



Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

RO/MS/SEC- 015 /2024-25

October 9, 2024

The Secretary,
Dept of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001

Dear Sir,

**Ref: Company Code – 521161 -- Scrip Id : SLSTLQ
ISIN – INE456D01010**

Sub:Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited (“the Demerged Company”/ “the Company”) and SLST Industries Limited (“the Resulting Company”) as per section 230 to 232 of the Companies Act, 2013.

With reference to above subject please find attached NCLT Order No.CA (CAA)/20 (CHE)/2024 dated 08th October 2024 under Section 230 to 232 of the Companies Act 2013 for convening of the meeting of equity shareholders, secured creditors and unsecured creditors of Demerged Company and meeting of equity shareholders and unsecured creditors of Resulting Company.

This is for your information and record.

Thanking you,

Yours faithfully,
For **SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED**

**(JITENDRA KUMAR PAL)
COMPANY SECRETARY**





**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH - II, CHENNAI**

CA (CAA)/20(CHE)/2024

*Under Sections 230 to 232 of the Companies Act, 2013
In the matter of Scheme of Amalgamation of*

**SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED,
REGISTERED OFFICE AT, 16, KRISHNAMA ROAD,
NUNGAMBAKKAM,
CHENNAI - 600 034, TAMIL NADU.**

.. APPLICANT/DEMERGED COMPANY

**SLST INDUSTRIES LIMITED,
REGISTERED OFFICE AT, OLD NO. 17,
KRISHNAMA ROAD,
NUNGAMBAKKAM,
CHENNAI - 600 034, TAMIL NADU.**

...APPLICANT/RESULTING COMPANY

Order Pronounced on 8th October 2024

CORAM

**Shri. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
Shri. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)**

For Applicant: Pawan Jhabakh

ORDER

This is an application filed by the Applicant Demerged Company namely **SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED**, (for brevity “1st applicant company”) and **SLST INDUSTRIES LIMITED** (for brevity “2nd applicant company”) the companies has filed an application under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation



(hereinafter referred to as the “SCHEME”) proposed by the Applicant Company . The said Scheme is appended as “**Annexure – 1**” to the application.

2. The Applicant Companies in the Application have sought for the following reliefs;

	EQUITY SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
DEMERGED COMPANY	Convening Meeting	Convening Meeting	Convening Meeting
RESULTING COMPANY	Convening Meeting	NA	Convening Meeting

3. Affidavits in support of the present Application sworn for and on behalf of the Applicant Companies have been filed by authorized signatory one M R Balakrishna and R Padmanaban in capacity of Authorised signatories of the Applicant companies. Board Resolutions dated 29.04.2022. authorizing the above persons as Authorized Signatory of the respective companies are placed at page **308-319** of the application it is represented that the Registered offices of both the Applicant Companies are situated within the territorial jurisdiction of the Bench of this Tribunal and falling within the purview of Registrar of Companies, Chennai.

4. The 1st Applicant Company is a Public Limited company, incorporated under the provisions of Companies Act, 1956 on 02.05.1964. Registered office of the Company is situated at No 16, Krishnama road, Nungambakkam



Chennai 600034. The Share Capital of the Transferor Company as on 31.03.2023 is as follows:

PARTICULARS	AMOUNT IN RS.
<u>AUTHORISED CAPITAL</u>	
15,000,000 Equity Shares of INR 10 each	1,50,000,000
5,000,000 Preference shares of Rs 10/- each	50,000,000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
33,32,750 Equity shares of INR 10 each	33,327,500

MAIN OBJECTS OF THE 1ST APPLICANT COMPANY IN BRIEF:

“To carry on business of manufacturing, bleaching, dyeing, printing, selling yarn, cloth and other fabrics made from raw cotton, jute wool and other suitable materials; and generally to carry on the business of Cotton Spinning and Weaving Mill proprietors in all their branches”

6. The 2nd Applicant Company is a public limited company incorporated under the provisions of Companies Act, 2013 on 04.10.2018, , registered office of the 2nd Applicant Company is presently situated at Old No 17, Krishnama road, Nungambakkam, Chennai-600034. The Share Capital of the 2nd Applicant Company as on 31.03.2023 is as follows:

PARTICULARS	AMOUNT IN Rs.
<u>AUTHORISED CAPITAL</u>	
12,000 Equity shares of INR 9 each	1,08,000.00
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
12,000 Equity shares of INR 9 each.	1,08,000.00

MAIN OBJECTS OF THE 2ND APPLICANT COMPANY IN BRIEF:

To carry o business of spinning and weaving and manufacturing buying, selling, exporting or importing of yarn cloth and other fabric made from raw cotton, waste cotton, silk, artificial silk staple fibre, polypropylene, fibre, rayon, wool polyester, viscose and blended variety of materials”



7. The Applicant Company has filed their respective Memoranda and Articles of Association inter alia delineating their object clauses. The Applicant Company have filed their audited financial Statements as on 31.03.2023 and the Provisional Financial Statements as on 31.12.2023.

8. The Board of Directors of the 1st Applicant Company and the 2nd Applicant Company in the meeting held on 29.04.2022, have approved the proposed Scheme as contemplated above. Copies of resolutions passed thereon have been placed on record by the company.

9. The Appointed date as specified in the Scheme is proposed as **01.04.2021**.

10. The Statutory Auditors of both the Applicant Companies have certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013.

11. Vide order dated 03.04.2024 The Applicants were asked to clarify on financial statement of the companies and net worth of the company as the balance sheet of the demerged company as on 31.03.2023 shows as NIL and net worth of the resulting company as Rs 1,08,000/-.

12. The applicants have filed the compliance memo dated 26.05.2024 and submitted that though the demerged company has negative net worth as on 30.09.2023 the turnover on the gross sale is of amount Rs 68,24,70,428 and stated that the demerged company has assets current assets at the value of Rs 17,48,73,088 and non-current assets at Rs 22,20,97,649/- it is also submitted that the demerged company has mill which is manufacturing cloth materials. It



is stated that the clause 5 of the scheme defines that scheme arrangement would enable scaling and achieve the financial strength.

13. With respect to 1st Applicant Company, it is submitted as under:

With respect to Equity shareholders

- i) There are **3024** (three thousand twenty four only) Equity Shareholders, list of shareholders to this effect is placed on record in Page 345-432 of the application; It is prayed for Convening of the meeting.

With respect to Secured Creditors:

- ii) There are 2 (Two) Secured Creditor. The certificate issued by the Chartered Accountant to this effect is placed at **Page No. 25** of the additional typed set filed along with the application. It is prayed for Convening of the meeting for the secured creditor.

With respect to Unsecured Creditors

- iii) There are **228 (Two hundred and twenty eight)** Unsecured Creditor. The certificate issued by the Chartered Accountant to this effect is placed at **Page No.26-50** of the additional typed set filed along with the application. It is prayed for Convening of the meeting.



14. With respect to the 2nd Applicant Company it is submitted as under,

With respect to Equity shareholders

- iv) There are 8 (Eight) Equity Shareholders, list of shareholders to this effect is placed on record in Page 433 of the application; It is prayed for Convening of the meeting.

With respect to Secured Creditors:

- v) There are NIL Secured Creditors as on 09.01.2024 and the certificate issued by the Chartered Accountants to this effect is placed between page no 51 of the additional typed set filed with the application.

With respect to Unsecured Creditors

- vi) There are 2 (Two) Unsecured creditor, list of unsecured creditor given by the chartered accountant is given in page 52 of the additional typeset filed with the application. It is prayed for Convening of the meeting.



15. Heard to counsel and Taking into consideration the submissions and the documents on record, this Tribunal issues the following directions: -

A) IN RELATION TO 1ST APPLICANT COMPANY:

(i) With respect to Equity shareholders:

Since it is represented by the 1st Applicant Company that there are **3024 (Three Thousand Twenty Four)** Equity Shareholders in the Company and sought for Convening of meeting company is directed the meeting to be held on **16.11.2024** at **11:00 AM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

(ii) With respect to Secured Creditors:

Since it is represented by the 1st Applicant Company that there are 2(Two) secured creditor and sought for Convening of meeting company is directed to held the meeting on **16.11.2024** at **12:00 PM** at its registered office or through video conferencing or if not convenient at any other suitable place for



which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

(iii) With respect to Unsecured Creditors:

Since, it is represented by 1st Applicant Company that there are 228 Unsecured Creditor in the Company, and sought for Convening of meeting company is directed to held the meeting on **16.11.2024** at **2:00 PM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

B. IN RELATION TO 2ND APPLICANT COMPANY

i) With respect to Equity shareholders:

Since it is represented by the 2nd Applicant Company that there are **8 (Eight)** Equity Shareholders in the Company and sought for Convening of meeting company is directed to held the meeting on **17.11.2024** at **11:00 AM** at its registered office or through video conferencing or if not convenient at any other



suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

ii) With respect to Secured Creditors:

Since it is represented by the 2nd Applicant Company that there are NIL secured the necessity of Convening, holding and conducting a meeting *does not arise*.

iii) With respect to Unsecured Creditors:

Since, it is represented by 2nd Applicant Company that there are 2 Unsecured Creditor in the Company, and sought for Convening of meeting company is directed to be held on **17.11.2024 at 12:00 PM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.



16. The quorum for the meetings of the Applicant Companies shall be as follows;

COMPANY	CLASS	QUORUM
DEMERGED COMPANY	EQUITY SHAREHOLDERS	605
	SECURED CREDITORS	2
	UNSECURED CREDITOR	40

COMPANY	CLASS	QUORUM
RESULTING COMPANY	EQUITY SHAREHOLDERS	6
	UNSECURED CREDITOR	2

- i) The Chairperson appointed for the above said meeting shall be **R Varadharajan**, (Mobile No 9176554650) and would be entitled to fee of **Rs.2,00,000/-**.
- ii) **Mr S. Vedhavel** (Mobile No.7358289352) and is appointed as a Scrutinizer would be entitled to fee of **Rs.1,00,000/-**. The Chairperson(s) will file the reports of the meeting within a week from the date of holding of the above said meetings.
- iii) In case the quorum, for the above meeting of the Applicant Companies is not present at the meeting, the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall



ensure that the proxy registers are properly maintained. Every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.

- iv) The meetings shall be conducted as per applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II); voting by proxy not allowed if the meetings are held through video conferencing.
- v) That individual notices of the above said meetings shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013. The prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
- vi) That the Applicant Company shall publish advertisement with a gap of atleast 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily “*Business Standard*” (All India Edition), and “*Makkal Kural*” Tamil (Tamil Nadu Edition) in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013. The form of proxy



shall be provided free of charge at the registered office of the respective Applicant Companies.

- vii) The Chairperson shall be responsible to report the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme. Voting % of creditors as per list is to be decided after considering the amount of debt as on the date of voting, which is to be considered by the Chairperson.
- viii) The applicant companies shall further furnish copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid
- ix) The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.
- x) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

17. The Application stands **Allowed** on the aforesaid terms and is disposed of.

-SD-

-SD-

**RAVICHANDRAN RAMASAMY
MEMBER TECHNICAL)**

**JYOTI KUMAR TRIPATHI,
MEMBER (JUDICIAL)**