



Date: 19.10.2023

To The Listing Department, National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra East, Mumbai – 400051. Scrip Code: CCL	To The Corporate Relations Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. Scrip Code: 519600
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Dear Sir/Madam,

Subject: Approval of the Scheme of Arrangement (Demerger) between Continental Coffee Private Limited (Demerged Company) and CCL Products (India) Limited (Resulting Company) and their respective shareholders & creditors under section 230 to 232 of the Companies Act, 2013 by the Hon'ble National Company Law Tribunal, Hyderabad Bench and Hon'ble National Company Law Tribunal, Amaravati Bench.

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and in continuation to our disclosure dated 03.12.2022, we are pleased to inform that the Hon'ble NCLT, Hyderabad Bench and the Hon'ble NCLT, Amaravati Bench have sanctioned the **Scheme of Arrangement (Demerger) between Continental Coffee Private Limited (Demerged Company) and CCL Products (India) Limited (Resulting Company) and their respective shareholders & creditors, having appointed date as 01.10.2022**, vide their separate Orders dated 18.10.2023. The said orders have been placed on the respective website of Hon'ble NCLTs today i.e., 19.10.2023.

The Company has obtained the Certified copy of the Order passed by the Hon'ble NCLT, Hyderabad Bench. However, the Certified copy of the Order passed by the Hon'ble NCLT, Amaravati Bench is yet to be received. Requisite compliances are being undertaken in the due course of time.

We are herewith enclosing the Certified copy of the Order (Hon'ble NCLT, Hyderabad Bench) and copy of order as downloaded from the website of Hon'ble NCLT, Amaravati Bench for your information and necessary records.

Regards,
For CCL PRODUCTS (INDIA) LIMITED

Sridevi Dasari
Company Secretary & Compliance Officer

Encl : 1. Certified copy of the Order passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench
2. Copy of Order passed by the Hon'ble National Company Law Tribunal, Amaravati Bench

CCL PRODUCTS (INDIA) LIMITED

CORPORATE OFFICE:
7-1-24/2/D, "Greendale", Ameerpet, Hyderabad - 500016, T.S., India.
☎ +91 40 2373 0855

REGISTERED OFFICE:
Duggirala, Guntur Dist. 522330, A.P., India. | CIN L15110AP1961PLC000874

☎ +918644277294 | ✉ info@continental.coffee | 🌐 www.cclproducts.com | 🌐 www.continental.coffee

**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT HYDERABAD-I**

CP (CAA) No.23/230/HDB/2023

Connected with

C.A. (CAA)No.9/230/HDB/2023

U/s. 230 to 232 of the Companies Act, 2013



**IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN**

**CONTINENTAL COFFEE PRIVATE LIMITED
(CCPL OR DEMERGED COMPANY)**

AND

**CCL PRODUCTS (INDIA) LIMITED
(CCL PRODUCTS OR RESULTING COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**Continental Coffee Private Limited,
Registered office at 7-1-24/2/D,
Greendale Ameerpet Hyderabad – 500016,
Represented by Mr. Praveen Jaipuria.**

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

... Petitioner / Demerged Company

Date of Order: 18.10.2023

Coram

Dr. Venkata Ramakrishna Badarinarath Nandula, Hon'ble Member (Judicial)

Shri Charan Singh, Hon'ble Member (Technical)

Parties/counsels present:

For the Petitioners: Shri Y. Suryanarayana (Advocate) assisted by

Shri R. Ramkrishna, Counsel

For the Respondent: Smt. Kusum Yadav, Assistant Regional Director for
Regional Director Office

PER-BENCH

1. This Company Petition is filed by Continental Coffee Private Limited (Demerged Company) under Sections 230 to 232 of the Companies Act, 2013, inter-alia seeking sanction to the Scheme of Arrangement between the Continental Coffee Private Limited (Demerged Company) and CCL Products (India) Limited (Resulting Company) and their respective shareholders and creditors.

The averments made in the Petition are briefly described as under:

The Petitioner/ Demerged Company, M/s. **CONTINENTAL COFFEE PRIVATE LIMITED**, was incorporated in the state of Telangana, (erstwhile undivided Andhra Pradesh) under the provisions of the Companies Act, 1956 on 11.05.2011 (Eleventh Day of May, Two Thousand and Eleven) vide Corporate Identification Number: (CIN): U15492TG2011PTC074429 issued by the Registrar

of Companies, Andhra Pradesh. The Registered Office of the Demerged Company is same as mentioned in the cause title.

- (B) The Demerged Company is engaged, inter alia, in the business of, to manufacture, buy, sell, retail, wholesale, trade, market, import, export process, manipulate, prepare, preserve, carry on, refine, bottle and to deal in all types of coffee, tea, chicory, cocoa, milk, condensed milk, milk products, sugar, sugar substitutes and other similar products, manufactured or raw state, whether in India or elsewhere either in wholesale and/ or in retail or otherwise.

A copy of memorandum of Association and Articles of Association of the Demerged Company is annexed and marked as "Annexure-1" to the Petition.

- (C) The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 31.01.2023 is as follows:

Share Capital	Amount in Rs.
Authorized Capital	
70,00,000 (Seventy Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each.	7,00,00,000
Total	7,00,00,000
Issued, Subscribed and Paid-Up Capital	
70,00,000 (Seventy Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each.	7,00,00,000
Total	7,00,00,000



Subsequent to 31.01.2023, there is no change in the authorized, issued, subscribed and paid-up share capital of the Demerged Company.

- (D) The Demerged Company is a wholly owned subsidiary of the Resulting Company.
- (E) **RESULTING COMPANY/ CCL PRODUCTS (INDIA) LIMITED (CCL PRODUCTS)** was originally incorporated under the name and style "Sahayak Finance & Investment Corporation Limited" under the provisions of Companies Act, 1956, on 22.03.1961 (Twenty Second Day of March, One Thousand Nine Hundred and Sixty-one) in the state of Andhra Pradesh, vide Certificate of Incorporation No. 874 of 1960-61, issued by the Registrar of Companies, Andhra Pradesh. Subsequently, the name of the Company was changed from "Sahayak Finance & Investment Corporation Limited" to "Continental Coffee Limited" by following due procedure laid down under the applicable provisions of Companies Act, 1956 and a fresh certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh on 22.02.1994 (Twenty Second Day of February, One Thousand Nine Hundred and Ninety-Four). Subsequently, the name of the Company was changed from "Continental Coffee Limited" to its present name, i.e., "CCL Products (India) Limited" by following due procedure laid down under the applicable provisions of Companies Act, 1956 and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, on 21.11.2002 (Twenty First Day of November Two Thousand and Two). The present Corporate Identification Number (CIN) of the Company is L15110AP1961PLC000874. The registered office of the Resulting



Company is situated at Duggirala, Guntur, A.P. 522330 IN. A copy of memorandum of Association and Articles of Association of the Demerged Company is annexed and marked as "Annexure-3" to the Petition.

- (F) The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on 31.01.2023 is as follows:

Share Capital	Amount in Rs.
Authorized Capital	
15,05,00,000 (Fifteen Crore Five Lakhs) Equity Shares of Rs.2/- (Rupees Two only) each.	30,10,00,000
Total	30,10,00,000
Issued, Subscribed and Paid-Up Capital	
13,30,27,920 (Thirteen Crore Thirty Lakh Twenty-Seven Thousand Nine Hundred and Twenty) fully paid-up Equity Shares of Rs.02/- (Rupees Two only) each.	26,60,55,840
Total	26,60,55,840

Subsequent to 31.01.2023, there is no change in the authorised, issued, subscribed and paid up share capital of the Resulting Company.

3. The Board of Directors of the Petitioner Company and that of the Resulting Company at their respective meetings held on 02.12.2022 have resolved to enter into a Scheme of Arrangement between Continental Coffee Private Limited ("Demerged Company") and



CCL Products (India) Limited ("Resulting Company"), and their respective Shareholders and Creditors. Certified true copy of the Board Resolutions passed by the Board of Directors of the Petitioner Company approving the Scheme of Arrangement is annexed to the Petition as "Annexure-8".

4. The objects / benefits / Overview of the proposed Scheme is:

- (i). The Demerged Company, presently, has two Divisions / undertakings viz. Marketing and Distribution of Coffee and FMCG Products division (hereinafter referred to as "*Coffee Division*") and the Food and Beverage Kiosks including 'Coffee on Wheels' division (hereinafter referred to as "*F & B Division*"). Each of the businesses of the Demerged Company operates in different business environments, require different experience and are subject to different profitability, growth opportunities, future prospects and risks.
- (ii). The nature of risk and competition involved in each of these businesses is distinct and consequently nature of considerations, factors and commercial parameters applicable to the business of Marketing and Distribution of Coffee and FMCG Products being different and divergent in nature in comparison to that of Food and Beverage Kiosks including 'Coffee on Wheels'. With a view to conduct the businesses more efficiently and more profitably, enhance shareholders value and insulate both the businesses from



the risks of each other, it is proposed to reorganize and segregate, the Marketing and Distribution of Coffee and FMCG Products division by way of Demerger.

- (iii). The Demerger of Coffee Division from the Demerged Company into the Resulting Company will facilitate the Demerged Company to focus on its remaining business of running and maintaining Food and Beverage Kiosks including 'Coffee on Wheels'. Further, it will facilitate, help and enable the Resulting Company to focus on its Coffee manufacturing business along with marketing and distribution thereof, both at international level and at domestic level with greater profitability. Thus resulting in simplification of the respective Company's structure, improving their cost efficiency and further benefitting their stakeholders.
- (iv). The arrangement will further enable appropriate consolidation of activities of Demerged Company and Resulting Company by pooling and more efficient utilization of their resources, greater economics of scale, reduction in overheads and other expenses and improvement in various operating parameters.
- (v). The arrangement will improve the organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.



- (vi). Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business process, elimination of duplication and rationalization of administrative expenses.
- (vii). It is therefore, proposed that the Coffee Division of the Demerged Company be segregated and demerged, pursuant to a Scheme of Arrangement and be transferred to the Resulting Company for achieving independent focus pursuant to a Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013. The managements of the respective Companies are of the view that this Scheme is in the interest of the customers, employees, lenders, vendors, shareholders and all other stakeholders of the respective Companies.
- (viii). The present Scheme of Arrangement provides for the Demerger of the Marketing and Distribution of Coffee and FMCG Products division (hereinafter referred to as "Coffee Division") of the Demerged Company into the Resulting Company. This Scheme of Arrangement also provides for various other matters consequential, supplemental and / or otherwise integrally connected therewith.
- (ix). The sequence of events contemplated under the Scheme is as under:
(a) Demerger of the Marketing and Distribution of Coffee and FMCG Products division (hereinafter referred to as "Coffee



- (xi). The present Scheme of Arrangement does not contemplate any issue / allotment of shares by the Resulting Company (i.e., the transferee Company) to the Shareholders of the Demerged Company (i.e., transferor Company), since the Demerged Company is the Wholly Owned Subsidiary Company of the Resulting Company. Need to determine Share Exchange Ratio or valuation does not arise. Hence, Valuation Report has not been obtained.

5. COMPLIANCE OF ACCOUNTING STANDARD

It is submitted that Clause 11 of Part II of the Scheme of Arrangement between Continental Coffee Private Limited ("Demerged Company") and CCL Products (India) Limited ("Resulting Company"), and their respective Shareholders and Creditors, is in conformity with the accounting standards under the provisions of Section 133 of the Companies Act, 2013. Certificates issued by M/s. NSVR & Associates LLP, Chartered Accountants (For M/s. Continental Coffee Private Limited) confirming the Accounting Treatment proposed in the Scheme is annexed as Annexure 6.

6. VALUATION REPORT:

It is respectfully submitted that the present Scheme of Arrangement does not contemplate any issue / allotment of shares by the Resulting Company (i.e., the transferee Company) to the shareholders of the



Demerged Company (i.e., transferor Company), since the Demerged Company is the Wholly Owned Subsidiary Company of the Resulting Company. In view of the said, the need to determine Share Exchange Ratio or valuation does not arise. Hence, Valuation Report has not been obtained.

7. DECLARATION BY THE PETITIONER COMPANY:

- (a) No petition under Sections 241 or 242 of the Companies Act, 2013 has been filed against the Petitioner Company and there has been no material change in the affairs of the Petitioner Company, except for what was done in the normal course of business.
- (b) There are no proceedings pending under Sections 210 to 227 of Companies Act, 2013, against the Petitioner Company.
- (c) The Scheme of Arrangement between Continental Coffee Private Limited ("Demerged Company") and CCL Products (India) Limited ("Resulting Company"), and their respective Shareholders and Creditors does not have an adverse effect on any of the shareholders or creditors or other stakeholders of the Petitioner Company in any manner whatsoever.
- (d) It is averred that the Petitioner Company had filed an application, vide C.A.No.9/230/HDB/2023, wherein this Tribunal vide order dated 28.04.2023 dispensed with the requirement of convening the meetings of Equity Shareholders, Secured Creditors and unsecured creditors of the Company.



Copy of the order dated 28.04.2023 passed by this Tribunal is annexed as Annexure 11..

8. It is submitted that the Tribunal vide order dated 31.05.2023 ordered notices as per Rule 16 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Subsequently notices were issued on all the statutory Authorities. It has been submitted that the Petitioner Company as per the order of this Hon'ble Tribunal, publication had been carried out in English Newspaper i.e. Economic Times and Telugu Newspaper i.e. Sakshi on 21.06.2023. The proof of publication and proof of service of notice of hearing was filed by an Affidavit dated 05.07.2023.
9. The Regional Director vide his report dated 12.07.2023 has not objected to the proposed Scheme but has made certain observations. The Petitioner Companies have filed affidavit dated 07.08.2023, in response to the observations made by the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad where under the Petitioner Companies gave undertaking to appropriately comply with the observations made by R.D. The details are given below:



Observations of Regional Director	Reply of the Petitioner Companies by way of affidavit
<p>PARA 3(d-f) Hon'ble Tribunal may please to direct the Petitioner Company to preserve the books, comply with statutory laws, file Inc-28 with the Registrar of Companies.</p>	<p>The Petitioner Companies vide this affidavit undertakes to comply with all the Applicable provisions and rules under the Companies Act, 2013.</p>
<p>PARA 4 Hon'ble Tribunal may please to direct the petitioner Companies to furnish an undertaking that, if any demand arises from the Income Tax Department should pay as per rules.</p>	<p>Petitioner Companies undertakes to comply the same.</p>

10. Regional Director, filed further report dated 20.09.2023 stating that the reply affidavit filed by the petitioner Companies dated 07.08.2023 has been examined and further prayed the Tribunal to direct the petitioner Company to submit all facts/affidavits wherever required and to consider the matter on merits.

11. **OBSERVATION**

We have heard the Learned Counsel for Petitioner Company Shri Y. Suryanarayana, and perused the documents filed. As regards to the



observations pointed out by the Regional Director and compliance filed by the petitioner company, it appears that Petitioner Company under takes to comply the necessary observations pointed by Regional Director whenever required. After hearing the learned counsel for the Petitioner Company and considering the material on record, we are of the view that scheme is not opposed to public interest and the proposed Scheme is in the interests of the Petitioner Company and their respective shareholders & creditors.

12. ORDER

After hearing the Learned Counsel and after perusing the documents filed, we pass the following order:-

- A. The Scheme of Arrangement (**Annexure "5"**) is hereby sanctioned and shall be binding on all the members, employees, creditors and all other stakeholders of the Petitioner Company.
- B. We direct the Petitioner company to comply with all the observations pointed out by the Regional Director.
- C. We direct the Petitioner Company to preserve the books of accounts and papers and records and the same shall not be disposed of without the prior permission of the Central Government in terms of provisions of Section 239 of the Companies Act, 2013.



- D. We direct the Petitioner Company to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme the Petitioner Company shall not be absolved for any of their statutory liability in any manner.
- E. The Petitioner Company is directed to strictly comply with the Accounting Treatment Standards prescribed under Section 133 of the Companies Act, 2013.
- F. The sanction of the Scheme by this Tribunal shall not forbid the revenue authority from taking appropriate recourse for recovering the existing and previous tax liabilities of the Transferor and Transferee Companies.
- G. We direct the Petitioner Company involved in the Scheme to comply with Rule 17 (2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013. The Petitioner Companies within 30 days after the date of receipt of certified copy of the order, shall cause certified copy to be delivered in Form INC-28 to the Registrar of Companies concerned for registration and on such certified copy being delivered, Registrar of Companies concerned shall take all necessary consequential action in respect of the Petitioner Companies.
- H. The Petitioner Company is further directed to take all consequential and statutory steps required in pursuance of the approved Scheme of

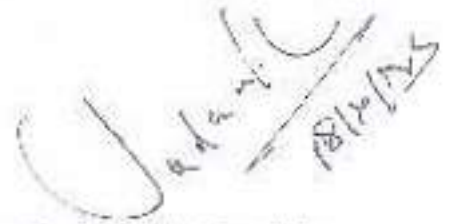


merger under the provisions of the Companies Act, 2013 and submit necessary compliance and undertaking relating to the objections raised by the Regional Director (SER), MCA, GoI, Hyderabad.

- I. Any person shall be at the liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
- J. Accordingly, the CP (CAA) 23/230/HDB/2023 is hereby allowed and disposed of.

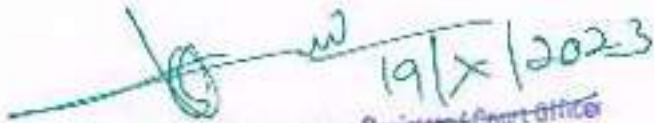

18-10-2023

Charan Singh
Member Technical
Pavani


18/10/23

Dr. Venkata Ramakrishna Badarinath Nandula
Member Judicial




19/10/2023
Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

समस्तित प्रतिलि
CERTIFIED TRUE COPY
कास नं०
CASE NUMBER (CP/CAA) No. 23/230/HDB/23
दिनांक 18/10/23
DATE OF JUDGMENT 18/10/23
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COPY MADE READY ON 19/10/23



**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI SPECIAL BENCH
(Virtual Hearing)**

**PRESENT: JUSTICE TELAPROLU RAJANI – MEMBER JUDICIAL
: SHRI SHYAM BABU GAUTAM – MEMBER TECHNICAL**

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 18.10.2023 AT 10:30 A.M.

TC/CP. Nos.	CA/IA No.	Section / Rule	Name of Parties
CP(CAA)/4/230/AMR/2023		230	Continental Coffee Pvt Ltd (Demerged Company) & CCL Products (I) Ltd (Resulting Company)

ORDER

Mr.Y.Suryanarayana, Ld. Counsel for the Petitioner Companies present.

Orders pronounced. CP(CAA)/4/230/AMR/2023 is allowed, vide separate orders.

**Sd/-
MEMBER TECHNICAL**

**Sd/-
MEMBER JUDICIAL**



CP (CAA)/4 /230/AMR/2023
Connected with
CA (CAA)/3/230/AMR/2023

**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI SPECIAL BENCH**

**CP (CAA)/4 /230/AMR/2023
Connected with
CA (CAA)/3/230/AMR/2023**

In the matter of Section 230 to 232 of the Companies Act, 2013

AND

In the matter of Scheme of Arrangement (Demerger) of
CONTINENTAL COFFEE PRIVATE LIMITED, the
Demerged Company (having its registered office at Telangana)
with **CCL PRODUCTS (INDIA) LIMITED**, the Resulting
Company (having its registered office at Andhra Pradesh)

In the matter of

CCL PRODUCTS (INDIA) LIMITED,
CIN: L15110AP1961PLC000874,
Registered office situated at Duggirala, Guntur,
AP 522330, India
Rep. by its Company Secretary, Ms.Sridevi Dasari,
Email: companysecretary@continental.coffee,
Ph: 040 23732455.

... Petitioner/Resulting Company

Date of pronouncement of order: 18.10.2023

CORAM

**Justice Telaprolu Rajani, Member Judicial
Shri Shyam Babu Gautam, Member Technical**

Appearance:

For the Petitioner : Mr. Y.Suryanarayana, Advocate
For the Regional Director: Dr. Raj Singh, RD (Addl. Charge)
For the Income Tax : Mr.Raja Redd, Dy. Commissioner

ORDER

Per: Justice Telaprolu Rajani, Member (Judicial)

1. The present Company Petition is filed by **CCL PRODUCTS (INDIA) LIMITED**, Petitioner /Resulting Company under Sections 230 & 232 of the Companies Act, 2013 seeking to permit the Demerged Company for Scheme of Arrangement (the Scheme for short) with the Resulting Company. The Petitioner Company registered office is situated at Andhra Pradesh.
2. Briefly the facts are as follows:
 - i. M/s. CCL Products (India) Limited, Applicant/Resulting Company was originally incorporated under the name and style "Sahayak Finance & Investment Corporation Limited" under the provisions of Companies Act, 1956, on 22.03.1961. Subsequently, the Applicant's name was changed to "Continental Coffee Limited". Subsequently on 21.11.2002, again the Applicant's name was changed from Continental Coffee Limited to "CCL Products (India) Limited". As on 31.01.2023, the Authorized Share Capital is Rs.30,10,00,000/-, divided into 15,05,00,000 equity shares of Rs.2/- each and the issued, subscribed and paid-up share capital is



Rs.26,60,55,840/- divided into 13,30,27,920 equity shares of Rs.2/- each. The main objects of the Petitioner/Resulting Company are to carry on the business solely or in collaboration with others, Indian or foreign, in manufacture of Coffee, Tea, Chicory, Cocoa, Milk Products, Condensed Milk, Cheese, Plain and all flavoured, Yoghurt, Shrikhand, Creamers, including non-dairy creamer, sweetener, natural, & artificial and the like, in all or any of their forms (including spray dried, freeze dried, agglomerate, granulated, blended and preparations thereof for consumption by human beings and also including all versions, alternatives, substitutes thereof and therefore in whatsoever manner, that is to say, either mechanically or otherwise, by employing electricity or any other power or energy, and sale thereof, either in whole sale and/or in retail or otherwise, whether in the country or abroad and also processing, manipulating, preparing, preserving, carrying, refining, bottling, buying, rendering marketable and dealing in Coffee, Tea, Chicory, Cocoa and the like in their prepared, manufactured or raw state and whether in wholesale and / or in retail, etc., and other allied activities.



- ii. The Resulting Company is the holding company of the demerged company. The equity shares of the resulting company are listed and traded on BSE Limited (“BSE”) bearing Scrip Code: 519600 and on National Stock Exchange of India Limited (“NSE”) bearing Symbol: CCL. As on 31.03.2023, shareholding pattern of the Promoter & Promoter Group of 6 shareholders is 6,15,40,932 shares (i.e., 46.26% shareholding) and shareholding pattern of the public of 54,121 shareholders is 7,14,87,528 shares (i.e., 53.74% shareholding).
- iii. M/s.Continental Coffee Private Limited, Demerged Company was incorporated under the provisions of Companies Act, 1956, on 11.05.2011. As on 31.01.2023, the Authorized Share Capital is Rs.7,00,00,000/-, divided into 70,00,000 equity shares of Rs.10/- each and the issued, subscribed and paid-up share capital is Rs.7,00,00,000/-, divided into 70,00,000 equity shares of Rs.10/- each. The main objects of the Demerged Company are to carry on the business, either solely or in collaboration with other persons or entities, whether of Indian or foreign origin, to manufacture, buy, sell retail, wholesale, trade, market, import, export process, manipulate, prepare, preserve, carry on, refine,

bottle and to deal in all types of coffee, tea, chicory, cocoa, milk, condensed milk, milk products, sugar, sugar substitutes and other similar products; manufactured or raw state, whether in India or elsewhere either in wholesale and / or in retail or otherwise and manufacture, sell and deal, in any manner whatsoever, with Plant and Machinery, Equipment, Know-how for manufacture of coffee, tea, cocoa, milk, milk products, sugar, sugar substitutes and other similar products, etc., and other allied activities.

- iv. The Demerged Company is a wholly owned subsidiary of the Resulting Company. The latest list of equity shareholders of the demerged company as per the Register of members of the Demerged Company is that of only two shareholders i.e., CCL Products (India) Limited having 69,99,999 shares and Mr.Challa Srishant having 1 share.
- v. According to the Petitioner/Resulting Company, the Scheme of Arrangement (Demerger) between Continental Coffee Private Limited (“Demerged Company”) and CCL Products (India) Limited (“Resulting Company”) and their respective Shareholders and Creditors was approved by the Board



of Directors of both Companies with some objectives that are:

- a. The Demerged Company, presently, has two Divisions/ undertakings viz. Marketing and Distribution of Coffee and FMCG Products division (Hereinafter referred to as “Coffee Division”) and the food and Beverage Kiosks including ‘Coffee on Wheels’ division (hereinafter referred to as “F & B Division”). Each of the businesses of the Demerged Company operates in different business environments and require different experience and are subject to different profitability, growth opportunities, future prospects and risks.
- b. The nature of risk and competition involved in each of these businesses is distinct and consequently nature of considerations, factors and commercial parameters applicable to the business of Marketing and Distribution of Coffee and FMCG Products being different and divergent in nature in comparison to that of food and Beverage Kiosks including ‘Coffee on Wheels’. With a view to conduct the businesses more efficiently and more profitably, enhance shareholders value and insulate

both the businesses from the risks of each other, it is proposed to reorganize and segregate, the Marketing and Distribution of Coffee and FMCG Products division by way of Demerger.

- c. The Demerger of Coffee Division from the Demerged Company into the Resulting Company will facilitate the Demerged Company to focus on its remaining business of running and maintaining Food and Beverage Kiosks including 'Coffee on Wheels'. Further, it will facilitate, help and enable the Resulting Company to focus on its Coffee manufacturing business along with marketing and distribution thereof, both at international level and at domestic level, with greater profitability, thus resulting in simplification of the respective Company's structure, improving their cost efficiency and further benefitting their stakeholder.
- d. The arrangement will further enable appropriate consolidation of activities of Demerged Company and Resulting Company by pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various




operating parameters and will improve the organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry and cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business process, elimination of duplication and rationalization of administrative expenses.

- e. It is therefore, proposed that the Coffee Division of the Demerged Company be segregated and demerged, pursuant to a Scheme of Arrangement and be transferred to the Resulting Company for achieving independent focus pursuant to a Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013. The managements of the respective Companies are of the view that this Scheme is in the interest of the customers, employees, lenders, vendors, shareholders and all other stakeholders of the respective Companies.
- vi. The Scope of the Scheme is that the scheme of Arrangement provides for the Demerger of the



Marketing and Distribution of Coffee and FMCG Products division (hereinafter referred to as “Coffee Division”) of the Demerged Company into the Resulting Company. This Scheme of Arrangement also provides for various other matters consequential, supplemental and / or otherwise integrally connected therewith. The sequence of events contemplated under the Scheme is that the Demerger of the Marketing and Distribution of Coffee and FMCG Products division (hereinafter referred to as “Coffee Division”) of the Demerged Company and vesting of the same in the Resulting Company, on a going concern basis and Cancellation of loans made by the Resulting Company to the Demerged Company relating to the Demerged undertaking, outstanding as on the Appointed Date i.e., 01.10.2022.

- vii. The present Scheme of Arrangement does not contemplate any issue / allotment of shares by the Resulting Company (i.e., the transferee Company) to the Shareholders of the Demerged Company (i.e., transferor Company), since the Demerged Company is the Wholly Owned Subsidiary Company of the Resulting Company. Need to determine Share Exchange Ratio or valuation does not arise. Hence, Valuation Report has not been obtained.

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- viii. M/s.NSVR & Associates LLP and M/s.Ramanatham & Rao, Chartered Accountants issued certificates stating that the accounting treatment proposed at Clause 11 of Scheme of Arrangement between Continental Coffee Private Limited ("Demerged Company") and CCL Products (India) Limited ("Resulting Company"), and their respective Shareholders and Creditors, is in conformity with the accounting standards as prescribed under the provisions of Section 133 of the Companies Act, 2013.
- ix. The present scheme solely provides for the demerger of a division of a wholly owned subsidiary into its parent company, no formal approval, is required from the Stock Exchange or Securities and Exchange Board of India ('SEBI') for the scheme, in terms of provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2017, and SEBI Circulars. In terms of the SEBI Regulations, the present Scheme of Arrangement is only required to be filed with BSE and NSE (the Stock Exchanges where



the Resulting Company is listed) for the purpose of disclosure and dissemination on its website. The Resulting Company will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in connection with the Scheme and other connected matters. NSE has given their acknowledgment of receiving the scheme of arrangement filed by the Resulting Company.

- x. The Board of Directors of the Petitioner Company approved the scheme in their respective Board Meeting held on 02.12.2022. The appointment date is 01.10.2022. The demerged company is wholly owned subsidiary company of the Resulting Company. Hence, the equity shareholders, Secured Creditors, Unsecured Creditors and Trade Creditors consent is not required, for the proposed Scheme.
- xi. The Tribunal, by order in CP(CAA)/3/230/AMR/2023 dated 12.04.2023 dispensed with the requirement of holding meetings of all the Equity Shareholders,



Secured Creditors, Unsecured Creditors and Trade Creditors of the Petitioner/Resulting Company and directed the Petitioner to issue notice to the statutory authorities. Notices were issued to all the statutory authorities and objections were received by the Regional Director (RD).

- xii. The Petitioner Company is declared that, there is no petition filed under section 241 or 242 of the Companies Act and there has been no material change in the affairs of the Petitioner company, except for what was done in the normal course of business and there are no proceedings pending under Sections 210 to 227 of the Act in relation against the Petitioner and the scheme of Arrangement between Demerged Company and Resulting Company , and their respective shareholders or creditors or other stakeholders of the Petitioner company in any manner whatsoever.
3. The Regional Director (RD) filed his report dated 17.07.2023 and raised the following objections and the Petitioner Company replied to the same as detailed below:

S.No.	RD's Observations	Reply of the Petitioner Companies by way of affidavit dated 17.07.2023



1	<p>The Directorate has received letter dated 30.07.2023 from the ROC, Andhra Pradesh by pointing out certain observations as under:-</p> <p>a) The Regional Director (RD) sought this Tribunal to direct the Petitioner Company to preserve its books of accounts and papers and records and shall not be disposed of without the prior permission of the Central Government in terms of Section 239 of the Companies Act, 2013.</p>	<p>Undertaking given by the Petitioner Companies:</p> <p>a. They will preserve their books of accounts, papers and records and shall not dispose of without the prior permission of the Central Government in terms of Section 239 of the Companies Act, 2013.</p>
	<p>b) The Regional Director (RD) sought this Tribunal to direct the Petitioner Company to ensure statutory compliance of all</p>	<p>b. They will ensure statutory compliance of all applicable laws and also on sanctioning of the present scheme the Petitioner company would not be absolved for any of its</p>



	<p>applicable laws and also on sanctioning of the present scheme the applicant company shall not be absolved for any of its statutory liability in any manner.</p>	<p>statutory liabilities in any manner.</p>
	<p>c) The Regional Director (RD) sought this Tribunal to direct the Petitioner Companies, involved in the scheme to comply with Rule 17(2) of Companies (Compromise, Arrangement and Amalgamation) Rules, 2013 with respect to filing of order for confirmation of scheme to be filed in Form No.INC-28 with the concerned office of RoC</p>	<p>c. They will comply with Rule 17(2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013 with respect to filing of order for confirmation of scheme to be filed in Form INC-28 with the RoC, AP.</p>



	by the Petitioner Company.	
	d) The Regional Director (RD) sought this Tribunal to direct the Petitioner Transferee Company shall file an application with RoC indicating the revised authorised capital and proof of paying prescribed fees due on revised capital after setting of that fee already paid by Transferor Companies.	d.Petitioner submitted that the proposal Scheme of Arrangement does not contemplate any increase/ revision in the existing Authorized Capital of the Resulting Company and hence payment of fee or setting of fee already paid etc., does not arise.
2	The Regional Director (RD) sought this Tribunal to direct the Petitioner Company to furnish an undertaking that, if any demand arises in future with respect to Petitioner Companies will pay such	The Resulting/Petitioner Company undertakes to comply with all applicable provisions of the Income Tax Act, as well as all tax demands associated with it, as well as to pay all legal demands raised by the



	dues to the Income Tax Authorities as per law.	Income Tax Department, subject to the outcome of the legal proceedings or orders of the Income Tax Appellate Tribunal or any higher quasi-judicial/judicial authority, if any.
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4. The Regional Director (RD), after considering the said reply by the Petitioner, did not raise any further objection. On 13.09.2023, the Income Tax Department filed a counter stating that there is no objection to sanction the subject Scheme of Arrangement.
5. We have heard the Learned Counsel appearing for the Petitioner and perused the records.
6. Considering the entire facts and circumstances of the case and on perusal of the Scheme, reports of the Regional Director, Income Tax Department, and reply/undertakings of the Petitioner Company thereon and the documents produced on record, the Scheme of Arrangement appears to be fair and reasonable and is not contrary to public policy and not in violation of any provisions of law. After hearing the learned counsel for the Petitioner Company and considering the



material on record, we are of the view that scheme is not opposed to public interest and the proposed Scheme is in the interests of the Petitioner Company and their respective shareholders & creditors.


ORDER

7. After hearing the Learned Counsel and after perusing the documents filed, the Company Petition is allowed with the following directions:-
 - a) The Scheme of Arrangement as Annexure-5 (Copy of the Scheme enclosed at Page No.287 to 319 of the Petition) is hereby sanctioned and confirmed with appointed date as 01.10.2022 and shall be binding on all the members, employees, creditors, concerned statutory, regulatory authorities and all other stakeholders of the Petitioner Company.
 - b) The Scheme shall become effective from the Appointed Date i.e., 01.10.2022 and shall be made operational from the date of filing of the orders with the Registrar of Companies.
 - c) While approving the Scheme as above, we make it clear that this order should not be construed as an order in anyway granting exemption from payment of stamp



duty or taxes or any other charges, if any, payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.

- d) We direct the Petitioner Company to comply with all the observations pointed out by the Regional Director.
- e) We direct the Petitioner Company to preserve their books of accounts and papers and records and not to dispose of without the prior permission of the Central Government in terms of provisions of Section 239 of the Companies Act, 2013.
- f) We direct the Petitioner Company to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme the Petitioner Company shall not be absolved for any of their statutory liability in any manner.
- g) We direct the Petitioner Company to strictly comply with the Accounting Treatment Standards prescribed under Section 133 of the Companies Act, 2013.

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- h) We direct the Petitioner Company involved in the Scheme to comply with Rule 17 (2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013. The Petitioner Company within 30 days after the date of receipt of certified copy of the order, shall cause certified copy to be delivered in Form INC-28 to the Registrar of Companies concerned for registration and on such certified copy being delivered, Registrar of Companies concerned shall take all necessary consequential action in respect of the Petitioner Company.
- i) The Petitioner Company is further directed to take all consequential and statutory steps required in pursuance of the approved Scheme of Arrangement under the provisions of the Companies Act, 2013 and submit necessary compliance and undertaking relating to the objections raised by the Regional Director (SER), MCA, Government of India, Hyderabad.
- j) The Petitioner Company shall until the completion of the Scheme of Arrangement, file a statement in such form and within such time as prescribed with the Registrar every year duly certified by the Chartered Accountant or a Cost Accountant or a Company

Secretary to the effect that the Scheme of Arrangement is being complied in accordance with the orders of the Adjudicating Authority as required under Section 232(7) of the Companies Act, 2013.

- k) The sanction of the Scheme by this Tribunal shall not forbid the revenue authority from taking appropriate recourse for recovering the existing and previous tax liabilities of the Petitioner Company.
- l) We direct the Petitioner Company to issue newspaper publication with respect to approval of Scheme of Arrangement, in the same newspaper in which previous publications were issued in order to ensure transparency/dissemination of complete information to all concerned parties about the approval granted by the Tribunal for the Scheme as proposed.
- m) All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the certified copy of this order along with the Scheme immediately.



- n) The Petitioner Company is directed to strictly adhere to the above directions and applicable provisions of the Companies Act.
- o) Any person shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
8. Accordingly, the Scheme stands sanctioned and the Company Petition bearing CP (CAA)/4/230/AMR/2023 stands disposed of.

Sd/- dated 18.10.2023
JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL

Sd/- dated 18.10.2023
SHRI SHYAM BABU GAUTAM
MEMBER TECHNICAL

Swamy Naidu (PS)