HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

COMPANY PETITION Nos.137 and 138 of 2015

Date:24.06.2015

COMPANY PETITION No.137 of 2015

Between:
M/s Srinivasa Ferro Alloys Limited,
Visakhapatnam, reptd by its Director-
Pericherla Venkata Ramani

……Petitioner/
Transferor Company

AND

COMPANY PETITION No.138 of 2015

Between:
M/s Vamsi Agrotech Private Limited,
Visakhapatnam, reptd by its Director-
Pericherla Venkata Ramani

……Petitioner/
Transferee Company

Counsel for the petitioners: Sri V.S.Raju

The Court made the following:

HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

COMPANY PETITION Nos.137 and 138 of 2015

COMMON ORDER:

Company Petition No.137 of 2015 is filed by M/s Srinivasa Ferro Alloys Limited (transferor Company) and Company Petition No.138 of 2015 is filed by M/s Vamsi Agrotech Private Limited (Transferee Company) for sanction of the proposed scheme of arrangement between them, which involves transfer of Holdings and Investments Division of the transferor company into the transferee company.

In Company Petition No.137 of 2015, the petitioner averred that it was incorporated under the Act on 23.02.1988 under the name and style of M/s Srinivasa Ferro Alloys Private Limited and later, it was converted into Public Limited Company under fresh certificate of incorporation, dated 30.03.1992; that its authorized share capital as on 31.03.2014 is Rs.6 crores divided into 60,00,000 equity shares of Rs.10/- each; that its issued, subscribed and paid up capital is Rs.3,55,66,000/- divided into 35,56,600 equity shares of Rs.10/- each; that its main objects are to install and erect necessary plants to produce and to carry out in India and elsewhere trade or business in Ferro Alloys, particularly Ferro Silicon, High Carbon Ferro Chrome and other by-products thereof including Ferro manganese, Silicon Carbide, Calcium Carbide, Ferro Silicon Magnesium, Ferro Silicon Magnesium Titanium, Ferro Silicon Strontium, Ferro Silicon Zirconium, Ferro Aluminum, pig iron and steel, etc; that by resolution, dated 01.12.2014, its Board of Directors has approved the proposed scheme of arrangement; and that the appointed date is 01.04.2014.

The petitioner has filed Company Application No.1538 of 2014 seeking appointment of Chairperson for holding the meetings of its equity shareholders and unsecured creditors for considering the proposed scheme of arrangement. This Court by order, dated 24.12.2014, has allowed the said Company Application and appointed two Chairpersons to convene the meetings of the equity share holders and unsecured creditors of the transferor company and directed them to file their respective reports.

Sri I.Koti Reddy, Advocate, who convened the meeting of the equity share holders of the transferor company, filed his report, dated 13.02.2015, wherein it is *inter alia* stated that 8 share holders in person and 15 shareholders through their proxies have attended the meeting and all of them voted in favour of the proposed scheme of arrangement.

Sri S.V.Ramana, Advocate, who convened the meeting of the unsecured creditors of the transferor company, filed his report, dated 13.02.2015, wherein it is *inter alia* stated that 7 unsecured creditors in person and 13 unsecured creditors through their proxies have attended the meeting and all of them voted in favour of the proposed scheme of arrangement.

In Company Petition No.138 of 2015, the petitioner averred that it was incorporated under the Act on 09.09.2008; that its authorized share capital as on 31.03.2014 is Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each; that its issued, subscribed and paid up capital is Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each; that its main objects are to carry on the business of farming, agriculture, tissue culture, cultivation and sericulture in all their respective forms and branches including commercial plantations and social forestry, poultries, live stocks, aquaculture, animal husbandries and to grow, produce, manufacture, process, prepare, refine, extract, pulverize, manipulate, hydrolyze, deodorize, grind, bleach, hydrogenate, buy, sell or otherwise deal in all kinds of agricultural products, oil seeds, plants, flowers, vegetables, fruits, foods and food products of every description and to deal, trade, import and export of every agricultural and allied products, etc; and that by resolution, dated 01.12.2014, its Board of Directors has approved the proposed scheme of arrangement (filed as Annexure-A8).

The petitioner further averred that it has two shareholders and both of them have given their No objection affidavits (filed as Annexure-A6) and that it has two unsecured loan holders, who have given their consent letters (filed as Annexure-A7) to the proposed scheme of arrangement.

The petitioner has filed Company Application No.1539 of 2014 for dispensing with the holding of meeting of its shareholders for considering the proposed scheme of arrangement. This Court by order, dated 24.12.2014, has allowed the said Company Application.

This Court by separate orders, dated 30.04.2015, in Company Petition Nos.137 and 138 of 2015 ordered notice to the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad. Advertisement was also ordered to be published in two daily newspapers, *viz*., 'The New Indian Express" (English) and 'Andhra Bhoomi' (Telugu) of Visakhapatnam main editions having circulation in the State of Andhra Pradesh. In Company Petition Nos.137 and 138 of 2015, the respective petitioners have filed proof of publication through memos, dated 08.06.2015, vide USR.Nos.2258 and 2259 of 2015 respectively and no objections are stated to have been received.

In response to the notice, the Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad has filed his common report, dated 22.06.2015.

In his common report, the Regional Director has *inter alia* stated that in pursuance of General Circular No.1 of 2014, dated 15.01.2014, issued by the Ministry of Corporate Affairs, New Delhi, comments from the Income Tax Department were invited by him, vide letter, dated 15.05.2015, and that no comments/objections from the Income Tax Department have been received in response to the said notice. In paragraph-5 of his report, the Regional Director has referred to the history of delisting of the transferor company and the latter's letter, dated 19.06.2015, addressed to him, wherein it has referred to de-recognition by itself with the Hyderabad Stock Exchange and Delhi Stock Exchange and its delisting from Bombay Stock Exchange caused due to technical reasons. Except making a reference to these aspects, no specific objection has been raised by the Regional Director to the proposed scheme of arrangement.

The Regional Director has further stated that the transferor and the transferee companies are regular in filing the statutory returns and that no complaints, no inspection and no investigation are pending against both the companies.

Having regard to the report of the Regional Director and as no objections/claims have been received in pursuance of the advertisement for approving the proposed scheme of arrangement, this Court is of the opinion that the proposed scheme of arrangement is in conformity with the provisions of the Act and the same does not in any manner affect the interests of any of the stake holders including the public.

Therefore, the proposed scheme of arrangement is sanctioned with effect from the appointed date i.e., 01.04.2014. The petitioners shall, within 30 days from the date of receipt of a copy of this order, cause a certified copy of the same to be delivered to the Registrar of Companies for the State of Telangana and the State of Andhra Pradesh, Hyderabad and take all other consequential actions in pursuance of the approval of the scheme of arrangement.

The Company Petitions are, accordingly, allowed.

JUSTICE C.V.NAGARJUNA REDDY

24th June, 2015
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