

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH
AT HYDERABAD**

CP(CAA)No.85/230/HDB/2017]

U/S 230 to 232 of the Companies Act, 2013

In the matter of

1. Srinivasa Farms Private Limited
Plot No.512, Road No.31, Jubilee Hills,
Hyderabad – 500 033,
Telangana. ... Petitioner/Demerged Company

Vs.

1. Registrar of Companies, Andhra Pradesh & Telangana
2nd Floor, Corporate Bhawan
GSI Post, Tattiannaram, Nagole, Bandlaguda,
Hyderabad – 500 068.
2. Regional Director (South East Region)
3rd Floor, Corporate Bhawan
GSI Post, Tattiannaram, Nagole, Bandlaguda,
Hyderabad – 500 068.
3. Income Tax Authorities,
DCIT, Circle 3(2), 7th Floor,
Signature Towers, Kondapur,
Hyderabad – 500 084.

**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**

... Respondents

Date of Order : 20.09.2017

CORAM:

Hon'ble Rajeswara Rao Vittanala, Member (Judicial)

Parties Present:

Counsel for the Petitioner: Mr. Naresh Kumar Sangam, Advocate

Counsel for the ROC & RD Mr. B. Appa Rao, CGSC

Per: **Rajeswara Rao Vittanala, Member (Judicial)**

ORDER

1. The Company Petition bearing CP(CAA)No.85/230/HDB/2017 is filed by the Petitioner/Demerged Company, U/Ss 230 to 232 and other applicable

provisions of the Companies Act 2013 by seeking the Tribunal the following reliefs:-

- a) To sanction the Scheme of Arrangement involving demerger between Srinivasa Farms Private Limited (Petitioner/Demerged Company) and Samyukta Foods Private Limited (Resulting Company) under Sections 230 to 232 of the Companies Act, 2013 and declare the same to be binding on both the Petitioner Company and the Resulting Company.
- b) Order the copy of Scheme of Arrangement involving Demerger to be made part of this Order.
- c) Liberty be given to the Petitioner to apply to the Tribunal in the above matter for any direction that may be necessary.
- d) All the property, rights and powers of Demerged Business of the Demerged Company be transferred with effect from the Appointed Date without further act or deed to Resulting Company and vest in Resulting Company.
- e) All the debts, liabilities, duties and obligations of Demerged Business of Demerged Company be transferred with effect from the Appointed Date, without further act or deed to Resulting Company and accordingly the same shall, become the debts, liabilities, duties and obligations of Resulting Company.
- f) All proceedings and/or suits and/or appeals now pending by or against Demerged Business of Demerged Company be continued by or against Resulting Company.



2. Brief facts, leading to the filing of present case, are as follows:

A) In respect of Petitioner/Demerged Company:

(a) Srinivasa Farms Private Limited, the Demerged Company, was originally incorporated under the Companies Act, 1956 as a Private Limited Company on 02.06.1983 under the name M/s Srinivasa Poultry and Cattle Feeds Private Limited. The name of the Company subsequently changed to M/S Srinivasa Foods and Feeds Private Limited on 28.03.2001. Later on, the name of the Company changed to M/s Srinivasa Farms Private Limited on 04.09.2014. The Registered Office situated at Plot No.512, Road No.31, Jubilee Hills, Hyderabad – 500 033.

(b) The Authorised share capital of the Petitioner Company is Rs.11,30,00,000/- divided into 98,00,000 equity share of Rs.10/- each and 1,50,000 Redeemable Non-cumulative Preference share of Rs.100/- each. The issued, subscribed and paid up share capital is Rs.2,50,000/- divided into 25,000 Equity Shares of Rs. 10/- each.



(c) The main objects of Company as set out in its Memorandum, in brief, are as follows:

To carry on business in India or Abroad as dealers and producer of poultry feeds, cattle feeds and all kinds of farms whatsoever, to carry on in India and Abroad business a poultry farmers, cow keepers, farmers, millers, tiller, market gardeners and manufacturers of all kind of condensed milk, meats and eggs and preserved provisions of all kinds etc.

(d) The Company is predominantly dealing in manufacturing and sale of poultry feed.

B) In respect of Resulting Company:

(a) Samyukta Foods Private Limited, the Resulting Company herein, was incorporated as a Private Limited Company on 31.12.2015, under the Companies Act, 1956 and having its Registered Office situated at Plot No. 512, Road No.31, Jubilee Hills, Hyderabad, Telangana – 500068.

(b) The present Authorised Share Capital of the Company is Rs.3,20,00,000/- (Rupees Three Crores and Twenty Lakhs only) divided into 1,00,000 Equity Shares of Rs. 10/- each and 31,00,000 Non-convertible Non-cumulative redeemable preference shares of Rs. 10/- each. The issued, subscribed and paid up capital is Rs.3,05,00,000/- (Rupees Three Crores and Five Lakhs only) divided into 50,000 Equity Shares of Rs. 10/- each and 30,00,000 Non-convertible Non-cumulative redeemable preference shares of Rs. 10/- each.

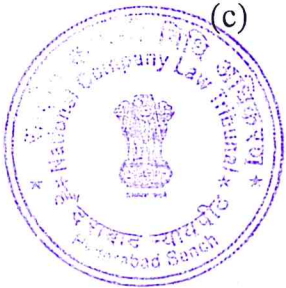
(c) The main objects of Company, as set out in its Memorandum, in brief, are as follows:-

To carry on business in India or Abroad as dealers and producers of poultry feeds, cattle feeds and all kinds of foods and feeds whatsoever, to carry on in India and Abroad business as poultry farmers, cow keepers, farmers, millers, tiller, market gardeners and manufacturers of all kind of condensed milk, meats and eggs and preserved provisions of all kinds etc.

(d) The Company is predominantly dealing in manufacturing and sale of poultry feed.

3. The Petitioner/Demerged Company propose the Scheme of Arrangement for the following reasons:

(i) The Petitioner/Demerged Company undertakes its business in different segments and one among them is feed division and it comprises of Atkur



Plant and Morsapudi Plant. The scheme provides for demerger of Atkur division including operational feed plant along with all the related assets and liabilities of Demerged Company into Resulting Company. The demerger will result in reduction of adverse business synergies and will therefore align both the entities with their long term growth strategy and the scheme will facilitate the Demerged Company to invite strategic partners without any adverse impact on the valuations.

- (ii) The demerger will facilitate an appropriate value creation for the shareholders by enabling to implement the management's business strategy in long term. .
- (iii) The demerger will result in clarity on financial position of each entity separately and will therefore benefit the lender of the respective companies to evaluate and be more certain about the lending.



4. It is further stated that the Board of Directors of Petitioner/Demerged Company in their meeting held on 14.11.2016 approved the Scheme of Arrangement and further vide Board Resolution dated 30.01.2017, ratified the changes that are necessitated in the scheme of Arrangement in the light of commencement of the corresponding provision in respect of compromise, arrangement and amalgamation of the Companies Act, 2013 and incorporating the changes as suggested by the Board of Directors, with the Appointed Date being 01.04.2017, subject to the approval of Hon'ble Tribunal.

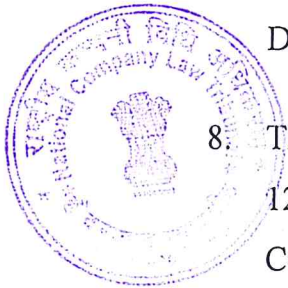
- 5. The following are brief terms of Scheme of Amalgamation:
 - a) The Appointed Date for the purpose of this Scheme is 01.04.2017.
 - b) Upon the Scheme becoming effective, the following assets and liabilities of the Demerged Company on the appointed date will be vested with Resulting Company:-

- i) All the assets and liabilities as stated at scheme schedule to this scheme.
 - ii) All assets, wherever situated, whether movable or immovable, leasehold or freehold land and building, tangible or intangible, including all capital work-in-progress, plant & machinery, equipment including specialised equipment for broadcasting, technical software, patents, trademark, trade name, industrial design, brand, investment and other intellectual property right, vehicle, furniture, fixtures, office equipment, computer installation, electrical appliances, accessories pertaining to the Demerged Business, whether or not listed in the schedule to this scheme a mentioned above.,
 - iii) All liabilities, present and future a may be determined by the Board of Director of the Demerged Company.
 - iv) All deposits and balance with Government, semi-Government, local and other authorities and bodies, including all tax balance or any other balance with any tax authority or statutory body pertaining to the Demerged Business, customer and other person, earnest money and/or security deposit paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Business.
 - v) All permanent employees employed by the Demerged Company pertaining to the Demerged Business, as identified by the Board of Directors of the Demerged Company, as on the effective date.
- c) The remaining business of the Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- d) The Resulting Company is a 100% Holding Company of the Demerged Company wherein the Resulting Company holds the entire share capital of the Demerged Company and hence no share of the Resulting Company



shall be allotted in respect of its holding to the Demerged Company pursuant to demerger, due to the operation of law.

6. It is further stated that the Hon'ble National Company Law Tribunal, Hyderabad Bench by Orders dated 03.04.017 passed in CA(CAA)No.16/230/HDB/2017 has dispensed with convening the meeting of the shareholders, secured creditors and Un-secured creditors of the Petitioner/Demerged Company.
7. The Learned Counsel filed a Memo dated 12.07.2017 stating that as per the directions of the Hon'ble NCLT, Hyderabad Bench, the Petitioner got published the "Notice of Petition" in English Daily (Business Standard – Hyderabad Edition) and Telugu Daily (Namaste Telangana – Hyderabad Edition) on 04.07.2017. He further stated that in pursuant to the Orders dated 20.06.2017 of the Hon'ble Tribunal, notices were also issued to the Registrar of Companies; Regional Director (SER) and Income Tax Department.
8. The Regional Director (SER), Hyderabad has filed an affidavit dated 12.07.2017, by inter-alia reiterated the averments made by the Petitioner Company and stated that the Petitioner Company is regular in filing statutory returns and no complaints, no investigations and no inspections are pending against the Company.
9. Deputy Commissioner of Income Tax, Circle-3(2), Hyderabad vide hi letter dated 17.07.2017 has conveyed their no objection to the scheme of Arrangement.
10. I have perused all the pleadings, Report of the Regional Director (SER), Report of the Deputy Commissioner of Income Tax and also relevant provisions of Companies, 2013. I am convinced that the Petitioner/Demerged Company has complied with all statutory requirements as required under Sections 230 and other relevant provisions of Companies



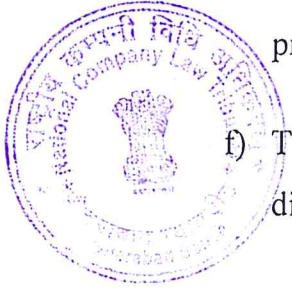
Act, 1956 as detailed supra. The Board of Directors of the Petitioner/Demerged Company at its Board meeting held on 14.11.2016 have duly considered Scheme of Arrangement in question and further vide Board Resolution dated 30.01.2017 ratified the change that the necessitated in the scheme of Arrangement. I am satisfied that the Scheme of Arrangement in question is for bonafide reasons meant for favour of all concerned parties of the Company in question and public in general. It is to be mentioned herein that the Scheme in question is not opposed by any authorities and the Petitioner Company is admittedly following all rules/regulations of Companies Act as stated by Regional Director. Hence, I am of considered view that the Company Petition deserved to be allowed as prayed for.

11. In the result, the CP(CAA)No.85/230/HDB/2017 is allowed with the following directions:-

- a) Sanctioned the Scheme of Arrangement as proposed (which is placed at Page No.60 along with material papers enclosed with the Petition), and it is ordered that the same is binding on all the Equity Shareholders/Members and Creditors (Secured & Unsecured) of the Petitioner/Demerged Company.
- b) The Petitioner Company is directed to take appropriate steps to submit the said scheme to Registrar of Companies within 30 days from the date of receipt of Copy of this order.
- c) The Petitioner Company is directed to issue newspaper publication with respect to approval of scheme of arrangement, in the same newspapers in which previous publications were issued in order to ensure transparency/dissemination of complete information to all concerned parties about the approval granted by the Tribunal for the Scheme as proposed.



- d) The Petitioner Company is further directed to take all consequential and statutory steps required in pursuance of the approved Scheme of Amalgamation under the Provisions of the Act.
- e) Liberty is granted to any party/parties, who are aggrieved by this order, to seek any direction(s) by way of filing miscellaneous application in the present CP.
- f) The Petitioner Company is directed to strictly adhere to the above directions and provisions of Section 230 of the Act.



Sd/-

RAJESWARA RAO VITTANALA
MEMBER (JUDICIAL)

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

प्रमाणित प्रति
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केस नंबर
CASE NUMBER *CPCLAD/1108/2017/20*
निर्णय का तारीख
DATE OF JUDGEMENT *20.9.2017*
प्रति प्रति तैयार करा गया
COPY MADE READY ON *20.9.2017*