

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

C.P. No. 139/14/HDB/2017  
Under Section 14 of the Companies Act, 2013  
R/w Rule 68 of the NCLT Rules, 2016

**In the matter of**

Hetro Spinners Limited,  
Regd Office: D. No. 3-28-18/165,  
5<sup>th</sup> Line, Rajendra Nagar,  
Guntur-522 006, Andhra Pradesh  
(Represented by its Director,  
Mr. PosaniVenkatpaiah)

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

... Petitioner

**Versus**

The Registrar of Companies, Andhra Pradesh and Telangana,  
2<sup>nd</sup> Floor, Corporate Bhawan.  
GSI Post, TattiannaramNagole, Bandlaguda,  
Hyderabad-500068, Telangana

... Respondent

Date of Order: 23.10.2017

**CORAM:**

Hon'ble Shri. Rajeswara Rao Vittalana, Member (Judicial)

Hon'ble Shri Ravikumar Duraisamy, Member (Technical)

**Parties / Counsels present:**

For the Petitioner: Shri M.B. Suneel, Practicing  
Company Secretary

Per: Rajeswara Rao Vittalana, Member (Judicial)



## ORDER

1. The Company Petition bearing CP No.139/14/HDB /2017 is filed by M/s Hetro Spinners Limited (Petitioner) under Section 14 of the Companies Act, 2013, R/w Rule 68 of the NCLT Rules, 2016, by inter-alia, seeking to approve for conversion of the Public Limited Company into Private Limited Company and also to approve new set of Articles of Association, as per Special Resolution as passed at the Extra-ordinary General Meeting held on 27.02.2017.
2. Brief facts, leading to the filing of present petition, are as follows :
  - (a) Hetro Spinners Limited (Petitioner) was incorporated on 21.08.2009 under Companies Act, 1956 which was originally incorporated as Sai Manasa Spintex (India) Limited and subsequently it was changed to Hetro Spinners Limited.
  - (b) Its Authorized Share capital is Rs. 14,00,00,000/- divided into 1,40,00,000/- Equity Shares of Rs. 10/- each. The present paid up capital is Rs. 13,40,18,000/- divided into 1,34,01,800 Equity Shares of Rs.10/- each.
  - (c) The main objects of the Petitioner Company are to carry on the business of ginning, pressing, spinning, packing, weaving etc. and importing and exporting of other fibrous substances of cloth and all kinds textile.
  - (d) It is stated that there is no involvement of public in the shareholding or management of the Company and thus, the Company can convert the status of the Company into Private Limited Company to avoid



several formalities, which would help the management to carry out its functions efficiently and economically. It is further stated that by proposed conversion it would not change its liabilities, obligations towards anybody. Accordingly, at the Board Meeting held on 01.02.2017 has decided to convert the Petitioner Company into a Private Limited Company within the Meaning of Section 2(68) of the Companies Act, 2013 and also approved the proposal for alteration of the Articles of Association of the Company.

- (e) It is further stated that as on date of Extra-Ordinary General Meeting held on 27.02.2017, 35 shareholders were holding 1,34,01,800 Equity shares of Rs. 10/- each and out of 35 share holders, 11 shareholders holding 1,07,92,200 shares amounting to 80.53% of the total paid up capital of the Company were present at the meeting. All the shareholders, who are present at the meeting have voted in favour of the resolution and thus, the shareholders holding 80.53% of the total paid up share capital of the Company have approved the Special Resolution.
- (f) It is further submitted that the Petitioner Company have not received any objections from any person for conversion of the Petitioner Company from Public Limited Company to Private Limited Company.
- (g) The Petitioner Company has duly filed Form MGT-14 with Registrar of Companies, AP and Telangana, after passing special Resolution in EGM held on 27.02.2017.





- (h) It is submitted that the reason for conversion of the Company into Private Limited Company is, it has very small number of shareholders and company is in no need of more funding from capital, and it would serve the interest of shareholders and stakeholders. The Board of Directors have felt that the shareholders of the Petitioner Company consist of promoters and their relatives and thus, conversion of the same into Private Limited, the Petitioner Company can enjoy the benefits and exemptions available to Private Companies.
- (i) The proposed conversion from Public Limited Company to Private Limited Company would be in the interest of the Petitioner and shareholders and no one would be prejudiced and will not be against the interest of the creditors of the Company.

3. The case was listed for hearing on various dates viz. 08.08.2017, 08.09.2017, 05.10.2017, 16.10.2017 and today.
4. Heard Shri M.B. Suneel, Learned PCS for the Petitioner Company and, submits that as per the directions of the Tribunal on 08.08.2017, the Petitioner has got published the notice in Business Standard (English Daily) and Andhra Bhoomi (Telugu Daily) on 22.08.2017, and also issued notice to the RoC and Regional Director on 23.08.2017 and also further issued notice to Creditors of the Company on 26.08.2017.
5. The Registrar of Companies, Hyderabad, vide their letter no.ROCH/LEGAL/SEC14/4809/DHL/STACK/2017/1659 dated 10.10.2017 has submitted that the Petitioner



Company has filed E-Form GNL-2 vide SRN G51824399 on 06.09.2017, by inter-alia confirming material averments made in the Company Petition, has further stated that the Company is up to the date in filing its returns up to 2016.

6. On perusal of the pleadings of the Petition, report of RoC as stated above, we are convinced that the proposed conversion is for the benefit of the Company and other stake holders. Moreover, the proposed conversion is duly approved by the shareholders as per the Special Resolution passed on 27.02.2017 and there are no objections received when public notification was issued about the conversion of the Company. The Company is also stated to be duly following all the extant provisions of the Company Law as stated by the RoC. Therefore, the Petitioner is entitled for the relief as prayed for.

7. In view of the facts and circumstances explained above, the Company Petition bearing CP No.139/14/HDB/2017 is allowed with following directions:-

- (i) Approved for the conversion of Company to Private Limited Company, i.e. name to be changed from Hetro Spinners Limited to Hetro Spinners Private Limited and also approved the proposed change of Articles of Association as applicable to the Private Companies, as per Resolution passed on 27.02.2017 at an EGM;
- (ii) The Petitioner Company is directed to issue notification in the same newspapers intimating the public that the Company has been changed from



Public Limited to Private Limited and also communicate to all the statutory authorities in accordance with law;

- (iii) Carry out all changes to effect the change of Company from "Public Limited" to "Private Limited" in all the documents of the Company, within a period of four weeks from the date of receipt of copy of the order.

Sd/-

RAVIKUMAR DURAISAMY  
MEMBER (TECHNICAL)

Sd/-

RAJESWARA RAO VITTANALA  
MEMBER (JUDICIAL)

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OF THE ORIGINAL

*ll*  
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. 139/14/HDB/2017  
निर्णय का तारीख  
DATE OF JUDGEMENT 23-10-2017  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON 7-11-2017