IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH:
AT HYDERABAD
(ORIGINAL JURISDICTION)

COMPANY APPLICATION No. 1874 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 and 394 of the said Act
And
In the matter of M/s. Avanti Feeds Limited
And
In the matter of M/s. Avanti Thai Aqua Feeds Private Limited
And
Their Respective Shareholders

M/s. Avanti Feeds Limited
A Company Incorporated
under the Companies Act, 1956 having
its registered office at G-2,
Concorde Apartments, 6-3-658,
Somajiguda, Hyderabad – 500082
Represented by its Joint Managing Director
Sri. C. Ramachandra Rao.

... Applicant/
Transferee Company

NOTICE CONVENING MEETING

To,

The Members of

M/s. Avanti Feeds Limited,

Take notice that by an order made on the 14th December, 2011 the Hon'ble High Court of Andhra Pradesh at Hyderabad has directed that the meeting of the shareholders of M/s. Avanti Feeds Limited, be held at Surana Hall, Federation House, FAPPCI, FAPPCI Marg, Red Hills, Hyderabad – 500 004, on Saturday the 21st day of January, 2012 at 11.00 AM for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed scheme of amalgamation of M/s. Avanti Thai Aqua Feeds Private Limited with M/s. Avanti Feeds Limited and their Respective Shareholders.

Take further notice that in pursuance of the said order, the meeting of the shareholders of the above transferee company will be held at Surana Hall, Federation House, FAPPCI, FAPPCI Marg, Red Hills, Hyderabad – 500 004, on Saturday the 21st day of January, 2012 at 11.00 AM at which time and place the said shareholders are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or your authorized representative is deposited at the registered office of the transferee company at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad – 500082, not later than 48 hours before the meeting.

The Hon'ble High Court of Andhra Pradesh, Hyderabad has appointed Sri. Kancharlapalli Siva Rama Prasad, Advocate to be the Chairman of the said meeting.

A copy of the statement under section 393 of the Companies Act, 1956 the Scheme of Amalgamation and a form of proxy are enclosed.

Place : Hyderabad,

Date : 19.12.2011.

Sri Kancharlapalli Siva Rama Prasad
Advocate
Chairman appointed for the meeting.
Address: #6-1-132/80-A, Padmarao Nagar,
Secunderabad – 500 061.

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A Company incorporated
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its registered office at G-2,
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Somajiguda, Hyderabad – 500082
Represented by its Joint Managing Director
Sri. C. Ramachandra Rao.

... Applicant/
Transferee Company

STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1.0 The accompanying notice has been sent for convening meeting of the shareholders of M/s. Avanti Feeds Limited for the purpose of considering and, if thought fit, approving with or without modifications, the proposed scheme of amalgamation of M/s. Avanti Thai Aqua Feeds Private Limited with M/s. Avanti Feeds Limited and their Respective Shareholders.

2.0 The circumstances which justify and / or necessitate the said Scheme of Amalgamation, inter alia, as follows:-

2.1 that both the Transferor and the Transferee Companies are engaged in the business of Shrimp Feed manufacturing etc.

2.2 That the Transferee is presently selling Shrimp Feed in the West Cost Region with a 35% market share in that region.

2.3 That pursuant to the amalgamation, the same brand and marketing arrangement will cater to the market without disturbing the existing market. The total shrimp feed requirement in India has increased significantly due to the introduction of new shrimp spices called Vannamei in addition to the

2.4 That the stocking density of Vannamei spices per square meter of water spread is as much as three to four times of the Black Tiger spices resulting in significant increase in demand for feed. Correspondingly there is increase in demand for Shrimp Feed in the East Coast region and the Transferee Company's two plants in Andhra Pradesh are unable to meet the requirements fully.

2.5 That the proposed amalgamation would enable the Transferee Company to utilize Transferor Company's surplus plant capacity to cater to the demands of the East Coast region after meeting the demand of West Coast Region.

2.6 That further it would help in consolidation of the existing line of business, as both the companies are engaged in the same line of business and also provide advantages of large scale operations in respect of raw material procurement and other operational issues.

2.7 That the proposed amalgamation would also help in pooling of the financial, managerial, technical, and marketing resources of the respective companies to improve efficiency.

2.8 Therefore, in view of the above advantages, it has been decided to amalgamate the Transferor Company with the Transferee Company which will be not only beneficial to its shareholders but also to the employees and its stakeholders.

3.0 The details of financial position of the "AFL" / Transferee Company and "ATAFPL / Transferor Company as per their audited Balance Sheets as at 31st March, 2011 are as under:-

3.1 "AFL" / Transferee Company:

SOURCES OF FUNDS:	(In Rupees)
Shareholders Funds	
Share Capital	80,000,000
Reserves & Surplus	632,484,880
Loan Funds:	
Secured Loans	435,160,603
Unsecured Loans	83,728,523
	1,231,374,006

APPLICATION OF FUNDS:	
Fixed Assets:	
Gross Block	591,049,504
Less:Depreciation	324,817,647
Net Block	266,231,857
Investments	394,829,790
Deferred Tax Assets	13,175,707
Current Assets, Loans and Advances:	
Interest accrued	1,802,086
Inventories	390,500,921
Cash and Bank Balance	41,000,686
Sundry Debtors	230,077,235
Loans and Advances	112,250,699
	775,631,627
Less: Current Liabilities and Provisions:	218,494,975
Net Current Assets	557,136,652
Total:	1,231,374,006

3.1 "ATAFPL" / Transferor Company:

SOURCES OF FUNDS:	(In Rupees)
Shareholders Funds	
Share Capital	78,396,000
Reserved & Surplus	2,754,683
Secured Loans	37,471,051
Deferred Tax Liability	88,300
	118,710,034
APPLICATION OF FUNDS:	
Fixed Assets:	
Gross Block	1,780,073
Less: Depreciation	151,867
Net Block	1,628,206
Capital Work-in-Progress	101,795,642
Pre-operative expenditure	9,303,177
Current Assets, Loans and Advances:	
Interest accrued	-
Cash and Bank Balance	4,431,782
Loans and Advances	6,176,760
	10,608,542

Less: Current Liabilities and Provisions:	5,241,697
Net Current Assets	5,366,844
Miscellaneous Expenditure (Preliminary Expenditure to the extent not written off or adjusted)	616,165
Total:	118,710,034

4.0 A copy of the Scheme of amalgamation setting out the terms and conditions of the scheme of amalgamation of the transferor company with the transferee company as approved by the Board of Directors of the respective companies in their respective Board Meetings is enclosed herewith.

5.0 The shareholding pattern of pre and post amalgamation of the transferee company is given below:-

a) Pre Shareholding Pattern:

Sl no.	Category of Shareholder	No. of Shareholders	Total No. of Shares	Total Shareholding as a % of total No. of Shares
(A)	**Shareholding of Promoter and Promoter Group**			
1	**INDIAN**			
a	Individuals / Hindu Undivided Family	35	1,329,490	16.62%
b	Bodies Corporate	2	2,487,700	31.10%
c	Sub Total	37	3,817,190	47.71%
2	FOREIGN	0	0	0
	Total shareholding of Promoter and Promoter Group (A)			
(B)	**Public Shareholding**			
1	Institutions			
a	Mutual Funds / UTI	2	4,500	0.06%
b	Financial Institutions / Banks	1	900	0.01%
c	Central Government / State Government(s)	1	500,000	6.25%
d	Foreign Institutional Bodies	2	1,100	0.01%
	Sub Total	6	506500	6.33%
2	Non-Institutions			
a	Bodies Corporate	142	237,275	2.97%
b	Individuals			
c	Individual shareholders holding nominal share capital up to Rs. 1 lakh	3,592	1,156,531	14.46%
d	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	29	964,680	12.06%
e	Foreign Bodies	1	1,199,000	14.99%
f	Clearing Members	19	6,610	0.08%
g	Non Resident Indians	73	112,214	1.40%
	Sub Total	3,856	3,676,310	45.95%
	Total Public shareholding (B)	3,862	4,182,810	52.29%
	Total (A)+(B)	3,899	8,000,000	100.00%
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**			
	Total (A)+(B)+(C)			

b) Post Shareholding Pattern

Sl no.	Category of Shareholder	No. of Shareholders	Total No. of Shares	Total Shareholding as a % of total No. of Shares
(A)	**Shareholding of Promoter and Promoter Group**			
1	**INDIAN**			
a	Individuals / Hindu Undivided Family	35	1,329,490	14.64%
b	Bodies Corporate	2	2,487,700	27.39%
c	Sub Total	37	3,817,190	42.03%
2	**FOREIGN**	0	0	0
	Total shareholding of Promoter and Promoter Group (A)			
(B)	**Public Shareholding**			
1	Institutions			
a	Mutual Funds / UTI	2	4,500	0.05%
b	Financial Institutions / Banks	1	900	0.01%
c	Central Government / State Government(s)	1	500,000	5.50%
d	Foreign Institutional Bodies	2	1,100	0.01%
	Sub Total	6	506500	5.58%
2	Non-Institutions			
a	Bodies Corporate	142	237,275	2.61%
b	Individuals			
c	Individual shareholders holding nominal share capital up to Rs. 1 lakh	3,592	1,156,531	12.73%
d	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	29	964,680	10.62%
e	Foreign Bodies	1	2,282,042	25.12%
f	Clearing Members	19	6,610	0.07%
g	Non Resident Indians	73	112,214	1.24%
	Sub Total	3,856	4,759,352	52.40%
	Total Public shareholding (B)	3,862	5,265,852	57.97%
	Total (A)+(B)	3,899	9,083,042	100.00%
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	0
	Total (A)+(B)+(C)	3,899	9,083,042	100%

6.0 The shares held by the Directors of the transferor and transferee companies, as on date are set out below:-

Sl.No.	Name of the Director	Shares held in ATAFPL/ Transferor Company	Shares held in AFL/ Transferee Company
1.	Alluri Indra Kumar	NIL	4,82,530
2.	C. Ramachandra Rao	NIL	200
3.	N. Ram Prasad	NIL	20,600
4.	K. Ram Mohan Rao	NIL	18,400
5.	B.V. Kumar	NIL	NIL
6.	A.V. Achar	NIL	200

7.	M.S.P. Rao	NIL	NIL
8.	M. Venkateswara Rao	NIL	NIL
9.	Bunluesak Sorajjakit	NIL	NIL
	TOTAL	**NIL**	**521930**

6.1 That none of the Directors of the transferee company have any material interest in the said scheme except as shareholders in general the extent of which will appear from the Register of the Directors' Shareholding maintained by the transferor and the transferee companies.

6.2 Copies of the following documents are open for inspection at the registered office of the Applicant / Transferee Company between 11.00 A. M. to 1.00 P. M. on any working day.

(a) Memorandum and Articles of Association of the Applicant / Transferee company.

(b) Annual Reports and Accounts of the Applicant / Transferee company for the year ended 30.03.2011.

(c) Scheme of Amalgamation of M/s. Avanti Thai Aqua Feeds Private Limited with M/s. Avanti Feeds Limited and their Respective Shareholders.

(d) Registers of Directors, Directors' Shareholding and Members of the applicant company.

(e) Valuation Report dated 3rd September, 2011 given by M/s. SSPA & Co, Chartered Accountants, Mumbai and fairness opinion dated 26th September, 2011 given by M/s. Fortress Capital Management Services Private Limited, Mumbai.

(f) Copy of the order of the Hon'ble High Court of Andhra Pradesh, Hyderabad dated 14th December, 2011.

Place : Hyderabad,

Date : 19.12.2011.

Sri Kancharlapalli Siva Rama Prasad
Advocate
Chairman appointed for the meeting.
Address: #6-1-132/80-A, Padmarao Nagar,
Secunderabad – 500 061.

SCHEME OF AMALGAMATION
OF
AVANTI THAI AQUA FEEDS PRIVATE LIMITED
WITH
AVANTI FEEDS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

This Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act") for the amalgamation of Avanti Thai Aqua Feeds Private Limited ("ATAF" or "the Transferor Company") with Avanti Feeds Limited ("AFL" or "the Transferee Company").

This Scheme of Amalgamation is divided into the following parts:

i) Part I deals with definitions of terms used in the Scheme of Amalgamation and Share Capital of the Transferor Company and the Transferee Company;

ii) Part II deals with amalgamation of the Transferor Company with the Transferee Company;

iii) Part III deals with the issue of equity shares by the Transferee Company;

iv) Part IV deals with the accounting treatment in the books of the Transferee Company;

v) Part V deals with the general terms and conditions applicable to this Scheme of Amalgamation.

PART – I
DEFINITIONS

1. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the meanings respectively assigned to them:

1.1 **"Act"** means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendment thereof for the time being in force.

1.2 **"Appointed Date"** means 1 April, 2011 or any other date as may be determined by the High Court of Judicature of Andhra Pradesh at Hyderabad.

1.3 **"AFL"** or **"the Transferee Company"** means Avanti Feeds Limited, a company incorporated under the Companies Act, 1956 and having its registered office at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad – 500082.

1.4 **"ATAF"** or **"the Transferor Company"** means Avanti Thai Aqua Feeds Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad – 500082.

1.5 **"Board of Directors"** or **"Board"** means the respective Board of Directors of the Transferor Company and Transferee Company, and shall include any Re-structuring Committee constituted by such Board of Directors for the purpose of this Scheme.

1.6 **"Effective Date"** means the date on which the certified copies of the orders of the High Court sanctioning the Scheme is filed with the Registrar of Companies, Andhra Pradesh. Any references in this Scheme to the "date of coming into effect of this Scheme" or

"effectiveness of this Scheme" or "Scheme taking effect" or "Upon the Scheme becoming effective" shall mean the Effective Date.

1.7 **"High Court"** means the High Court of Judicature of Andhra Pradesh at Hyderabad and shall include the National Company Law Tribunal, if applicable.

1.8 **"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the shareholders of the Transferor Company who shall be entitled to receive consideration as per Clause 10 upon the Scheme becoming effective.

1.9 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form submitted to the High Court or any other appropriate authority or with any modification(s) made under Clause 16 of this Scheme.

1.10 **Undertaking of the Transferor Company**" shall mean and include

1.10.1 any and all immovable property, including land, buildings, movable assets including , machinery and equipments, whether leased or otherwise, any and all rights, title, interest, covenant, undertakings, liabilities including continuing rights, title and interest in connection with the immovable properties whether leasehold or otherwise comprised in its business together with all present and future liabilities including contingent liabilities and debts appertaining to its business, as per the records of ATAF;

1.10.2 any other property or assets, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, owned, held, used or otherwise enjoyed by ATFL ;

1.10.3 any and all permits, quotas, rights, approvals, consents, entitlements, licences, approvals obtained from Central/State/Quasi Government/Agencies and in all agreements including MOU entered with Government of Gujarat and all tax reliefs including sales tax deferment benefits if any, tenancies, privileges and benefits of all contracts, agreements and all other rights, whether available as on date or vested in future, including, lease rights, licences, approvals, exemptions, tax benefits, concessions, subsidies and other beneficial interests, powers and facilities of every kind and description of whatsoever nature, appertaining to its business, as per the records of ATAF;

1.10.4 any and all debts, borrowings and liabilities, present or future, whether secured or unsecured, pertaining to the business, as per the records of ATAF;

1.10.5 any and all permanent, temporary daily rated casual, and contractual employees of ATAF engaged in or in relation to its business at their respective offices branches, factories, depots or otherwise at their current terms and conditions as per the records of ATAF;

1.10.6 any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to its business, as per the records of ATAF;

1.10.7 any and all investments including the investments by the transferor company in its current assets, funds, and loans and advances including accrued interest, in connection with or relating to its business, as per the records of ATAF; and

1.10.8 All records, files, papers, documents, process information, computer programs, manuals, data, catalogues, quotations, internal control information / material, technical know how, present and prospective list of customers and suppliers, customer credit information, customer pricing information, books of accounts and other supporting data, documents, invoices etc. and all other records whether in physical or electronic form, pertaining to the business of ATAF.

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or in terms of this Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3 SHARE CAPITAL

3.1 The Share Capital of the Transferor Company as per the latest audited Balance Sheet as on March 31, 2011 is as under:

Particulars	Amount in Rs.
Authorised Share Capital 7,850,000 Equity Shares of Rs. 10/- each	78,500,000
Issued, Subscribed and Paid up Share Capital 7,839,600 Equity Shares of Rs. 10/- each fully paid-up	78,396,000
Total	**78,396,000**

As on the date of the approval of this Scheme by the Board of Directors, there is no change in the authorised, issued, subscribed and paid-up equity share capital of the Transferor Company. Out of the above issued equity shares, 3,994,800 equity shares are held by the Transferee Company.

3.2 The Share Capital of Transferee Company as per the latest audited Balance Sheet as on March 31, 2011 is as under:

Particulars	Amount in Rs.
Authorised Share Capital 8,000,000 Equity Shares of Rs. 10/- each	80,000,000
Issued, Subscribed and Paid-up Share Capital 8,000,000 Equity Shares of Rs. 10/- each fully paid-up	80,000,000
Total	**80,000,000**

As on the date of the approval of this Scheme by the Board of Directors, there is no change in the authorised, issued, subscribed and paid-up equity share capital of the Transferee Company.

PART – II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4 AMALGAMATION OF THE TRANSFEROR COMPANY

4.1.1 With effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company including all its immovable properties (more specifically described in Schedule 1 attached to this scheme) and assets, whether moveable or immoveable , tangible or intangible, balance in bank, cash and other assets of whatsoever nature such as licenses, permits, approvals, obtained from Central/State/Quasi Government/Agencies/Authorities and in all agreements including MOU entered with Government of Gujarat under "Vibrant Gujarat" and all tax reliefs including sales tax deferment benefits if any, tenancies, privileges and benefits of all contracts, agreements and all other rights, whether available as on date or vested in future, including, lease rights, licences, approvals, exemptions, tax benefits, concessions, subsidies and other beneficial interests, powers and facilities of every kind and description of whatsoever nature, privileges and benefits of all contracts, agreements and all other rights letter of intents, permissions, income tax and/or any other statutes, incentives if any and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever, shall, under the provisions of Sections 391 to 394 of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and / or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

4.2 Without prejudice to the generality of Clause 4.1 above, in respect of any of the movable assets of the Transferor Company, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors.

4.3 Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company as on the Appointed Date, and all other liabilities, which may accrue or arise after the Appointed Date up to the Effective Date, but which relates to the period on or up to the day of the Appointed Date shall, pursuant to the provisions of Sections 391 to 394 of the Act and other applicable provisions if any, and pursuant to the orders of the High Court sanctioning this Scheme, and without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in and be assumed by the Transferee Company, so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms

and conditions as were applicable to the Transferor Company by virtue of and in the manner provided in the Scheme.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and the Transferee Company shall not be obliged to create any further or additional security after the Effective Date or otherwise.

5 LEGAL PROCEEDINGS

5.1 If any suit, appeal or other legal proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this Scheme or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

5.2 On and from the effective date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the business of the Transferor Company.

6 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

6.1 Subject to other provisions of the Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, in writings or confirmation or enter into any tripartite agreement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or if becomes necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

6.2 The Transferee Company may, at any time after coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed

to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed to give effect to the provisions of this Scheme.

7 CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

7.1 With effect from the Appointed Date and up to and including the Effective Date:

i) The Transferor Company shall carry on and shall be deemed to have carried on its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the entire business and undertakings for and on account of and in trust for the Transferee Company.

ii) All the profits or income accruing or arising to the Transferor Company and expenditure or losses incurred by the Transferor Company shall, for all purposes, be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferee Company.

iii) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever and all tax claims, credits, dues etc. from any tax department, of the Transferor Company in respect of the profits or activities or operations of its business on or after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

7.2 With effect from the first of the dates of filing of this Scheme with the High Court and upto and including the Effective Date, the Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not venture into / expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.

7.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

7.4 The transfer of the entire business and undertakings of the Transferor Company to the Transferee Company and the continuance of all contracts or proceedings by or against the Transferor Company shall not affect any contracts or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and / or executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.

8 STAFF, WORKMEN AND EMPLOYEES

8.1 Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to the Transferor Company as on the said date.

8.2 It is expressly provided that on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become Trusts / Funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

9 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART – III
ISSUE OF EQUITY SHARES

10 CONSIDERATION

10.1 Upon the Scheme becoming effective, and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further act or deed, issue and allot equity shares to the extent indicated below, to the equity shareholders of the Transferor Company holding fully paid-up shares and whose names appear in the Register of Members of the Transferor Company on the Record Date or his / her / its legal heirs, executors or administrators or as the case may be, successors, in the following proportion viz.:

"For every 71 (Seventy One) equity shares of Rs 10/- each fully paid held by the equity shareholders in the Transferor Company, 20 (Twenty) fully paid up equity shares of Rs 10/- each of the Transferee Company"

Accordingly, 10,83,042 fully paid-up Equity Shares of Rs. 10 (Rupees Ten Only) each of the Transferee Company shall be issued and allotted to the equity shareholders of the Transferor Company in the same proportion as to their shareholding in the Transferor Company. Further any fractions arising on issue of shares as above shall be rounded off to nearest integer; and.

10.2 Notwithstanding the provisions of Clause 10.1 above, such portion of the share capital of the Transferor Company held by the Transferee Company shall stand cancelled upon the Scheme becoming effective without any further application, act or deed and there would be no issuance of shares by the Transferee Company in relation to such shares.

10.3 Upon equity shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Company in accordance with Clause 10.1 above, the share certificates in relation to the shares held by the said shareholders in the Transferor Company shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.

10.4 The equity shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Company in accordance with Clause 10.1 above shall be issued in dematerialized form provided all details relating to the account of those shareholders with the Depository Participant are available with the Transferee Company.

10.5 The equity shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Company in accordance with Clause 10.1 above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company in all respects including dividend.

10.6 The equity shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Company in accordance with Clause 10.1 above shall be listed on all the stock exchanges on which the equity shares of the Transferee Company are listed as on the Effective Date.

10.7 It is clarified that the Transferee Company, for the purpose of issuing the aforesaid shares to the shareholders of the Transferor Company shall not be required to pass a separate Special Resolution under Section 81(1A) of the Act or any other provisions of the Act, and on the shareholders of the Transferee Company giving their consent to the Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to issue aforesaid shares to the shareholders of the Transferor Company as required under Section 81(1A) of the Act.

PART – IV
ACCOUNTING TREATMENT

11 **ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEREE COMPANY**

The Transferee Company shall account for the amalgamation in its books as per "Pooling of Interest" method provided in Accounting Standard – 14 issued by the Institute of Chartered Accountants of India:

11.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall record all the assets and liabilities of the Transferor Company, transferred to and vested in the Transferee Company, at their respective book values.

11.2 Inter-corporate deposits / loans and advances outstanding between the Transferee Company and the Transferor Company inter-se shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

11.3 The identity of reserves of Transferor Company shall be maintained and the same shall be aggregated with the balances of similar reserves in the books of the Transferee Company.

11.4 The investments in the share capital of the Transferor Company appearing in the books of accounts of the Transferee Company shall stand cancelled.

11.5 The difference between the share capital issued by the Transferee Company as per Clause 10 and the amount of share capital of the Transferor Company, after giving effect to Clause 11.1 to 11.4 above, shall be recorded as the Capital Reserve of the Transferee Company.

PART - V
GENERAL TERMS AND CONDITIONS

12 **CHANGE IN AUTHORISED SHARE CAPITAL**

Upon the Scheme being finally effective, the Authorised Capital of Transferor Company will get merged with that of the Transferee Company without payment of additional fees and duties as the said fees have already been paid and the Authorised Capital of the Transferee Company will be increased to that effect by just filing requisite forms. The resolution approving the Scheme shall be deemed to be the approval of increase in the Authorised Share Capital of the Transferee Company under Section 94 and 97 other applicable provisions of the Act. The Clause V of the Memorandum of Association of the Transferee Company relating to the Authorised Share Capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clauses: -

Clause V of the Memorandum of Association of the Company shall be -

"The share capital of the company is Rs. 15,85,00,000 (Rupees Fifteen Crores Eighty Five lacs only) divided into 1,58,50,000 (One Crore Fifty Eight Lacs Fifty Thousand only) Equity shares of Rs.10 (Rupees Ten only) each."

Article 4 of the Articles of Association of the Company shall be -

"The share capital of the company is Rs. 15,85,00,000 (Rupees Fifteen Crores Eighty Five lacs only) divided into 1,58,50,000 (One Crore Fifty Eight Lacs Fifty Thousand only) Equity shares of Rs.10 (Rupees Ten only) each."

13 SCHEME CONDITIONAL ON APPROVAL/ SANCTIONS

The Scheme is conditional upon and subject to:

13.1 Approval by requisite majority of the members of the Transferor Company and the Transferee Company as may be directed by the High Court or any other appropriate authority.

13.2 Certified copies of the orders of the High Court, sanctioning the Scheme being filed with the Registrar of Companies, Andhra Pradesh.

13.3 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

14 WINDING UP OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without going through the process of winding up.

15 APPLICATION TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications / petitions to the High Court or any other appropriate authority under Sections 391 to 394 of the Act and other applicable provisions of the Act for sanctioning this Scheme.

16 MODIFICATIONS/AMENDMENTS TO THE SCHEME

16.1 The Transferor Company and the Transferee Company by their respective Board of Directors may make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.

16.2 The Transferor Company and the Transferee Company by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

Without prejudice to the generality of the foregoing, the Transferor Company and the Transferee Company (through their respective Board of Directors) shall each be at liberty to withdraw this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

17 **EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS**

In the event of any of the said sanctions and approvals referred to in Clause 13 not being obtained and/ or the Scheme not being sanctioned by the High Court, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18 COSTS

The Transferee Company shall bear and pay all costs, charges, expenses, taxes including duties, levies, etc in connection with the Scheme.

Provided however that in the event of the Scheme not becoming effective the Transferor Company shall reimburse the Transferee Company such amount of expenses as may be decided mutually by their respective Board of Directors.

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Schedule– 1

(This Schedule 1 forms an integral part of the Scheme of Amalgamation of M/s. Avanti Thai Aqua Feeds Private Limited with Avanti Feeds Limited.)

List of Immovable Properties pertaining to M/s. Avanti Thai Aqua Feeds Private Limited / Transferor Company

Sl. No	Description of the property	Sale Deed No.	Registering Authority
1	Prawn Feed manufacturing plant located at Village: Balda, Sub-district: Taluk: Pardi, District Valsad, State: Gujarat, Land admeasuring 15782 Sq.Meters in Block No. 498/1 and 501, (8498/1 Sq. Mts. in Block No. 498/1 and 7284 Sq.Mts. in Block No.501, totaling to 15782 sq. meters) Bounded by: North: Road, South: Block No.498 East: Block No. 502 West: Block No.500	3862/2010	S.R.O. Pardi, Dist. Valsad State Gujarat

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH:
AT HYDERABAD
(ORIGINAL JURISDICTION)

COMPANY APPLICATION No. 1874 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 and 394 of the said Act
And
In the matter of M/s. Avanti Feeds Limited
And
In the matter of M/s. Avanti Thai Aqua Feeds Private Limited
And
Their Respective Shareholders

M/s. Avanti Feeds Limited
A Company incorporated
under the Companies Act, 1956 having
its registered office at G-2,
Concorde Apartments, 6-3-658,
Somajiguda, Hyderabad – 500082
Represented by its Joint Managing Director
Sri. C. Ramachandra Rao.

... Applicant/
Transferee Company

FORM OF PROXY

I/we, the undersigned shareholder/s of the above company hereby appoint Mr./Mrs. ..... as my/our proxy, to act for me/our at the meeting of the shareholders to be held at Surana Hall, Federation House, FAPPCI, FAPPCI Marg, Red Hills, Hyderabad – 500 004, on Saturday the 21st day of January, 2012 at 11.00 AM , for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation of M/s. Avanti Thai Aqua Feeds Private Limited with M/s. Avanti Feeds Limited and their Respective Shareholders and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name ..... (herein if for insert "for", if against, insert "against") the said Scheme of Amalgamation either with or without modification(s) as my/our proxy my approve.

Date this day of January, 2012.

Signature : Name :

Address : No. of shares held :

D.P.ID :

Folio ID No. :

(Strike whichever is not applicable).

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(ORIGINAL JURISDICTION)

WEDNESDAY, THE FOURTEENTH DAY OF DECEMBER
TWO THOUSAND AND ELEVEN

PRESENT
THE HON'BLE SRI JUSTICE B.SESHASAYANA REDDY

COMPANY APPLICATION NO : 1874 of 2011

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)
AND
IN THE MATTER OF SECTIONS 391 AND 394 OF THE SAID ACT
AND
IN THE MATTER OF M/S. AVANTI FEEDS LIMITED
AND
IN THE MATTER OF M/S.AVANTI THAI AQUA FEEDS PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

M/s. Avanti Feeds Limited, A Company incorporated under the Companies Act, 1956, having its registered Office at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad - 500082
Represented by its joint Managing Director Sri C.Ramachandra Rao

..... APPLICANT/TRANSFEREE COMPANY

Application under Sections 391 and 394 of the Companies Act, 1956 Read With Rule 9 of the Companies (Court) Rules, 1959, praying that this High Court may be pleased to **issue a direction for publication of the notice, convening the meetings of the equity shareholders and unsecured creditors of the applicant company, appointment of Chairperson.**

This Application coming on for orders upon reading the Judge's Summons and the affidavit dated 29-11-2011 and filed by Mr.C.Ramachandra Rao, Joint Managing Director of the Applicant Company herein, in support of this Application and upon hearing the arguments of Sri V.S.Raju, Advocate for the Applicant.

THE COURT MADE THE FOLLOWING: ORDER

THE HON'BLE SRI JUSTICE B.SESHASAYANA REDDY

Company Application No.1874 of 2011

ORDER:

This Company Application has been taken out by M/s.Avanti Feeds Limited, under Sections 391 and 394 of the Companies Act, 1956, r/w. Rule 9 of the Companies (Court) Rules, 1959, seeking for appointment of a Chairperson to convene the meeting of the shareholders of the applicant Company-M/s.Avanti Feeds Limited to consider the proposed scheme of amalgamation.

2. M/s.Avanti Feeds Limited (hereinafter referred to as 'the transferee Company') was originally incorporated under the name and style of M/s.Avanti Industries Private Limited, on 06.01.1993 in the State of Andhra Pradesh. Later, the company changed its name to M/s.Avanti Industries Limited and obtained a fresh certificate of incorporation on 28.10.1993. Again the company has changed its name to M/s.Avanti Feeds Limited and obtained a fresh certificate of incorporation on 11.11.1994. Its registered office is situated at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad – 500 082. The authorized share capital of the applicant company is Rs.8,00,00,000/- divided into 80,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.8,00,00,000/- divided into 80,00,000 equity shares of Rs.10/- each. The main objects of the applicant company are: To carry on the business of importers, exporters and manufacturers of and dealers in all kinds of tobaccos, cigars, cigarette filter materials of all descriptions, cigarette shells, slides boxes including printing of whatsoever process and any other articles and things required

by or convenient to smokers requisites etc., more fully described in para.5 of the application.

3. M/s.Avanti Thai Aqua Feeds Private Limited (hereinafter referred to as 'the transferor Company') was incorporated as a private company in the State of Andhra Pradesh on 20.11.2008. Its registered office is situated at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad – 500 082. The authorized share capital of the transferor company is Rs.7,85,00,000/- divided into 78,50,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital of the transferor Company is Rs.7,83,96,000/- divided into 78,39,600 equity shares of Rs.10/- each fully paid up. The main objects of the transferor Company are: To manufacture, produce, make, process, mix, refine, prepare, pack, store, sell, import, export and deal in all kinds of machinery, equipment, medicines, chemicals, feeds, supplements, nutritive and additives used in aquaculture, poultry and live stock and to act as procurers, processors, dealers, importers, representatives, consultants and collaborators in all matters relating to the business of aquatic products, poultry products and other live stock products and their bye products, etc., more fully described in para.10 of the application.

4. The transferor and the transferee Companies are engaged in the business of feed culture etc. Under the proposed scheme of amalgamation, the transferor Company is to be amalgamated with the transferee Company. The Board of Directors of the transferee Company in their meeting held on 24.09.2011 approved the proposed scheme of amalgamation, subject to the approval by the

PRReddy

shareholders and by this Court. Since the proposed scheme of amalgamation is required to be considered by the shareholders of the transferee Company, the instant application has been filed seeking appointment of Chair-person to convene the meeting of the shareholders of the transferee Company.

5. Heard learned counsel appearing for the applicant-transferee Company and perused the affidavit filed in support of the application.

6. The Board of Directors of the transferee Company in the meeting held on 24.09.2011 considered the proposed scheme of amalgamation and approved the same. It is the shareholders to consider the proposed scheme of arrangement.

7. Having considered the facts and circumstances, the meeting of the shareholders shall essentially be convened so that they will have an opportunity to study the implications of the proposed scheme of amalgamation. For this purpose, Sri Kancharlapalli Siva Rama Prasad, a practicing Advocate, High Court of A.P., Hyderabad, is appointed as Chair-person. The fee payable for the Chair-person is fixed at Rs.15,000/- (Rupees Fifteen thousand only).

8. Let the meeting of the shareholders of the applicant-Company be convened, held and conducted on 21.01.2012 at 11.00 A.M. at Surana Hall, Federation House, FAPPCI, FAPPCI Marg, Red Hills, Hyderabad – 500 004. The quorum for the meeting is fixed as 5 (five) members. They shall be present either in person or through their proxies.

9. Let the notice of the intended meeting be published in "Business Standard" (English daily) and "Andhra Bhoomi" (Telugu daily), of Hyderabad Editions, published from Hyderabad.

10. For the purpose of considering the report of the Chair-person, call this Application on 30.01.2012.

Sd/- P.V.RADHA KRISHNA RAO
JOINT REGISTRAR

// TRUE COPY //

SECTION OFFICER

To
1. Sri Kancharlapalli Siva Rama Prasad, Advocate, High Court of A.P., Hyderabad, Office at 6-1-132/80-A, Padmaraonagar, Secunderabad-500 061 (Cell No.9133614135)
(By Special Messenger)(Along with a copy of affidavit and material papers)
2. Sri C.Ramachandra Rao, Joint Managing Director, M/s. Avanti Feeds Limited, registered Office at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad – 500082.
3. Two C.D. Copies
4. The Section Officer, O.S. Section, High Court of A.P., Hyderabad.
5. The Official Liquidator, High Court of A.P., Hyderabad, office at 5-4-400, II Floor, Gagan Vihar, Opp. Gandhi Bhavan, Nampally, Hyderabad.
6. The Registrar of Companies, 3-5-398, C.P.W.D. Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
7. The Regional Director, South Eastern Region, Ministry of Corporate Affairs, II Floor, 3-5-398, C.P.W.D. Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
8. One CC to Sri V.S.Raju, Advocate (OPUC)
MRC

18
20/12