**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

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**Company Petition No.165 of 2016 (O&M)**
**Date of Decision: 13.12.2016**

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**<u>IN THE MATTER OF:</u>**

THE SCHEME OF ARRANGEMENT

**1. HB STOCKHOLDINGS LIMITED**

…Demerged Company No.1/Petitioner Company No. 1

*AND*

**2. HB PORTFOLIO LIMITED**

…Resulting Company No. 1/Demerged Company No. 2/Petitioner Company No. 2

*AND*

**3. HB ESTATE DEVELOPERS LIMITED**

… Resulting Company No. 2/Petitioner Company No. 3

**CORAM: HON'BLE MR. JUSTICE RAKESH KUMAR JAIN.**

Present:- Mr. Vikas Mohan Gupta, Advocate with
Mr. Sandeep Bhuraria, Advocate and
Ms. Sonal Datta, Advocate for the petitioner Companies.

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**RAKESH KUMAR JAIN, J.**

Meetings of the Equity Shareholders of the Demerged Company No. 1/Petitioner Company No. 1, Resulting Company No. 1/Demerged Company No. 2/Petitioner Company No. 2 and Resulting Company No. 2/Petitioner Company No. 3, Secured Creditors and Unsecured Creditors of the Resulting Company No. 2 / Petitioner Company No. 3 have been held. Separate reports of the Chairman appointed for the meetings of the Equity

Shareholders of the Demerged Company No. 1/Petitioner Company No. 1, Resulting Company No. 1/Demerged Company No. 2/Petitioner Company No. 2 and Resulting Company No. 2/Petitioner Company No. 3, Secured Creditors and Unsecured Creditors of the Resulting Company No. 2 / Petitioner Company No. 3, dated 8.12.2016, 12.12.2016, 12.12.2016, 12.12.2016, 12.12.2016 are taken on record.

The report of the Chairman appointed for the meeting of the Equity Shareholders of Demerged Company No.1/Petitioner Company No.1 says that the meeting was attended personally by 80 Equity Shareholders and Proxies by 46 Equity Shareholders entitled together to ₹14,29,89,090/- of Equity Share Capital. It is also submitted that out of 126 Shareholders present, only 113 Equity Shareholders cast their votes and the votes of Shareholders mentioned at Sr. No.10, 31, 32, 34, 35, 52, 55, 64, 66 (2 ballot papers) were declared as invalid. It is further submitted that out of 80 Equity Shareholders, who have attended the meeting personally, 8 Equity Shareholders did not cast their votes and votes of 9 Equity Shareholders were declared invalid. Therefore, 63 Equity Shareholders holding total share equity amounting to ₹12,36,29,750/- in value cast their votes, out of which 3 Equity Shareholders, who were present in person, holding 97 shares amounting to ₹970/- cast their votes against the Scheme. However, 46 Equity Shareholders were present through proxy, out of which 5 did not cast their votes and rest 41 Equity Shareholder casted their votes in favour of the Scheme. Hence, the Composite Scheme of Arrangement was approved by 99.99% attending and voting.

The report of the Chairman appointed for the meeting of the Equity Shareholders of Resulting Company No.1/Demerged Company

No.2/Petitioner Company No.2 says that out of 115 Shareholders present, only 105 Equity Shareholders have casted their votes. 74 Equity Shareholders were present in person out of which 8 Equity Shareholders did not cast votes, two votes were declared invalid. Hence, 64 Equity Shareholders, who were present in person casted their votes in favour of the Scheme. 41 Equity Shareholders cast their votes through proxies out of which 2 Equity Shareholders did not cast their votes. Hence, the Composite Scheme of Arrangement was approved by 100% attending and voting.

The report of the Chairman appointed for the meeting of the Equity Shareholders of Resulting Company No.2/Petitioner Company No.3 says that the meeting was attended by total 114 Equity Shareholders i.e.70 Equity Shareholders by personally and 44 Equity Shareholders through proxies. It is further submitted that out of 114 Equity Shareholders present, who signed and submitted their attendance slip, only 96 Equity Shareholders cast their votes. It is also submitted that 5 Equity Shareholders present in person at the meeting, together holding 79 shares amounting to ₹790/- in total value, cast their votes against the Scheme. 2 ballot papers were declared invalid and 2 additional ballot papers representing total 75 shares cast in favour of the Scheme. Hence, the Composite Scheme of Arrangement was approved by majority in number and 99.99% in value of the Equity Shareholders present and voting.

The report of the Chairman appointed for the meeting of the Secured Creditors of Resulting Company No.2/Petitioner Company No.3 says that there is only 1 (One) Secured Creditor, who was present at the time of meeting and voted in favour of the Composite Scheme of Arrangement.

Hence, the Composite Scheme of Arrangement was approved by 100% attending and voting.

Similarly the report of the Chairman appointed for the meeting of the Unsecured Creditors of Resulting Company No.2/Petitioner Company No.3 says that the meeting was attended personally by 11 Unsecured Creditors and proxies by 14 Unsecured Creditors entitled together to ₹149,01,57,518 of debt. It is also submitted that 24 ballot papers of Unsecured Creditors are in favour of the Scheme and 1 vote, cast through proxy by Unsecured Creditor, namely, 'Preferred Food Circles (P) Ltd. having debt of ₹9,12,797/-, was declared as invalid in absence of any resolution of the said Unsecured Creditor. Hence, the Composite Scheme of Arrangement was approved by 100% attending and voting.

In view of the above, first motion petition is disposed of with liberty to file the second motion petition.

**(RAKESH KUMAR JAIN)**
**JUDGE**

**13.12.2016**
*Vivek*