Date: 22.11.2019

From:

M/s. Paramount Avenues LLP
&
M/s. Modi Realty Mallapur LLP
5-4-187/3 & 4, M. G. Road
Secunderabad

To

The District Registrar
Hyderabad.

Sir

Sub: - Endorsement of Stamp duty – Regarding

With reference to the above cited, we bring to your kind notice that M/s. Paramount Avenues LLP and M/s. Modi Realty Mallapur LLP, both having its office at 5-4-1873 & 4, 2nd Floor, Soham Mansion, M. G. Road, Secunderabad merged in to One LLP, hence we request to you kindly collect the Stamp duty Applicable on the said merged LLP and endorse the same on Tribunal Order copy.

Please do the needful

Thank you

Yours sincerely

(Authorised Signatory)

22/11/19

OFFICE OF THE
District Registrar
RED HILLS
HYDERABAD. T.S.

IN THE NATIONAL COMPANY LAW TRIBUNAL
Bench: Hyderabad

LLP PETITION CP.No. 167/60-62/HDB/2019

Connected with

LLP Application No.CA (CAA) No.959/60-62/HDB/2018

Sections 60, 62 and other applicable

Provisions of the LLP Act, 2008 read with LLP Rules, 2009

In the matter of Scheme of Amalgamation between

Paramount Avenues LLP

(Transferor LLP)

And

Modi Realty Mallapur LLP

(Transferee LLP)

And

their respective Partners

M/s. Paramount Avenues LLP
A LLP Incorporated under the LLP Act, 2008,
(Bearing LLPIN- AAL-2198)
having its registered office at
5-4-187/3 & 4, Soham Mansion,
II Floor, M.G. Road,
Secunderabad - 500003

... Applicant LLP 1/
Transferor LLP

AND

M/s. Modi Realty Mallapur LLP
A LLP Incorporated under the LLP Act, 2008,
(Bearing LLPIN- AAL-1319)
having its registered office at
5-4-187/3 & 4, Soham Mansion,
II Floor, M.G. Road,
Secunderabad – 500003

... Applicant LLP 2/
Transferee LLP

Date of order: 23.10.2019

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Hon'ble Shri Narender Kumar Bhola, Member (Technical)

Parties / Counsels present:

For Petitioners: Shri Nikhilesh Athreya, Advocate

For Respondent: Shri K. Harish Reddy along with Shri K.V. Raman, Advocates

Heard on: 15.10.2019

Per: Hon'ble Shri Ratakonda Murali, Member (Judicial)

1. The Petitioner LLPs are seeking Sanction of this Tribunal under sections 60-62 of the Limited Liability Partnership Act, 2008 r/w Rule 35 of LLP Rules, 2009 to the Scheme of Amalgamation for merger of Paramount Avenues LLP (Petitioner LLP 1/Transferor LLP) with Modi Realty Mallapur LLP (Petitioner LLP-2/Transferee LLP) and their respective partners. The appointed date of the Scheme is 01.04.2019. The Scheme of Amalgamation is attached and marked as **Annexure-F (page nos. 75-94).**

The averments made in the application are briefly described as under:

(a) **Paramount Avenues LLP (hereinafter referred to as "Paramount"/ "Petitioner LLP 1"/ "Transferor LLP")** is an LLP incorporated on 22nd November, 2017 under the LLP Act, 2008, having its registered office at 5-4-187/3 & 4, Soham Mansion, II Floor, M.G. Road, Secunderabad - 500003. Paramount was originally incorporated as a Private Limited Company under the Companies Act, 1956. Subsequently the company was converted into a LLP and was incorporated as a LLP vide LLPIN – AAL-2198.

(b) **Modi Realty Mallapur LLP (hereinafter referred to as "Modi Realty Mallapur"/ "Applicant LLP 2"/ "Transferee LLP")** is a LLP incorporated on 14th November, 2017 under the LLP Act, 2008. Modi Realty Mallapur is having its registered office at 5-4-187/3 & 4, Soham Mansion, II Floor, M.G. Road, Secunderabad - 500003. The Limited Liability Partnership Identity Number is AAL-1319.

Hereinafter both the LLP(s) are collectively referred as "Petitioner LLP(s)".

3. **The Capital of all the Petitioner LLP(s) is as follows:**

Paramount Avenues LLP

Particulars	Amount (Rs.)
Capital of the Transferor LLP as per LLP Agreement	1,00,000
Total	**1,00,000**

Modi Realty Mallapur LLP

Particulars	Amount (Rs.)
Capital of the Transferee LLP as per LLP Agreement	1,00,000
Total	**1,00,000**

4. **Objects of the Petitioner LLP(s):**

The Petitioner LLP(s) are formed with the object of carrying on the business of constructing, developing residential and commercial real estate properties. A Copy of the Partnership Deed of both the Petitioner LLP(s) is enclosed as **Annexure-C.**

5. **FINANCIAL POSITION OF THE PETITIONER LLP(s):**

The following is the latest financial position of the **Paramount Avenues LLP** -Transferor LLP as on 15th

September, 2018:

Particulars	Amount (in INR)
A) LIABILITIES	
(1) Capital	
(a) Capital	100,000
(b) Current capital	163,877
(2) Reserves & Surplus	**(228,990)**
(3) Current Liabilities	
a) Short Term Borrowings	-
Total	**34,887**
B) ASSETS	
Non-current assets	
(1) Fixed assets	
Tangible assets	-
(2) Current assets	
(a) Short term Loans & Advances	-
(b) Cash and Bank Balances	**37,487**
Total	**37,448**

The following is the latest financial position of the **Modi Realty Mallapur LLP**–Transferee LLP as on 15th September, 2018:

Particulars	Amount (in INR)
A) LIABILITIES	
(1) Capital	
(a) Capital	1,00,000
(b) Current capital	1,46,72,716
(2) Reserves & Surplus	-
(3) Current Liabilities	
a) Short Term Borrowings	-
Total	**1,47,72,716**
B) ASSETS	
Non-current assets	
(1) Fixed assets	
Tangible assets	891
(2) Current assets	
(a) Short term Loans & Advances	36,54,693

(b) Cash and Bank Balances	12,651
(c) Inventory	1,11,04,481
Total	**1,47,72,716**

The Financials as at 31st March, 2018 and 15th September, 2018 of the both Petitioner LLP(s) is enclosed as **Annexure- D** and **Annexure- D1** respectively.

6. BOARD APPROVAL

Both Petitioner LLP(s) are held by the same set of partners and their profit sharing ratio is also the same. The Partners of both the Petitioner LLP(s) have approved the resolution at their meeting held on 15th September, 2018. A Copy of resolution of partners approving the scheme is enclosed as **Annexure- E.**

7. REASONS NECESSITATED FOR SCHEME OF AMALGAMATION:

Paramount Avenues LLP and **Modi Realty Mallapur LLP** were incorporated with the object of engaging in construction and development of real estate projects. Both the LLP(s) are formed by the same set of partners.

The Transferor LLP and Transferee LLP are both envisaging development of a real estate project which is adjacent to each other. Therefore, the proposed amalgamation is expected to bring economies of scale, ease of operations, synergistic benefits, etc. The arrangement will also result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out.

8. BENEFITS OF PROPOSED SCHEME OF AMALGATION

The arrangement will also result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out.

9. **CONSIDERATION**

Upon coming into effect of this Scheme and in consideration of amalgamation of Transferor LLP with the Transferee LLP pursuant to the Scheme, the capital of the Transferor LLP shall stand consolidated with the capital of the Transferee LLP. The increase in capital shall be credited to the capital account of the partner in the Transferor LLP. Upon such consolidation, the profit and loss sharing ratio between the partners shall be determined based on the proportion of post amalgamation capital account balance in each partner's account to the total post amalgamation capital of the Transferee LLP. At the discretion of the partners and with the unanimous consent of all the partners of the Transferee LLP (including partners of Transferor LLP), a new LLP agreement to be entered into to clarify and state the aforementioned capital and profit-sharing criteria.

10. **ACCOUNTING TREATMENT:**

CA Ajay Mehta, Chartered Accountants issued certificate dated 27th February, 2019 confirming that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the accounting standards prescribed. A copy of the said certificate is annexed and marked as Annexure- G.

11. **1st Stage Application**

It is averred in the 1st stage, this Tribunal vide orders passed in CA (CAA) No. 959/60-62/HDB/2018 dispensed with the meetings of Partners and Creditors. Copy of the order is annexed and marked as **Annexure– A.**

12. **REPORTS FROM STATUTORY AUTHORITIES**

It is averred that notices dated 30.03.2019 were issued to Regional Director, SER, RoC, Official Liquidator concerned IT Authorities, as per directions of this Tribunal on 27.03.2019. The publication was also carried out in "Business Standard (English Daily) and "Nava Telangana" (Telugu Daily) Hyderabad Edition on 23.04.2019. Compliance memo is filed on 26.04.2019.

13. The Regional Director, South Eastern Region, MCA, Hyderabad filed his report on 19.08.2019. The observations made by Regional Director, SER at paras 3 to 4, 6 & 9 of his report and reply given by the Petitioner Companies vide reply Affidavit dated 28.08.2019 are given against each.

Observations made by RD	Submissions made by LLP Companies
Vide para 30(a) of RoC report, he has requested this Tribunal to please direct the Petitioner LLPs to preserve its books of accounts and papers and records and shall not be disposed of without the prior permission of the Central Government.	The Petitioner LLPs would comply with the requirement.
Vide para 30 (b) of his report, RoC requested this Tribunal to direct the Petitioner LLPs to ensure statutory compliance of all applicable laws and also on sanctioning of the present scheme the LLpsshall not be absolved for any of its statutory liability in any manner	The Petitioner LLPs would comply with the requirement
At para 4, it is stated that RD has issued letter No.3/ Tel/ CP-167/60-62(LLP) of 2019/ HDB/ RD(SER)/2473 dated 18.07.2019 to the Principal Commissioner of Income Tax, Hyderabad. However till date no	Since statutory period of 30 days has elapsed, the Petitioner LLPs requested the Tribunal to presume that there is no objection from the IT Department.

nnw

report/comments received in this matter.	
Para6: As per clause 2.1.2 of the Scheme it was mentioned that the appointed date means 01.04.2019. This Tribunal has been requested to direct the Petitioner LLPs to file their due statutory returns and other filings pending before all Regulatory Authorities before the Scheme is approved.	The Transferor LLP has filed its tax return for the financial year ended March 2018 on 25.07.2018 and for the financial year ended March 2019 on 17.07.2019. The Transferee LLP filed its tax return for the financial year ended March 2019 on 17.07.2019. Acknowledgement of filing the tax returns are annexed as Annexure-A.
It is observed at Para.7 that Mr Ajay Mehta, CA vide his certificate dated 30.10.2018 certified that both the Petitioner LLPs are not having any secured, Unsecured and Trade creditors as on 15.09.2019. However, MCA master data shows the status of the changes amounting to Rs.7,50,00,000/- each are shown as "open" with respect to both the Petitioner LLPs and requested this Tribunal to direct the Petitioner LLPs to furnish the details of the said charges along with the copies of the consents/NOCs, before the Scheme is approved.	The Petitioner LLPs submit that subsequent to 15.09.2018, Modi Realty Mallapur LLP along with other group entities entered into an agreement with Tata Capital Financial Services Limited for availing a term loan facility of Rs.7.50 crores of which Rs.4.50 crores has been drawn down as on the date. A copy of agreement with Tata Capital Financial Servies Limited is annexed As Annexure-B to the Compliance Memo. It is also stated that Paramount Avenues LLP has not availed any loan from Tata Capital Financial Services Limited and no-objection certificate from Tata Capital Financial Services Limited is annexed as Annexure-C with the memo.

MRW

14. The Assistant Official Liquidator filed report bearing No.OLR.No.37/2019 on 22.08.2019 stating that the Petitioner LLPs were directed to furnish the information along with Books and papers/ Registers as sought for on 09.08.2019 at the time of hearing. Based on the information furnished by the Petitioner LLPs, the Assistant Official Liquidator filed further report on 14.10.2019 stating Official Liquidator prima-facie is of the opinion that the affairs of the Petitioner LLPs appears to have not been conducted in a manner prejudicial to the interests of the partners or to public.

15. It is averred there is no investigation or proceedings pending under the Limited Liability Partnership Act, 2008 against the Petitioner LLPs.

16. The Learned Counsel for the Petitioner LLPs therefore urged this Tribunal to approve the Scheme of Amalgamation.

OBSERVATION

17. We have heard the Learned Counsel appearing for the Petitioner LLPs and perused the material papers on record. The Scheme of Amalgamation appears to be fair and reasonable and is not contrary to public policy and is not violating any of the provisions of law. Further as per Regional Director's and Official Liquidator's report, the LLPs have complied with the directions give therein as stated supra.

18. Further the Scheme is between the Petitioner LLPs and their Partners and accordingly, it is submitted that the Scheme does not adversely affect the rights of the creditors. The Scheme does not contemplate any compromise or arrangement with any secured and unsecured creditors and the Scheme also does not

provide for any variation in the amounts owed or payable to the secured and unsecured creditors nor does the Scheme create any variation in the rights of the secured and unsecured creditors. Therefore, the Scheme does not adversely affect the rights of any creditors.

19. The proposed Scheme is in the interests of the Transfer LLP, Transferee LLP and their respective Partners, employees, creditors and all persons concerned.

20. Further the Learned Counsel for Petitioner LLPs relied on the decision of Hon'ble NCLT Kolkata Bench in CP (LLP) No. 1134/KB/2018 in the matter of Alps Tradecom LLP and Lubstor Tradecom LLP, where under petition filed by LLPs for amalgamation was admitted. We have gone through the decision cited above. It is true, Hon'ble NCLT Kolkata Bench approved the amalgamation of LLPs which is filed under Section 60-62 of LLP Act. Therefore, this Tribunal has jurisdiction to approve the amalgamation of Petitioners/LLPs.

ORDER

After hearing the Counsel for the Petitioner LLPs and after considering the material on record, this Tribunal passed the following order:

(1) While Approving the Scheme, we make it clear that this order should not be construed as an order in anyway granting exemption from payment of Stamp Duty, taxes or any other charges, if any, payable in accordance with law or in respect of any permission/compliance with any other requirement which may be specially required under any law.

(2) The Appointed Date is fixed as 01.04.2019.

(3) The Scheme of Amalgamation as consented by the partners is sanctioned and confirmed so as to be binding on all the members, creditors, employees, concerned statutory and

regulatory authorities and all other stakeholders of the Petitioner LLPs.

(4) Directed the Petitioner LLPs to preserve its books of accounts and papers and records and shall not be disposed of without the prior permission of the Central Government.

(5) Directed the Petitioner LLPs to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme the Petitioner LLPs shall not be absolved for any of its statutory liability in any manner.

(6) Directed the Petitioner LLPs involved in the Scheme, within 30 days after the date of receipt of certified copy of the order, shall cause certified copy to be delivered in Form INC-28 to the Registrar of Companies concerned for registration and on such certified copy being delivered, Registrar of Companies concerned shall take all necessary consequential action in respect of the Petitioner LLPs.

(7) The tax implications, if any, arising out of the scheme is subject to final decision of Concerned Tax Authorities and the decision of the Concerned Tax Authorities shall be binding on the Transferee LLP.

(8) The Transferor LLP shall be dissolved without going through the process of winding up.

(9) Any person shall be at the liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

23.10.19
NARENDER KUMAR BHOLA
MEMBER (TECHNICAL)

RATAKONDA MURALI
MEMBER (JUDICIAL)
23.10.19

Binnu

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

प्रमाणित प्रति
CERTIFIED TRUE COPY (CA(CAA)No. 959/60-62/HDB/2019)
केस संख्या
CASE NUMBER CP(CAA) 107/60-62/HDB/2018
निर्णय का तारीख
DATE OF JUDGEMENT 23/10/19
प्रति तैयार किया गया तारीख
COPY MADE READY ON 24/10/19