

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

C. P. No. 75/14/HDB/2017

U/s 14(1) of the Companies Act, 2013

In the matter of

Sudha Modern Dal Mills Limited  
Flat No.116, Block-A, Majestic Mansion,  
Begumpet, Hyderabad – 500 016.

... Petitioner

and

The Registrar of Companies, Hyderabad  
for Andhra Pradesh and Telangana,  
2<sup>nd</sup> Floor, Corporate Bhawan,  
Bandla Guda, Nagole, Hyderabad – 500 068.

CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL

.... Respondent

Order Delivered on: 18.10.2017

**CORAM:**

Hon'ble Mr. Rajeswara Rao Vittanala, Member (Judicial)

Hon'ble Mr. Ravikumar Duraisamy, Member (Technical)

**Parties Present:**

Counsel for the Petitioner: Mr. T. Sriram, Practicing Company Secretary

Counsel for the Respondent: None appeared for the Respondents.

**Per: Ravikumar Duraisamy, Member (Technical)**

**ORDER**

1. The Company Petition bearing CP.No.75/14/HDB/2017 is filed by Sudha Modern Dal Mills Limited (hereinafter referred to as 'the Petitioner Company') under Section 14(1) of the Companies Act, 2013 by inter-alia seeking to convert the Company from 'Public Limited' to 'Private Limited' and consequently the name of the company be changed from



“Sudha Modern Dal Mills Limited” to “Sudha Modern Dal Mills Private Limited” by inserting the word “Private” before the word “Limited”.

2. The above Petition came up for hearing before this Tribunal on 02.06.2017; 15.06.2017; 29.06.2017; 29.07.2017; 11.08.2017 and finally on 15.09.2017.

3. Brief facts of case as submitted are as under:-

a) The Petitioner Company was incorporated as a Public Company limited by Shares on 24.11.1981 under the Companies Act, 1956, with Corporate Identity Number (CIN) U15311TG1981PLC003283. The Authorized, issued, subscribed and Paid-up Share Capital of the Company as on 31.03.2016 is Rs.27,00,000/- divided into 27,000 equity shares of Rs.100/- each. The Company is an Unlisted Public Company. The registered office of the Company is situated at Flat No.116, Block-A, Majestic Mansion, Begumpet, Hyderabad – 500 016.

b) The main objects of the Company as per its Memorandum of Association is to carry on the business of millers in all the branches and to set up mills for milling wheat, gram, other grains and cereals, dal, basin, maida, atta, sujee and other allied products, and to manufacture any by-products, and to manufacture food products; such as biscuits, flakes, dalia and confectionary from flours of all kinds and description and to set up factories or mills for manufacture thereof, etc.

c) The Company was formed to carry on the business as a joint venture with The Andhra Pradesh State Civil Supplies Corporation Limited, a Government Company. However, due to changes in the Government policy, the venture could not materialize and the Joint Venture



Agreement was terminated by mutual consent. Due to paucity of funds the plant could not be set up fully to commence manufacturing operations and no business was carried on. The accumulated losses were funded from time to time through loans from promoters, their relatives and other associates. Further, the shares of the Company are closely held by promoters and their relatives and at present there are only 8 (eight) shareholders. Since the Company is not having any public interest and since it is proposed to keep it that way in order to have more flexibility, to avail the privileges available to a private company under the law and to reduce the cost of regulatory compliances, a proposal was made to convert the company into a private limited company.

- d) The Board of Directors of the Petitioner Company in its meeting held on 12.10.2016 proposed and approved to convert the Company to a Private Limited Company subject to requisite approvals from Members and the Hon'ble Tribunal.



Subsequently, the Members of the Company in their EOGM held on 04.11.2016 approved the proposal of conversion from Public Limited to a Private Limited Company, by way of a Special Resolution and the same was filed in Form No.MGT-14 with the Registrar of Companies. All the 8 (eight) members participated in the EOGM and voted in favour of the resolution.

- f) The proposed conversion of the Company would not have any adverse effect on any of the shareholders, creditors or any other related parties of the Company.
- g) The Directors of the Company filed an Affidavit dated 13.03.2017 stating that as on 11.03.2017 there are (two) unsecured loans from Directors amounting to Rs.1,83,884/- and Individual notices have been issued to them. The unsecured creditors vide their letter dated

15.02.2017 conveyed their no objection for conversion of the Company into a private limited company.

h) The petitioner Company further filed an Affidavit dated 12.09.2017, stating that the Petitioner Company has published an advertisement in newspapers in accordance with NCLT Rules, 2016 with regard to conversion of Public Limited Company to Private Limited Company one in English in "Business Standard" on 29.08.2017 and one in vernacular language i.e. Telugu in "Nava Telangana" on 29.08.2017. It is further stated that the Petitioner Company and Counsel for the Petitioner Company has not received any objections opposing the conversion of company to private limited

4. The Registrar of Companies, vide his letter No.ROCH/Legal/Sec14/3283/SMDM/STACK/2017/1288 dated 14.09.2017 while affirming the averments of Petitioner Company in the Petition has further submitted that the Company has filed E-form GNL-2 for submission of documents with ROC vide SRN G38065066.

5. Heard, Mr. T. Sriram, Practicing Company Secretary and authorized representative for the Petitioner Company, perused the material papers placed on record and also the Report of the Registrar of Companies, Hyderabad furnished vide his letter dated 14.09.2017.

6. We are of the considered view that the Petitioner Company has fulfilled all the conditions as prescribed under Section 14(1) of the Companies Act, 2013 read with Rule 68 of the NCLT Rules, 2016. Hence, prayer of the Petitioner Company deserved to be allowed in the interest of justice and good governance.



7. In the result, the Company Petition bearing No.75/14/DHB/2017 is allowed with the following directions:-

- a) Approved the conversion of Petitioner Company into a Private Limited Company and that the name of the Company be changed from "Sudha Modern Dal Mills Limited" to "Sudha Modern Dal Mills Private Limited".
- b) Directed the Petitioner Company to comply with requirements of all the provisions of Section 14 of the Companies Act, 2013 and if any default in complying with the same, the Company and every officer who is in default shall be liable to a penalty as per Section 15 of the Companies Act, 2013.

8. No order as to costs.



*Sd/-*  
**Ravikumar Duraisamy**  
Member (Technical)

*Sd/-*  
**Rajeswara Rao Vittanala**  
Member (Judicial)

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OF THE ORIGINAL

*[Signature]*  
for Dy. Regr./Asst. Regr./Court Officer/  
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति  
CERTIFIED TRUE COPY  
केस संख्या  
CASE NUMBER. *C.P.No.75/14/DHB/2017*  
निर्णय का तारीख  
DATE OF JUDGEMENT. *18.10.2017*  
प्रति तैयार किया गया तारीख  
MADE READY ON. *25.10.2017*