

IL&FS to take control of Maytas with 80% stake

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BRINGING down the curtains on Satyam saga, the Company Law Board on Thursday appointed IL&FS group as strategic investor in Maytas Properties, one of the tainted subsidiaries promoted by Ramalinga Raju and family.

IL&FS will hold 80 per cent equity of Maytas. To allow the takeover, the equity share capital of Maytas would be raised from Rs 5 lakh to Rs 25 lakh.

Announcing the decision, the minister of corporate affairs, Salman Khurshid, said, "The verdict has come in huge public interest and all have come together to bring the crisis to a logical end".

According to CLB chairman justice DR Deshmukh's order, IL&FS will mo-

bilise Rs 150 crore to resume work at the stalled projects of Maytas in the next three months. "IL&FS shall complete the Maytas Hill County residential project's phase one within 18 months of its induction as promoter of Maytas," he said.

Khurshid said, "IL&FS will be the new promoter of Maytas. It will reconstruct the board of directors by appointing its four nominees and naming one nominee as chairman,"

According to him, the current directors of Maytas - Rama Raju, the younger son of B Ramalinga Raju, D Gopalkrishna Raju and D Venkata Satya Raju - would exit the firm. CLB also mandates IL&FS to hold at least 40 per cent equity in the company for the next three years.

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IL&FS to recover inter-corporate deposits to Mahindra Satyam

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The order said, "Ved Jain, the nominee director, appointed by the government, shall continue as director in Maytas for a further period of three years."

It further stated that IL&FS would be entitled to recover the inter-corporate deposits provided to Mahindra Satyam Services. The group would also be entitled to introduce further investment in Maytas through co-promoters, capitalists, co-shareholders or any other agency, the CLB order said.

Speaking on status of Raju family members in Maytas, Khurshid said "they will continue to enjoy 20 per cent stake in the new firm".

The infrastructure major brings in Rs 20 lakh of share capital, taking the total to Rs 25 lakh. It would further invest Rs 150 crore in the company over the coming three months, said Ved Jain.

The move comes as a major relief to owners of Maytas Hill County, the firm's only property project. The Rs 1,100 crore project was proposed to have 840 apartments, each priced ab-

ove Rs 50 lakh, and 326 independent bungalows, each priced up to Rs 2.5 crore.

The properties were scheduled to be delivered between June and September 2008, but there has been no progress. As per the CLB order, the project should now be completed in 18 months.

Initially, many companies, with whom Maytas was in talks to induct as a strategic partner, were evaluating its land bank that is under the scanner of the enforcement directorate.

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