

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

CA(CAA)No.78/230/HDB/2017

U/s 230- 232, 52 and 66 of the Companies Act, 2013,  
R/w Rules 3 & 5 of the Companies  
(Compromises, Arrangements and Amalgamations)  
Rules, 2016

**In the matter of**

1. Sentini Bioproducts Private Limited  
having its registered office at Plot No.1229,  
Road No 60, Jubilee Hills, Hyderabad  
Telangana – 500034. .... **Applicant/Demerged/Transferee Company**

2. Sentini Artile Private Limited  
having its registered office at Plot No 1229,  
Road No 60, Jubilee Hills, Hyderabad,  
Telangana – 500034. .... **Applicant/Resulting Company**

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



3. Sentini Beverages Private Limited  
having its Registered office at Plot No 1229,  
Road No 60, Jubilee Hills, Hyderabad,  
Telangana – 500034. .... **Applicant/Transferor Company**

**Date of Order: 10.10.2017**

**CORAM:**

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

Hon'ble Shri Ravikumar Duraisamy, Member (Technical)

**Parties/Counsels present**

For the Petitioner : Shri Vasudeva Rao Devaki, PCS &  
Shri Narender Gandhari, PCS

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

**ORDER**

1. The present Joint Company Application bearing CA(CAA)No. 78/230/HDB/2017 is filed by M/s Sentini Bioproducts Private Limited and others under Sections 230-232, 52 and 66 of the Companies Act, 2013, R/w Rule 3 & 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, by inter-alia, seeking the following reliefs :
  - a) To dispense with the requirement of holding the meeting of the Equity Shareholders of the Demerged Company/Transferee Company since all the Equity Shareholders of the Demerged Company/Transferee Company have given their consent to the Composite Scheme of Arrangement.
  - b) To dispense with the requirement of holding the meeting of the Equity Shareholders of the Resulting Company since both the Equity Shareholders of the Resulting Company have given their consent to the Composite Scheme of Arrangement.
  - c) To dispense with the requirement of holding the meeting of the Equity Shareholders of the Transferor Company since all the Equity Shareholders of the Transferor Company have given their consent to the Composite Scheme of Arrangement.
  - d) To dispense with the requirement of holding the meeting of the Unsecured Creditors of the Resulting Company since both the Unsecured Creditors of the Resulting Company have given their consent to the Composite Scheme of Arrangement.
  - e) Direct that a meeting of Secured Creditor of the Demerged Company/Transferee Company be held on 20.11.2017 at 10.00



AM, at the registered office of the Demerged/Transferee Company situated at Plot No.1229, Road No. 60, Jubilee Hills, Hyderabad, Telangana - 500034, India, for consideration and approval of the proposed Composite Scheme of Arrangement.

- f) Fix the quorum of the aforesaid meeting as 1 (One) Secured Creditor present in person or through proxy or such other number as this Hon'ble Tribunal deems fit.
- g) Appoint a Chairperson and a Scrutinizer for the meeting of the Secured Creditors of the Demerged Company/Transferee Company and to fix the terms of their appointment including remuneration.
- h) Allow voting by the Secured Creditors, in person or by proxy.
- i) Direct that the publication of notice of the meeting of Secured Creditors of the Demerged Company/Transferee Company be carried out in such new papers as this Hon'ble Tribunal deems fit.
- j) Direct the chairperson appointed for convening the meeting of Secured Creditor of the Demerged Company/Transferee Company to file his report on the result of voting of the meeting within such time as this Hon'ble Tribunal deems fit.
- k) Direct the Demerged Company/Transferee Company to serve the notice of the meeting of the Secured Creditor of the Demerged Company / Transferee Company on the following authorities:





- i. The Central Government i.e. the Regional Director.
  - ii. The Registrar of Companies.
  - iii. The Income Tax Department.
  - iv. Such other authorities as may be deemed necessary by this Hon'ble Tribunal at its discretion as contemplated under sub-section 5 of section 230 of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.
- l) Direct that a meeting of Unsecured Creditors of the Demerged Company/Transferee Company be held on 20.11.2017 at 11.00 AM, at the registered office of the Demerged/Transferee Company situated at Plot No. 1229, Road No. 60, Jubilee Hills, Hyderabad, Telangana - 500034, India, for consideration and approval of the proposed Composite Scheme of Arrangement.
- m) Fix the quorum of the aforesaid meeting as 25 (Twenty Five) Unsecured Creditors present in person or through proxy or such other number as this Hon'ble Tribunal deems fit.
- n) Appoint a Chairperson and a Scrutinizer for the meeting of the Unsecured Creditors of the Demerged Company/Transferee Company and to fix the terms of their appointment including remuneration.
- o) Allow voting by the Unsecured Creditors, in person or by proxy.





- p) Direct that the publication of notice of the meeting of Unsecured Creditor of the Demerged/Transferee Company be carried out in such new papers as this Hon'ble Tribunal deems fit.
- q) Direct the chairperson appointed for convening the meeting of Unsecured Creditors of the Demerged Company/Transferee Company to file his report on the result of voting of the meeting within such time as this Hon'ble Tribunal deems fit.
- r) Direct the Demerged Company / Transferee Company to serve the notice of the meeting of the Unsecured Creditors of the Demerged Company / Transferee Company on the following authorities:
- i. The Central Government i.e. the Regional Director.
  - ii. The Registrar of Companies.
  - iii. The Income Tax Department.
  - iv. Such other authorities as may be deemed necessary by this Hon'ble Tribunal at its discretion as contemplated under sub-section 5 of section 230 of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.
- s) Direct that a meeting of Secured Creditor of the Transferor Company be held on 20.11.2017, at 2.00 PM, at the registered office of the Transferor Company situated at Plot No. 1229, Road No. 60, Jubilee Hills, Hyderabad, Telangana - 500034, India, for consideration and approval of the proposed Composite Scheme of Arrangement.
- t) Fix the quorum of the aforesaid meeting as 1 (One) Secured Creditor present in person or through proxy or such other number as this Hon'ble Tribunal deems fit.



- u) Appoint a Chairperson and a Scrutinizer for the meeting of the Secured Creditor of the Transferor Company and to fix the terms of their appointment including remuneration.
- v) Allow voting by the Secured Creditor, in person or by proxy.
- w) Direct that the publication of notice of the meeting of Secured Creditor of the Transferor Company be carried out in such newspapers as this Hon'ble Tribunal deems fit.
- x) Direct the chairperson appointed for convening the meeting of Secured Creditor of the Transferor Company to file his report on the result of voting of the meeting within such time as this Hon'ble Tribunal deems fit.
- y) Direct the Transferor Company to serve the notice of the meeting of the Secured Creditor of the Transferor Company on the following authorities:
  - i. The Central Government i.e. the Regional Director.
  - ii. The Registrar of Companies.
  - iii. The Official Liquidator
  - iv. The Income Tax Department.
  - v. Such other authorities as may be deemed necessary by this Hon'ble Tribunal at its discretion as contemplated under sub-section 5 of section 230 of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.



- z) Direct that a meeting of Unsecured Creditors of the Transferor Company be held on 20.11.2017 at 3.00 PM at the registered office of the Transferor Company situated at Plot No. 1229, Road No. 60, Jubilee Hills, Hyderabad, Telangana - 500034, India, for consideration and approval of the proposed Composite Scheme of Arrangement.
- aa) Fix the quorum of the aforesaid meeting as 10 (Ten) Unsecured Creditors present in person or through proxy or such other number as this Hon'ble Tribunal deems fit.
- bb) Appoint a Chairperson and a Scrutinizer for the meeting of the Unsecured Creditors of the Transferor Company and to fix the terms of their appointment including remuneration.
- cc) Allow voting by the Unsecured Creditors, in person or by proxy.
- dd) Direct that the publication of notice of the meeting of Unsecured Creditors of the Transferor Company be carried out in such newspapers as this Hon'ble Tribunal deems fit.
- ee) Direct the chairperson appointed for convening the meeting of Unsecured Creditors of the Transferor Company to file his report on the result of voting of the meeting within such time as this Hon'ble Tribunal deems fit.
- ff) Direct the Transferor Company to serve the notice of the meeting of the Unsecured Creditors of the Transferor Company on the following authorities:





- i. The Central Government i.e. the Regional Director.
- ii. The Registrar of Companies.
- iii. The Official Liquidator
- iv. The Income Tax Department.
- v. Such other authorities as may be deemed necessary by this Hon'ble Tribunal at its discretion as contemplated under sub-section 5 of section 230 of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.

2. Brief facts, leading to filing of the present joint Application, are as follows:-

- a) M/s "Sentini Bioproducts Private Limited" (SBPL) a Company incorporated as a Private Limited Company in the erstwhile state of Andhra Pradesh (Presently the State of Telangana) under the name and style "Sentini Bioproducts Private Limited" on 22.02.2005 (Twenty Second day of February, Two Thousand Five) under the provisions of Companies Act, 1956, vide Certificate of Incorporation Number 45437 of 2004-05, issued by the Registrar of Companies, Hyderabad, Andhra Pradesh. The present Corporate Identity Number (CIN) of the Company is U05000TG2005PTC045437. The PAN of the Company is AAJCS0609P (hereinafter referred to as the Demerged Company/Transferee Company/SBPL). Its Registered Office is situated at Plot No. 1229, Road No. 60, Jubilee Hills, Hyderabad, Telangana - 500034, India.

- i. The main objects of the Company , in brief are to set up or acquire and to carry on the business of manufacture or production or purchase or sale or distribution either of



their own or as an agent of all kinds of Bioproducts relating to ethanol, extra neutral alcohol, feeds and feed supplements for human, animal, plant and other industrial and commercial purposes etc., to carry on the business of manufacture and producer of fats, feeds ingredients, nutritious medicines, vaccines, minerals, vitamins and other related products for the purpose of mixing in the Animal feeds using bio-technology, relating to any live stocks etc .

- ii. The Authorised, Issued, Subscribed and paid-up share capital of the demerged Company/Transferee Company as on 31.03.2017, is as follows:

Share Capital	Amount in Rs.
<b>Authorized Capital</b>	
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000
<b>Total</b>	<b>20,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>	
1,75,15,000 fully paid up Equity Shares of Rs.10/- each	17,51,50,000
<b>Total</b>	<b>17,51,50,000</b>



- b) M/s Sentini Artile Private Limited, a Company incorporated as a Private Limited Company in the state of Telangana under the name and style "Sentini Artile Private Limited" on 16.07.2014 (Sixteenth day of July, Two Thousand Fourteen) under the provisions of Companies Act, 2013, vide Certificate of Incorporation issued by the Registrar of Companies, Hyderabad, Telangana. The CIN of the Company is U36912TG2014PTC094873. The PAN of the Company is

AAWCS0524Q. (Hereinafter referred to as the “Resulting Company”/“SAPL”). Its Registered Office is situated at Plot No. 1229, Road No. 60, Jubilee Hills, Hyderabad, Telangana - 500034, India.

- i. The main objects, in brief, are to carry on the business as manufacturers, processors, assemblers, dealers, importers, exporters, merchandises, designers, developers, producers, distributors, sellers, contractors, engineers, erectors, fabricators, in all kinds of porcelain, ceramic tiles, sanitary ware, wall panels, floor tiles, tiles with art designs on them, chinaware, glassware, articles of industrial and domestic applications, and other porcelain and allied products, acid resistant and fire resistant refractories, bricks, and tiles and their byproducts including extraction and processing of raw materials required there for and the manufacture of machines and complete range of equipment for the ceramic and allied industries, glazes etc
- ii. The Authorised, Issued, Subscribed and paid-up share capital of the Resulting Company as on 31.03.2017, is as follows:-

Share Capital	Amount in Rs.
<b>Authorized Capital</b>	
1,00,000 Equity Shares of Rs.10/- each	10,00,000
<b>Total</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>	
20,000 fully paid up Equity Shares of Rs.10/- each	2,00,000
<b>Total</b>	<b>2,00,000</b>





c) M/s Sentini Beverages Private Limited a Company incorporated as a Private Limited Company in the erstwhile state of Andhra Pradesh (Presently the state of Telangana) under the name and style "Sentini Beverages Private Limited" on 28.07.2008 (Twenty Eighth day of July, Two Thousand and Eight) under the provisions of Companies Act, 1956, vide Certificate of Incorporation issued by the Registrar of Companies, Hyderabad, Andhra Pradesh. The present Corporate Identity Number (CIN) of the Company is U15540TG2008PTC060320. The PAN of the Company is AAMCS4474R. (Hereinafter referred to as the "Transferor Company"/"SBVPL"). It registered Office is situated at Plot No. 1229, Road No. 60, Jubilee Hills, Hyderabad, Telangana - 500034, India.



- i. The main objects of the Company, in brief, are carry on the business of brewers and malters, distillers, coopers and bottlers, bottle makers, bottle stopper makers, potters, malt factors, corn merchants, wine and spirit merchants, hop merchants and growers, exporters or importers and manufactures of and dealers in beer, ale, porter, stout, wines, spirit, aerated and mineral waters and other drinks, licencedvictuallers, beer house keepers, yeast dealers, grain and produce growers etc.
- ii. The Authorised, Issued, Subscribed and paid-up share capital of the Transferor Company as on 31.03.2017, is as follows:-

Share Capital	Amount in Rs.
Authorized Capital	

30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
<b>Total</b>	<b>3,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>	
10,72,131 fully paid up Equity Shares of Rs.10/- each	1,07,21,310
<b>Total</b>	<b>1,07,21,310</b>

d) The Board of Directors of the Applicant Companies at their respective meetings held on 20.06.2017, have resolved to Demerge the Dairy Undertaking of the Demerged Company / Transferee Company to the Resulting Company and to amalgamate the Transferor Company with the Transferee Company pursuant to a Composite Scheme of Arrangement between Sentini Bioproducts Private Limited (Demerged Company/Transferee Company), Sentini Artile Private Limited (Resulting Company) and Sentini Beverages Private Limited (Transferor Company) and their respective Shareholders and Creditors.

e) The said Composite Scheme of Arrangement between Sentini Bioproducts Private Limited (Demerged Company / Transferee Company) and Sentini Artile Private Limited (Resulting Company) and Sentini Beverages Private Limited (Transferor Company) and their respective Shareholders and Creditors, was approved by the Boards of Directors of all the Applicant Companies with the following objectives:

f) The Composite Scheme of Arrangement is presented under Sections 230-232, 52 and 66 of the Companies Act, 2013 and it provides for Demerger of the Demerged Company / Transferee Company into the Resulting Company and Amalgamation of the Transferor Company in to the Transferee Company



resulting in consolidation of business of three Companies in two entities and thereby strengthening the position of the Resulting and Transferee entities by enabling them to harness and optimize the synergies of equipment and human resources, which is in the best interest of all the Companies and their respective shareholders.

g) The Promoters of the Demerged / Transferee Company, the Resulting Company and the Transferor Company are one and the same. This Composite Scheme of Arrangement is being proposed broadly for the ease of doing businesses by these Companies by demerging the Dairy Undertaking of the Demerged Company in to the Resulting Company thereby leaving the Demerged Company with the business of manufacturing grain based Alcohol i.e. Extra Neutral Alcohol (ENA) and by amalgamating the Transferor Company (which is engaged in the business of bottling of Indian made foreign liquor) in to the Transferee Company.



h) The Demerged / Transferee Company presently has two Undertakings viz. ENA Undertaking as explained above and the Dairy Undertaking. Each of the Businesses of the Demerged Company operates in different business environment and is subject to different rates of profitability, growth opportunities, future prospects and risks.

i) The nature of risk and competition involved in each of these businesses are distinct and consequently nature of considerations, factors and commercial parameters applicable to the business of ENA being different and divergent in nature in comparison to that of Dairy business. With an endeavor to



enhance shareholder value and insulate both the businesses from the risks of each other, it is proposed to reorganize and segregate, by way of Demerger of Dairy Undertaking.

- j) The Demerger of Dairy Undertaking from the Demerged Company to the Resulting Company will facilitate the Demerged Company to focus on its remaining business and transfer of the Dairy Undertaking by way of Demerger to the Resulting Company will enable the Resulting Company to participate vigorously for higher profitably in an increasingly competitive and liberalized market, and results in simplification of the Company's structure and cost efficiency of respective companies and greater revenue inflow would be to the benefit of all the stakeholders of both the Demerged and the Resulting Company.
- k) It is therefore, proposed that the Dairy Undertaking of the Demerged Company be segregated and demerged, pursuant to a Composite Scheme of Arrangement and be transferred to the Resulting Company for achieving independent focus.
- l) The Transferee Company is one of the leading Companies engaged in the manufacturing of ENA and has set up a plant at Gandepalli Village, Kanchikacherla Mandal, Krishna District with a capital outlay of Rs.170 Crore. The Company is having facilities to produce 45000 KL of ENA per year. The Company is also having processing capacity for manufacture of by-products i.e., Animal/Fish/Poultry/Aquatic feed and Carbon dioxide (CO<sub>2</sub>).



- m) The Transferee Company is ideally located in the raw material growing area and for sale and distribution of finished products. The grain ENA produced is being sold to national players Like United Spirits Ltd., Pernod Record India Pvt. Ltd., Radico Khaitan Ltd., Tilak Nagar Industries Ltd., Allied Distillers Pvt. Ltd., Jagajit Industries and many other regional players for the purpose of producing IMFL. The ENA produced by the Company is well accepted among the industry for its consistent good quality, service and competitive pricing.
- n) The merger of Transferor Company will result in forward integration, which will immensely help the Transferee Company in expanding the business presence of the Transferee Company in bottling of IMFL products and provide end-to-end solution for the present ENA business of the Transferee Company at various phases up to commercial scale.
- o) ENA unit with IMFL bottling capacity is generally termed as composite unit in the industry. The businesses being carried on by both companies are synergistic and are complementary to each other. Given the nature of consolidation in the alcohol industry, there is a huge opportunity for the growth of revenue and profitability of the Transferee Company which is expected to further enhance the value for the stakeholders of both the Companies.
- p) Therefore, the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company proposes to consolidate the business operations of Transferor Company into Transferee Company keeping in view the



combined business prospect, tremendous growth potential and the profitability.

- q) The management of Demerged / Transferee Company, the Resulting Company and the Transferor Company proposes to achieve the above pursuant to a Composite Scheme of Arrangement under Sections 230 to 232 read with Sections 52 and 66 the Companies Act, 2013.

3. The restructuring /consolidation will explicitly result in the following advantages:

- I. Consolidation of business of SBVPL under SBPL, post completion of acquisition;
- II. Focused management attention to respective businesses in single entity ; and
- III. Unlocking the value of businesses.



4. The sequence of events contemplated under the Scheme is as under:

- a) Demerger of the Dairy undertaking of the Demerged Company and merging with Resulting Company.
- b) Reduction in the Securities Premium Account of the Demerged Company as a part of Demerger of Demerged Undertaking into Resulting Company.
- c) Consequent issue of equity shares by the Resulting Company to the shareholders of Demerged Company's consideration pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013.
- d) Amalgamation of the Transferor Company into Transferee Company.



- e) Clubbing of Authorized Share Capital of Transferor Company with Transferee Company.
- f) Consequent issue of equity shares by Transferee Company to the shareholders of Transferor Company as consideration pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013.
- g) Dissolution of the Transferor Company without going through the route of Winding up.

5. This Scheme, so far as it relates to the Demerger, has been drawn to comply with the conditions as specified under section 2(19AA) of the Income Tax Act, 1961 such that:

- i. All the assets pertaining to the Dairy undertaking of the Demerged Company, immediately before the Demerger, become the assets of the Resulting Company, by virtue of demerger.
- ii. All the liabilities pertaining to the Dairy undertaking of the Demerged Company, immediately before the Demerger, become the liabilities of the Resulting Company, by virtue of demerger.
- iii. The assets and the liabilities shall be transferred by the Demerged Company to the Resulting Company at the values appearing in the books of account of the Demerged Company immediately before the Demerger.
- iv. The Resulting Company shall issue Equity Shares to the shareholders of the Demerged Company in consideration of the Demerger.
- v. All the shareholders of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger.



vi. The transfer of the Dairy undertaking to the Resulting Company will be on a going concern basis.

6. This Scheme, so far as it relates to the Amalgamation, has been drawn to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:

- i. All the properties of the Transferor Company, immediately before the amalgamation, become the properties of the Transferee Company by virtue of amalgamation.
- ii. All the liabilities of the Transferor Company, immediately before the amalgamation, become the liabilities of the Transferee Company by virtue of amalgamation.
- iii. Shareholders holding not less than nine-tenths in value of the shares in the Transferor Company, become the shareholders of Transferee Company by virtue of amalgamation.
- iv. The transfer of the Transferor Company will be on a going concern basis.



**7. PARTS OF THE SCHEME:**

This Composite Scheme of Arrangement is explained by dividing it into the following parts:

- PART A:** Deals with the Definitions.
- PART B:** Deals with the Demerger of the Dairy Undertaking of Demerged Company into Resulting Company.
- PART C:** Deals with the Amalgamation of the Transferor Company with the Transferee Company.
- PART D:** Deals with General Terms and Conditions.

**8. Reduction in the Securities Premium Account of the Demerged/Transferee Company:-**

Upon sanction of this Scheme by this Hon'ble Tribunal and other appropriate authorities, the Securities Premium Account of the Demerged / Transferee Company will be reduced to the extent of Rs.7,01,73,307/- (Rupees Seven Crores One Lakh Seventy Three Thousand Three Hundred and Seven Only) on account of demerger and transfer of Dairy Undertaking of the Demerged Company to the Resulting Company. The reduction, as specified in this clause, in the Securities Premium Account of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 52 and 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Companies Act, 2013, for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.



**9. COMPLIANCE OF ACCOUNTING STANDARDS**

The accounting treatment proposed at clause 4 and clause 17 of the Composite Scheme of Arrangement between Sentini Bioproducts Private Limited (Demerged Company / Transferee Company) and Sentini Artile Private Limited (Resulting Company) and Sentini Beverages Private Limited (Transferor Company) and their respective Shareholders and Creditors is in conformity with the accounting standards as prescribed under the provisions of Section 133 of the Companies Act, 2013



**10. BOARD RESOLUTIONS OF THE APPLICANT COMPANIES APPROVING THE COMPOSITE SCHEME OF ARRANGEMENT**

The Board of Directors of the Applicant Companies at their respective meetings held on 20.06.2017, approved the Composite Scheme of Arrangement between Sentini Bioproducts Private Limited (Demerged Company / Transferee Company) and Sentini Artile Private Limited (Resulting Company) and Sentini Beverages Private Limited (Transferor Company) and their respective Shareholders and Creditors.

**11. INTEREST OF DIRECTORS IN THE PROPOSED COMPOSITE SCHEME OF ARRANGEMENT**

The Board of Directors of the Applicant Companies have no material interest in the proposed Composite Scheme of Arrangement between Sentini Bioproducts Private Limited (Demerged Company / Transferee Company) and Sentini Artile Private Limited (Resulting Company) and Sentini Beverages Private Limited (Transferor Company) and their respective Shareholders and Creditors, except as shareholders of their respective companies in general.

**12. DECLARATION BY THE APPLICANT COMPANIES**

- a) No petition under Section 241 or 242 of the Companies Act, 2013, has been filed against the Applicant Companies and there has been no material change in the affairs of the Applicant Companies, except for what was done in the normal course of business.
- b) There are no proceedings pending under Section 210 to 227 of Companies Act, 2013, against the Applicant Companies.



### 13. GENERAL

- a) The proposed Composite Scheme of Arrangement between Sentini Bioproducts Private Limited (Demerged Company / Transferee Company) and Sentini Artile Private Limited (Resulting Company) and Sentini Beverages Private Limited (Transferor Company) and their respective Shareholders and Creditors does not have an adverse effect on any of the shareholders / creditors of the Applicant Companies in any manner whatsoever.
- b) It is submitted that the total shareholders in the Demerged Company/Transferee Company as on 31<sup>st</sup> day of March, 2017, are 7 (Seven).

Sl. No.	Name of the equity shareholder	No. of equity shares	Face value Rs.	Total equity capital Rs.	% Of Holding
1.	Sentini Technologies Pvt. Ltd.	51,60,000	10	5,16,00,000	29.46
2.	Mr. T. SeshagiriRao	45,85,000	10	4,58,50,000	26.18
3.	Mr. T. Srinivas	44,15,000	10	4,41,50,000	25.21
4.	Mrs. K. Jaya	19,55,000	10	1,95,50,000	11.16
5.	SeshasumaFinvest Pvt. Ltd.	8,90,000	10	89,00,000	5.08
6.	SentiniSoftecPvt. Ltd.	5,00,000	10	50,00,000	2.85
7.	Mrs. T. Ratnakumari	10,000	10	1,00,000	0.06
	<b>Total</b>	<b>1,75,15,000</b>		<b>17,51,50,000</b>	<b>100.00</b>

- c) It is submitted that all the aforesaid Equity shareholders of the Demerged / Transferee Company have given their consent by way of affidavits to the Composite Scheme of Arrangement.



- d) It is submitted that the total shareholders in the Resulting Company as on 31<sup>st</sup> day of March, 2017 are 2 (two).

Sl. No.	Name of the equity shareholder	No. of equity shares	Face value Rs.	Total equity capitalRs.	% of Holding
1.	Mrs. K. Jaya	10,000	10	1,00,000	50.00
2.	Mr. T. SehsagiriRao	10,000	10	1,00,000	50.00
	<b>Total</b>	<b>20,000</b>		<b>2,00,000</b>	<b>100.00</b>

- e) It is submitted that both the aforesaid Equity shareholders of the Resulting Company have given their consent by way of Affidavits to the Composite Scheme of Arrangement.

- f) It is submitted that the total shareholders / members in the Transferor Company as on 31<sup>st</sup> day of March, 2017 are 4 (four).

Sl. No.	Name of the equity shareholder	No. of equity shares	Face value Rs.	Total equity capitalRs.	% of Holding
1.	SentiniTechnologiesPvt. Ltd.	4,72,000	10	47,20,000	44.02
2.	Mr. T. SehsagiriRao	3,24,750	10	32,47,500	30.30
3.	Mrs. K. Jaya	2,22,750	10	22,27,500	20.77
4.	Mr. T. Srinivas	52,631	10	5,26,310	4.91
	<b>Total</b>	<b>10,72,131</b>		<b>1,07,21,310</b>	<b>100.00</b>

- g) It is submitted that all the aforesaid Equity shareholders of Transferor Company have given their consent by way of Affidavits to the Composite Scheme of Arrangement.

#### 14. CREDITORS OF THE APPLICANT COMPANIES

It is respectfully further submitted that:





The Demerged / Transferee Company has only 1 (One) Secured Creditor i.e. HDFC Bank Limited, as on 31<sup>st</sup> day of March, 2017. The details of the loans obtained from the said secured creditor are as follows:

Sl. No.	Name of the Creditor	Address of the Creditor	Amount Rs.
1.	HDFC Bank – CC A/C	HDFC Bank Limited, Ameerpet Branch, D. No. 7-1-210, 3 <sup>rd</sup> Floor, Burugula, V. C.Complex,Balkampet Road, Ameerpet,Hyderabad – 500 016.	14,76,84,328
2.	HDFC Bank – T L - I	HDFC Bank Limited,Ameerpet Branch, D. No. 7-1-210, 3 <sup>rd</sup> Floor, Burugula, V. C.Complex,Balkampet Road, Ameerpet,Hyderabad – 500 016	25,00,00,000
3.	HDFC Bank – T L – II	HDFC Bank Limited,Ameerpet Branch, D. No. 7-1-210, 3 <sup>rd</sup> Floor, Burugula, V. C.Complex,Balkampet Road, Ameerpet,Hyderabad – 500 016.	12,00,00,000
4.	HDFC Bank – Vehicle Loan	HDFC Bank Limited,Begumpet Branch Door No. 1/10/60/3, Suryodaya Building, Chikoti Gardens, Begumpet, Hyderabad – 500016.	2,31,938
5.	HDFC Bank – Vehicle Loan	HDFC Bank Limited,Begumpet Branch Door No. 1/10/60/3, Suryodaya Building, Chikoti Gardens, Begumpet, Hyderabad – 500016.	6,67,776
6.	HDFC Bank – Vehicle Loan	HDFC Bank Limited,Begumpet Branch Door No. 1/10/60/3, Suryodaya Building, Chikoti Gardens, Begumpet, Hyderabad – 500016.	46,114
<b>Total</b>			<b>51,86,30,156</b>

a) The Demerged Company / Transferee Company has 229 (Two Twenty Nine) Unsecured Creditors including Sundry Creditors for an amount of Rs.31,22,64,967/- (Rupees Thirty One Crores



Twenty Two Lakhs Sixty Four Thousand Nine Hundred and sixty Seven only) as on 31<sup>st</sup> day of March, 2017.

- b) The Resulting Company does not have any Secured Creditors as on 31<sup>st</sup> day of March, 2017.
- c) The Resulting Company has 2 (Two) Unsecured Creditors for an amount of Rs.85,00,000/- (Rupees Eighty Five Lakhs only) as on 31<sup>st</sup> day of March, 2017.

Sl. No.	Name of the Creditor	Address of the Creditor	Amount Rs.
1.	K. Jaya	H. No. 19 -- 139, Panduranga Nagar, Erragadda, Hyderabad, Pin code - 50018	45,00,000
2.	T. Seshagiri Rao	H. No. 19 -- 139, Panduranga Nagar, Erragadda, Hyderabad, Pin code - 50018	40,00,000
<b>Total</b>			<b>85,00,000</b>



- d) It is submitted that both the aforesaid Unsecured Creditors of the Resulting Company have given their consent by way of affidavits to the Composite Scheme of Arrangement.
- e) The Transferor Company has only 1 (One) Secured Creditor i.e. Andhra Bank, as on 31<sup>st</sup> day of March, 2017. The details of the loans obtained from the said secured creditor are as follows:

Sl. No.	Name of the Creditor	Address of the Creditor	Amount Rs.
1.	Andhra Bank	Gudivada Branch, Gudivada, Krishna District, Andhra Pradesh.	67,56,059
2.	Andhra Bank	Jubilee Hills branch, Near Jubilee Check Post, Jubilee Hills branch, Hyderabad -- 500034.	4,71,59,685
<b>Total</b>			<b>5,39,15,744</b>

f) The Transferor Company has 83 (Eighty Three) Unsecured Creditors including Sundry Creditors for an amount of Rs.1,43,41,890/- (Rupees One Crore Forty Three Lakhs Forty One Thousand Eight Hundred and Ninety only) as on 31<sup>st</sup> March, 2017.

15. We have heard Mr. Vasudeva Rao Devaki, Practicing Company Secretary appeared on behalf of the applicants and have carefully perused all material documents placed on record and the provisions of Companies Act, 2013, with relevant Rules.

16. As briefly stated supra, the proposed scheme of Amalgamation is initiated by the Board of Directors for good and sufficient reasons for the benefit of all stake holders of Companies involved in the Scheme in question, and also for the benefit of Companies involved. The proposed scheme contains all precautions so as to protect interests of all parties concerned and all the public interest in general. In any case, stake holders of Companies involved are ultimate masters for approving or not any scheme, however, subject to fulfilment of relevant provisions of Companies Act, 2013 and NCLT Rules, 2016. The scheme prima facie shows it is for the benefit of all shareholder/creditors and all stake holders and provide all safeguards for them. Hence, in the interest of justice, in order to know the views of all concerned parties, before seeking for approval of the scheme in question by the Tribunal, it is necessary to allow the application as prayed for.





15. In view of the above facts and circumstances of the case, and in the interest of justice, we are of the considered view that the Company application deserved to be allowed as prayed for.

16. In the result, the Company Application bearing CA(CAA)No.78/230/HDB/2017 is allowed with the following directions:

i) Ordered to convene meetings of the **Secured Creditors** of the Demerged/Transferee Company i.e. **Sentini Bioproducts Private Limited** to be held on 20.11.2017 at 10 AM at Plot No.1229, Road No.60, Jubilee Hills, Hyderabad, Telangana – 500 034 for consideration and approval of the proposed Composite Scheme of Arrangement.

ii) Ordered to convene meetings of the **Unsecured Creditors** of the Demerged/Transferee Company i.e. **Sentini Bioproducts Private Limited** to be held on 20.11.2017 at 11 AM at Plot No.1229, Road No.60, Jubilee Hills, Hyderabad, Telangana – 500 034 for consideration and approval of the proposed Composite Scheme of Arrangement.

iii) Ordered to convene meetings of the **Secured Creditors** of the Transferor Company i.e. **Sentini Beverages Private Limited** to be held on 20.11.2017 at 2 PM at Plot No.1229, Road No.60, Jubilee Hills, Hyderabad, Telangana – 500 034 for consideration and approval of the proposed Composite Scheme of Arrangement.



- iv) Ordered to convene meetings of the **Secured Creditors** of the Transferor Company i.e. **Sentini Beverages Private Limited** to be held on 20.11.2017 at 3 PM at Plot No.1229, Road No.60, Jubilee Hills, Hyderabad, Telangana – 500 034 for consideration and approval of the proposed Composite Scheme of Arrangement.
- v) Shri K. Sasidhar Kumar, Advocate (Address: Flat No.403, 5<sup>th</sup> Block, Prajay Nivas Phase-2, Mohan Nagar, Kothapet, Hyderabad – 500 035 - Mobile No. 9391152589) as Chairperson for convening and conducting both meetings of the Demerged/Transferee Company i.e. **Sentini Bioproducts Private Limited**.
- vi) Further, Mrs. Isha Sinha, Advocate (Address: Tatva House, Plot No.107A, Road No.72, Jubilee Hills, Hyderabad – 500 033 - Mobile No.7406888858) as Scrutinizer to assist the Chairperson for convening and conducting both meetings of the Demerged/Transferee Company i.e. **Sentini Bioproducts Private Limited**.
- vii) Shri K. Rama Murthy, Advocate (Off & Res. H.No.2-2/7, FCI Colony, Miyapur, Hyderabad – 500049 – Mobile No.9440412810) as Chairperson for convening and conducting both meetings of Transferor Company i.e. **Sentini Beverages Private Limited**.
- viii) Further, B. Jagadish Advocate (Address: H.No.1-56, Hyder Nagar Colony, Manchirevula, Manikonda Post, Hyderabad -89 Mobile No.8074642099) as Scrutinizer to assist the Chairperson



for convening and conducting both meetings of the Transferor Company i.e. **Sentini Beverages Private Limited**.

- ix) The Company is directed, as far as possible, to ensure at least  $\frac{3}{4}$  of value of total equity share capital and total amount of Creditors should express their consent for the Scheme in question, in order to have fair representation about acceptance of it.
- x) The Creditors be permitted to exercise their vote at the meetings either in person or through proxy.
- xi) It is ordered that notices be sent to all creditors involved in the scheme individually at the address registered with the Company, through standard mode of communication exist in the Company, and such notice shall be accompanied by a statement disclosing the details of scheme of Amalgamation in question along with material documents, if any and also inform about the meeting to all concerned Statutory Authorities. It can also be put on Company's website.
- xii) That the advertisement be directed to be published one in English Edition of "Business Standard", Telangana Edition and one in Telugu Edition of "Nava Telangana", Telangana Edition.
- xiii) Ten days' time is granted to the Chairperson of the meetings to file their report in the Registry of this Bench.
- xiv) Fee for each Chairperson is fixed at Rs.50,000/- (Rupees Fifty Thousand only) for each meeting, which is agreed to be paid by the Company.





- xv) Fee for Scrutinizer is fixed at Rs.20,000/- (Rupees Twenty Thousand only) for each meeting which is agreed to be paid by the Company.
- xvi) Dispensed with the meetings of the Equity Shareholders of all the Applicant Companies, as the shareholders have given their consent to the composite Scheme of Arrangement.
- xvii) The Applicant Companies are directed to communicate this order to Registrar of Companies, Hyderabad and all other concerned authorities.
- xviii) The parties who have not given their consent to the Scheme of Amalgamation are at liberty to express their views at the time of filing Company Petition by the Applicant Companies.



Sd/-  
RAVIKUMAR DURAISAMI  
Member (Technical)

Sd/-  
RAJESWARA RAO VITTANALA  
Member (Judicial)

CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL

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

प्रमाणित प्रति  
CERTIFIED TRUE COPY  
केस संख्या  
CASE NUMBER...CA(CAA)No.78/230/HOB/2  
निर्णय का तारीख  
DATE OF JUDGEMENT...10.10.2017  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON...12.10.2017