra Bhoomi (Telugu) daily newspapers of Hyderabad editions. The petitioners submit that notices on the statutory authorities were served and the advertisement was published in the newspapers on 02.08.2016. On 23.09.2016, the Central Government had filed a common report in both the petitions. Necessary proofs as required were filed before this Court evidencing the above aspects.

When the matters are taken up for hearing, the learned counsel for the petitioners has reiterated the contents in the petitions. No objections were received from any quarter. There was a compliance of the convening of the share holders meeting and all other interested parties and there being no objections received from any quarter and the petitioners have satisfied the required parameters as noticed by the Supreme Court in **MIHEER H.MAFATLAL V. MAFATLAL INDUSTRIES LIMITED**[1].

Learned counsel appearing for the statutory authorities have reported no objections for the proposed scheme of arrangement.

I have considered the material available on record, the principles of law enunciated by the Apex Court in ***Miheer H.Mafatlal's*** case (1 supra) and the conclusions/ recommendations of the statutory authorities through their reports.

The Scheme of Arrangement involves Transfer of Trading Division of Demerged Company/ Rain Entertainments into Rain Enterprises/Resulting Company.

Having regard to the above material/reports, this Court is of the opinion that the proposed scheme of arrangement is in conformity with the provisions of the Act. The scheme does not affect the interest of stakeholders and the public or public interest and is intended to further develop the business interests of Demerged and Resulting companies for more profit and maximum utilization of available resources. Therefore, the scheme of arrangement in the meeting of Board of Directors of Demerged and Resulting companies held on 10.06.2016 are sanctioned with effect from the date appointed i.e., 01.04.2015. The Demerged and the Resulting companies are directed to communicate the certified copy of this order to the Registrar of Companies for the State of Telangana and the State of Andhra Pradesh, Hyderabad within 30 days from the date of receipt of a copy of this order. They are further directed to take all consequential and statutory steps

[1] 1996(87) Company Cases 792,

required in pursuance of the approved scheme of arrangement under the provisions of the Act.

Both the Company Petitions are allowed accordingly.

CHALLA KODANDA RAM,J

Date:28.09.2016.
Gk.

HON'BLE SRI JUSTICE CHALLA KODANDA RAM

<u>COMPANY PETITION Nos.267 & 268 OF 2016</u>

Date:28.09.2016.

Gk.