

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

CP No. 51/14/HDB/2017

U/S 14 of Companies Act, 2013 R/w
Rule 68 of the NCLT Rules 2016

In the matter of

Srinivasa Hatcheries Limited
Plot No.512, Road No. 31
Jubilee Hills, Hyderabad – 500033

...Applicant / Petitioner

Versus

Registrar of Companies
Andhra Pradesh &Telangana
2nd Floor, Corporate Bhawan
GSI Post, TattiannaramNagole
Bandlaguda, Hyderabad-500068

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OF THE ORIGINAL**

...Respondent

Date of order: 19.07.2017

CORAM:

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

Parties Present

Shri Naresh Kumar Sangam, Advocate for the Applicant/Petitioner

Shri Murali Manohar V.K., Company Secretary

Per: Rajeswara Rao Vittanala, Member (Judicial)



ORDER

1. The present Company Petition bearing CP No. 51/14/HDB/2017 is filed by Srinivasa Hatcheries Limited (Applicant / Petitioner) by seeking a direction to approve the conversion of Public Limited Company to Private Limited Company as per Special Resolution passed at the Extra Ordinary General Meeting held on 10.02.2017, and permit them to amend the Articles of Association of the Company in accordance with the Special Resolution passed on 10.02.2017.
2. Brief facts, as mentioned in the said Company Petition, are as follows:-
 - (a) Srinivasa Hatcheries Limited, the Petitioner herein, was originally incorporated on 08.05.1978 under the provisions of the Companies Act, 1956. Its registered office is situated at Plot No. 512, Road No. 31, Jubilee Hills, Hyderabad – 500033, Telangana. It was originally incorporated as private company and subsequently converted into Public Limited Company on 26.10.1994.
 - (b) The main objects of the Petitioner Company, as set out in its Memorandum of Association, are to carry on the business of poultry farmers and producers of agricultural products cow keepers dairy farm, etc, to carry on all or any of the businesses of wholesale and retail businesses of all kinds of poultry, meat, vegetables, sheep, cattle, pigs and other live and dead stock meat, sausages, poultry and such other live-stock etc.

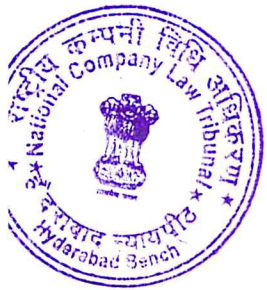


(c) The Authorized Share capital of the Petitioner Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (one crore) equity shares of Rs.10/- (Rupees Ten only) each. The present paid up capital is Rs. 9,26,20,030 divided into 92,62,003 equity shares of Rs. 10/- each fully paid up.

3. Heard Shri Naresh Kumar Sangam, Learned Counsel for the Petitioner and also carefully perused all pleadings along with material papers filed in their support. He submitted that in pursuant to the direction of this Tribunal on 16.10.2017, newspaper notification is published in Business Standard and Namasthe Telangana on 30.06.2017, about the pendency of present Company Petition for conversion of the Company. He has also sent notice to the Registrar of Companies and Creditors. He further submitted that as per procedure of the Company Law, he has filed in GNL-2 and enclosing a copy of the memo to the Petitioner, informing the filing on 12.07.2017. In pursuant to the paper notification, they have not received any objections. Hence, all the facts and details clearly shows that the Petitioner Company has followed all the requisite procedure prescribed in the Companies Act for conversion of the Company in question. Further, the Resolution passed in the Extra – Ordinary General Meeting on 10.02.2017, clearly shows there is a bonafide reason for the process of conversion of the Company into Private Limited Company.



4. It is submitted that with an intention to make the Company privately / closely held, so that the controlling group could gain increased operational flexibility to support the company's business needs, the Company resorted to voluntary delisting of its shares from the Bombay Stock Exchange in June 2015 in pursuance of the SEBI (Delisting of Equity Shares) Regulations, 2009.
5. It is humbly submitted that though the Company's shares were delisted from the stock exchanges, the number of public shareholders of the Company remained at over 1450 and hence the Company could not convert itself into Private Limited Company.
6. It is stated that the Petitioner Company has cancelled and extinguished the shares held by 1450 shareholders in public category under the provisions of Reduction of Capital as per Section 100 to 104 of the Companies Act, 1956 and in pursuance of the Confirmation of Hon'ble High Court at Hyderabad vide its Order dated 30.11.2016.
7. It is further stated that consequent to the Delisting of its shares and the subsequent Reduction of Capital, the remaining shares in the Company are entirely held by only 21 shareholders in the Promoter Category.
8. It is submitted that the Petitioner Company in its Board Meeting held on 30.01.2017, 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 approved the proposal for alteration of the Articles of Association of the Company.

9. The Conversion of the Company from Public Limited Company into Private Limited Company would be in the interest of the Petitioner and its Shareholders. No one would be prejudiced by the proposed alterations and will not be against the interest of the creditors of the Company. It is further stated that the proposed conversion will not have any effect on shareholders, creditors, employees and other related parties of the Company. The Shareholders will be benefited from the conversion as the conversion would help the Company with more flexibility and time to concentrate on its core business as the private company is required to observe fewer compliances as compared to Public Limited Company.

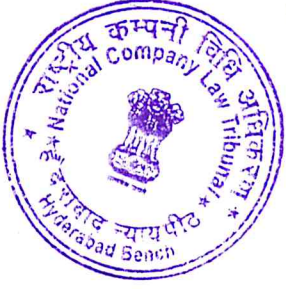


The Registrar of Companies has filed a report bearing No. ROCH / Legal /Sec.14/002297/SHL/STACK/2017 dated 18.07.2017 by inter-alia stating that all material averments made in the Petition are correct and also state that company is up to date in filing AR/BS up to 2016. So, petition can be considered as per merits.

10. In view of the above facts and circumstances, I am satisfied that the Petitioner Company has followed all requisite procedure, as per company law for conversion of the Company and thus, deserves to be allowed with following directions:-
- (a) Approved conversion of Public Limited Company into Private Limited Company by changing name of the Company from Srinivasa Hatcheries Limited to Srinivasa

Hatcheries Private Limited, as per Special Resolution passed at the Extra-ordinary General Meeting held on 10.02.2017.

- (b) Approved to amend the Articles of Association of the Company in accordance with the Special Resolution passed on 10.02.2017.



Sd/-
Rajeswara Rao Vittanala
Member (J)

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V. Annapoorna
V. ANNAPOORNA
Asst. DIRECTOR
NCLT, HYDERABAD.

प्रमाणित प्रति
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केस संख्या
CASE NUMBER...P.No-57/14/HDB/2017
निर्णय का तारीख
DATE OF JUDGEMENT...19-7-2017
प्रति तैयार किया गया तारीख
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