

IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH, HYDERABAD

CA(CAA)No.50/230/HDB/2017  
U/S 232 r/w Sec 230 of the Companies Act, 2013

**In the matter of:**

M/s. PBEL Property Development (India) Private Limited  
Having its registered office at  
Plot No. 69 & 70, Opposite Lane to Madhapur Police Station,  
Kavuri Hills, Madhapur, Hyderabad - 500033  
Telangana, India  
Rep. by its Director  
Mr.SomaJagan Mohan Reddy

...Applicant/Demerged Company

AND

M/s. IncorAppa Two Projects Private Limited  
Having registered office at  
H. No: 8-2-700, Srida Anushka Pride,  
4<sup>th</sup> Floor, Road No. 12, Banjara Hills,  
Hyderabad - 500034  
Telangana, India  
Rep. by its Director,  
Mr. Srinivas Metla

CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL

...Applicant/Resulting Company

Date of Order: 18/10/2017



**Coram:**

**Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)**

**Hon'ble Shri Ravikumar Duraisamy, Member (Technical)**

**Parties to the Petition:**

For the Applicants:

Shri A. Venkatesh  
Shri L. Aravind  
Shri Rusheek Reddy K.V

**Per: Ravikumar Duraisamy, Member (Technical)**

**ORDER**

1. M/s. PBEL Property Development (India) Private Limited, is 1<sup>st</sup> Applicant/Demerged Company was incorporated as a private limited company on 2nd February, 2007 in the State of Telangana. The Registered Office of the Demerged Company is situated at Plot No. 69 & 70, Opposite Lane to Madhapur Police Station, Kavuri Hills, Hyderabad – 500033, Telangana, India.
2. M/s. IncorAppa Two Projects Private Limited, is 2<sup>nd</sup> Applicant/Resulting Company was incorporated as a private limited company on 3<sup>rd</sup> March, 2017 in the State of Telangana. The Registered Office of the Resulting Company is situated at H.No. 8-2-700, Srida Anushka Pride, 4<sup>th</sup> Floor, Road No. 12, Banjara Hills, Hyderabad – 500034, Telangana, India.
3. **Brief facts of the Applicants in Scheme of Demerger/Arrangement:**

**A. Details of Applicant/Demerged Company:**

- a) The main objects of the Demerged Company are set out in the Memorandum of Association which are briefly as under:-

To carry on business of builders and contractors for the construction, upgradation, maintenance and repair of roads, bridges, viaducts, buildings, interchangers and other related works. To negotiate and obtain concessions from the appropriate Governments for the rights to build, operate and own or transfer highways, interchangers, viaducts and bridges and any other structures, buildings and services.

- b) At present the Demerged Company is engaged in the business of development and construction of real estate.

- c) The authorized, issued, subscribed and paid-up share capital of the



<b>Authorised Share Capital</b>	<b>Rupees</b>
2,25,00,000 Equity Shares of Rs. 10/- each	22,50,00,000
<b>Total</b>	<b>22,50,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
2,25,00,000 Equity Shares of Rs. 10/- each fully paid up	22,50,00,000
<b>Total</b>	<b>22,50,00,000</b>

**B. Details of Applicant/Resulting Company:**

a) The main objects of the Resulting Company are set out in the Memorandum of Association which are briefly as under:-

To construct, execute, undertake, carryout, run, establish, acquire, maintain, remodel, alter, develop, work, control, manage, take on lease, purchase or acquire, any apartments, residential complexes, commercial complexes, villas, resorts, Information Technology parks, etc. To carry on the business of Infrastructure development in India and abroad and setting up, establishing and operating, infrastructure projects, like civil contracts, landscaping and development of infrastructure for businesses.

b) The Resulting Company is engaged in the business of development and construction of real estate.

c) The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on the date of incorporation i.e. March 3, 2017 is as under:



Authorised Share Capital	Rupees
10,000 Equity Shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>
Issued, Subscribed and Paid-up Share Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>

d) By the proposed scheme, the Demerged Company proposes to transfer the entire business of a project of the Demerged Company located near Telangana State Police Academy (erstwhile Andhra Pradesh Police Academy (APPA)) Hyderabad.

**C. RATIONALE FOR THE PROPOSED SCHEME OF  
DEMERGER/AMALGAMATION:**

The Demerged Company and the Resulting Company are engaged in the similar business and the demerger of the said Undertaking to the Resulting Company would inter alia be expected to have the following benefits:

- The nature of risks and competition involved in relation to each of the on-going projects are different and this arrangement will enable differentiated management approach and focus in relation to the Demerged undertaking to tackle /address the same efficiently/effectively, as appropriate.
- The respective managements of Demerged and Resulting Company believe that this arrangement will provide opportunities for creating strategic partnerships and flexibility of fund raising for future and expansion and to



create a business structure, which is geared to gain benefits from possible growth opportunities.

- c) Each real estate project in the Demerged Company is capable of addressing independent business opportunities attracting different sets of investors, strategic partners, lenders and stake holders.
- d) To enable a dedicated management focus and to accelerate growth of the Demerged Undertaking.
- e) To enable greater levels of decentralized empowerment to enhance competitiveness, increase accountability and strengthen performance culture.
- f) To monetize/unlock value of the Demerged Undertaking, for all the stakeholders.
- g) As an overall point, the scheme will lead to the formation of a dedicated/focused special purpose vehicle i.e., the Resulting Company having greater capacity of monetizing the Hyderabad project and conducting its operations more effectively and competitively.



4. In view of the aforesaid advantages, the Board of Directors of the Demerged Company vide its resolution dated May 5, 2017 approved the Scheme between PBEL Property Development (India) Private Limited and IncoAppa Two Projects Private Limited and their respective shareholders and also approved the Scheme at their meeting held on May 5, 2017.

5. The Demerged Company has issued [330,351,591] CCD, having a face value of Rs. 10/- each aggregating to Rs. 3,303,515,910/- out of which [135,950,000] compulsorily convertible debentures pertain to the Demerged Undertaking.
6. There are 2(two) Equity Shareholders in the Demerged Company and all of them have given their consent to the proposed Scheme by means of affidavits.

7. There are 2(Two) Equity Shareholders in the Resulting Company and all the shareholders have given their consent to the proposed Scheme by means of affidavits.
8. At present there are no Secured Creditors of the Demerged Company and there are 56 (Fifty Six) Unsecured Creditors in the Demerged Company who are interested in the proposed Scheme. 4 (Four) unsecured creditors constituting 99.17% in value of Unsecured Creditors have given their consent to the proposed scheme by means of affidavits.
9. Hence, the Demerged Company prayed the Tribunal to dispense with meeting of the Equity Shareholders, Secured Creditors/Unsecured Creditors as the same is not required.
10. At present, there are no Secured and Unsecured Creditors in the Resulting Company.
11. Hence, the Resulting Company prayed the Tribunal to dispense with meeting of the Equity Shareholders as the same is not required.




12. The Demerged Company submitted a copy of the Resolution passed in its Board of Directors meeting held on 5<sup>th</sup> May, 2017, stating that the Company has approved the Scheme of Demerger/Amalgamation with the requisite majority of shareholders.
13. The Resulting Company submitted a copy of the Resolution passed in its Board of Directors meeting held on 5<sup>th</sup> May, 2017, stating that the Company has got approval from the requisite majority of shareholders.
14. Heard the Learned Counsels for Applicants and have carefully perused all materials on record and the provisions of Companies Act, 2013, with relevant Rules.
15. We have also carefully examined the objects of Scheme of Demerger. The Scheme is initiated for overall benefit of its Shareholders, creditors and all interested parties. The Companies involved have complied with all requisite

conditions as per law, to claim dispensation of conducting meeting of shareholders and Secured/Unsecured Creditors and the Scheme is not against public interest and public policy. Therefore, we are of the considered view that it would not serve any purpose to again order to hold meetings of Shareholders and Creditors. In the interest of ease of doing business, it would be just, proper and expedient to accede the prayer of applicants.

16. In the result, the CA(CAA) No.50/230/HDB/2017 is allowed with following directions:

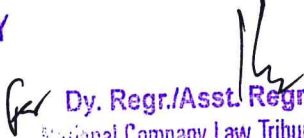
a) Dispensed with Conducting of meetings of Equity Shareholders and Secured/Unsecured Creditors of Demerged/Applicant Company and Equity Shareholders of Resulting Company.

b) The Applicant Companies are directed to communicate this Order to the Registrar of Companies, Hyderabad, Regional Director MCA, Income Tax Department and all other Concerned authorities within three weeks from the date of receipt this order.

  
RAVIKUMAR DURAISAMY  
MEMBER (TECHNICAL)

  
RAJESWARA RAO VITTANALA  
MEMBER (JUDICIAL)

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OF THE ORIGINAL

  
Dy. Regr./Asst. Regr./Court Officer/  
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रतिलि  
CERTIFIED TRUE COPY  
केस संख्या  
CASE NUMBER CAA No: 50/230/HDB/2017  
निर्णय का तारीख  
DATE OF JUDGEMENT 18.10.2017  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON 25.10.2017