

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013, SECTIONS 230 TO 232 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
AND

IN THE MATTER OF **SAMYUKTA FOODS PRIVATE LIMITED**

CA(CAA) 17 /230/HDB/2017

Date of order: 03.04.2017

SAMYUKTA FOODS PRIVATE LIMITED
(CIN U01403TG2015PTC102510) is a
Company incorporated under the Companies
Act, 2013, having its registered office at
Plot No. 512, Road No. 31, Jubilee Hills,
Hyderabad 500 033, Telangana, represented
by its Director Mr. C. Suresh Rayudu

.... Applicant / Resulting Company

AND

1. Registrar of Companies, Andhra Pradesh and Telangana
2nd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068, Telangana
2. Official Liquidator,
1st Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068, Telangana
3. Regional Director, South East Region
3rd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068, Telangana
4. Income Tax Officer,
Ward 6 (4), I T Towers, 10-2-3
AC Guards, Masab Tank,
Hyderabad - 500027, Telangana



.... Respondents

Counsel for the Applicants:

Shri Naresh Kumar Sangam

CORAM:**Rajeswara Rao Vittanala, Member (Judicial)****ORDER****(As per Rajeswara Rao Vittanala, Member (J))**

1. The Company Application bearing No. CA(CAA) No.17/230/HDB/2017 is filed by SAMYUKTA FOODS PRIVATE LIMITED (herein after referred to as Resulting Company) under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 by interalia seeking to dispense with convening the meeting of the Shareholders of Applicant/Resulting Company for the purpose of considering the proposed Scheme of Arrangement between Srinivasa Farms Private Limited (Demerged Company) and Samyukta Foods Private Limited (Resulting Company) etc .

2. The brief facts, as mentioned in the Company application, are as under:

a) The Resulting Company viz., Samyukta Foods Private Limited is a Private Limited Company was incorporated under the Companies Act, 2013, in the State of Telangana on 31.12.2015 (Thirty First December Two Thousand Fifteen) vide Corporate Identification No. U01403TG2015PTC102510. Registered Office of the Resulting Company is situated at Plot No. 512, Road No. 31, Jubilee Hills, Hyderabad 500 033 in the State of Telangana.

b) The Present Authorized Share Capital of the Resulting Company is Rs.3,20,00,000/- (Rupees Three Crores Twenty Lakhs only) divided into 1,00,000 (One Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each and 31,00,000 (Thirty One Lakhs) Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each. And Issued, Subscribed and Paid up Share Capital is Rs. 3,05,00,000/- (Rupees Three Crores Five Lakhs only) divided into 50,000 (Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten only) each fully paid-up and 30,00,000 (Thirty lakhs only) Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each fully paid-up.

c) The main objects of Resulting Company, in brief as set out in its Memorandum of Association are 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 or Abroad business as poultry farmers, cow keepers, farmers, millers, tiller, market gardeners and manufacturers of all kinds of condensed milk, meats and eggs and preserved provisions of all kinds etc .

d) The financial summary of Resulting Company as on 31.10.2016 (Provisional) is given below:

| Particulars | Amount Rs. |
|--------------------------------|------------|
| EQUITY AND LIABILITIES: | |

| | |
|----------------------------|--------------------|
| Share Capital | 3,05,00,000 |
| Current Liabilities | |
| Other Current Liabilities | 5,750 |
| TOTAL | 3,05,05,750 |
| ASSETS: | |
| Non-Current Assets | |
| Non-Current Investments | 2,93,25,000 |
| Other Non-Current Assets | 1,62,663 |
| Current Assets | |
| Current Investments | 6,80,681 |
| Cash and Bank Balances | 3,37,406 |
| TOTAL | 3,05,05,750 |

e) The Board of Directors of the Applicant Company vide its resolution dated 14th November, 2016 has approved the Scheme of Arrangement. and further vide Board Resolution dated 30th January, 2017 ratified the changes that are necessitated in the Scheme of Arrangement in the light of commencement of the corresponding provisions in respect of compromises, arrangements and amalgamations of the Companies Act, 2013 and incorporating the changes as suggested by the Board of Directors. The Applicant humbly submits that the said Scheme of Arrangement contemplates the vesting of one of the undertakings of the Demerged Company (viz., Srinivasa Farms Private Limited) to Applicant Company.

f) The following assets and liabilities of the Demerged Company on the Appointed Date will be vested with Resulting Company as detailed in Scheme of Arrangement including the following.

- i. All assets, wherever situated, whether moveable or immovable, leasehold or freehold land & building, tangible or intangible, including all capital work-in-progress, plant & machinery, equipment including specialised equipment for broadcasting, technical software, patents, trademarks, trade names, industrial designs, brands, investments and other Intellectual Property Rights, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories pertaining to the Demerged



Business, whether or not listed in the schedule to this Scheme as mentioned above.

- ii. All liabilities, present and future (including contingent liabilities pertaining to or relatable to the Demerged Business), as may be determined by the Board of Directors of the Demerged Company;
- iii. All rights and all assignments and grants thereof, all permits, registrations, rights (including rights under any agreement, contracts, applications, letters of intent, etc.), benefits of all licenses, contracts/ agreement, memorandum of understanding (including but not limited to contracts/ agreement with vendors, customers, government, etc.), approvals, regulatory approvals, entitlements, goodwill, investments, cash balances, bank balances, bank accounts, receivables, loans and advances, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, inventory, rights to use and avail of telephones, telexes, facsimile, internet connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Business;
- iv. All deposits and balances with Government, Semi-Government, local and other authorities and bodies, including all tax balances or any other balances with any tax authority or statutory body pertaining to the Demerged Business, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Business;
- v. All books, records, files, papers, directly or indirectly relating to the Demerged Business;
- vi. Any other asset / liability which is deemed to be pertaining to the Demerged Business by the Board of the Demerged Company but excluding any of the foregoing relating to the remaining business of the Demerged Company; and



- vii. 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.
- g) The Rationale and benefits of the scheme has been clearly mentioned in the Scheme in question. The demerger will result in reduction of adverse business synergies and will therefore align both the entities with their long term growth strategy. The Board of Directors of the Demerged Company and the Resulting Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of both the Demerged Company and the Resulting Company. The demerger will result in clarity on financial position of each entity separately and will therefore benefit the lenders of the respective companies to evaluate and be more certain about the lending.
- h) The Scheme in question has duly taken care of all interest of all staff, workmen and employees of the Demerged Company pertaining to the Demerged Business in service on the Appointed Date shall be deemed to have become staff and employees of Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Resulting Company shall not be less favourable than those applicable to them with reference to their employment in the Demerged Company. Resulting Company shall not vary the terms and conditions of employment of any of the employees of Demerged Company pertaining to the Demerged Business except in the ordinary course of business.
- i) 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.
- j) It is further declared that Directors of the Applicant / Resulting Company have no material interest in the proposed Scheme of Arrangement except as shareholders in general. 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. Since the entire equity



share capital of the Demerged Company is held by the Resulting Company and its nominees, no shares 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.

k) The total number of members are 10 (ten) comprising of 9 (nine) Equity shareholders and 1 (one) Preference shareholder, as given below:

| Sl. No. | Name of the Member (Equity) | No. Shares | Percentage of holding |
|---------|-----------------------------|--------------|-----------------------|
| 1 | C.Jagapati Rao | 9904 | 19.81% |
| 2 | C.Mangayamma | 3630 | 7.26% |
| 3 | C. Suresh Rayudu | 25991 | 51.98% |
| 4 | Dr. K. Somi Reddy | 2650 | 5.30% |
| 5 | C. Anuradha | 2338 | 4.68% |
| 6 | Dr T.Krishna Reddy | 1369 | 2.74% |
| 7 | T. Vanaja | 1558 | 3.12% |
| 8 | C.Jahnavi | 500 | 1.00% |
| 9 | T. Satish Kumar | 2060 | 4.12% |
| | Total | 50000 | 100.00 |

| Sl. No. | Name of the Member (Preference) | No. Shares | Percentage of holding |
|---------|---------------------------------|------------|-----------------------|
| 1 | Srinivasa Hatcheries Limited | 3000000 | 100.00% |

The Affidavits of members agreeing to the Scheme for vesting of the whole of the undertaking of the Demerged Company to the Applicant Company as mentioned in the Scheme has been obtained from all the members of the Applicant Company/Resulting Company. Accordingly, it is submitted that this Hon'ble Tribunal be pleased to give necessary directions for dispensing with the meeting of members.

a. **Details of Secured and Un-Secured Creditors:**

(I) **Secured Creditors**

As per the Unaudited Financial Statements as at 31.10.2016, the Resulting Company has no Secured Creditors. As on 31.10.2016 the Company has total unsecured creditors to the tune of Rs 5,750/- which has been repaid as on date of this application. The Accounting Treatment proposed in the Scheme of Arrangement is in conformity with the accounting standards prescribed under section 133 (Copy of the certificate issued by the Auditor of the Company



3. I have heard Shri Naresh Kumar Sangam, learned counsel for Applicant and carefully perused all the documents and relevant provisions of Companies Act, 2013. I am convinced that the applicant (Resulting) Company has fulfilled all statutory requirements as mentioned above to grant dispensation of convening the meeting of Shareholders Applicant Company/Resulting Company for the purpose of considering the proposed Scheme of Arrangement.
4. In the result, Company Application bearing CA(CAA/17/230/HDB/2017, is disposed by dispensing with convening the meetings of the Shareholders Applicant/Resulting Company for the purpose of considering the proposed Scheme of Arrangement between Srinivasa Farms Private Limited (Demerged Company) and Samyukta Foods Private Limited (Resulting Company).



Sd/-
Rajeswara Rao Vittanala, Member(J)

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