

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

CP No. 1932/14(1)/NCLT/MB/MAH/2018

Under section 14 (1) of the Companies Act,
2013

In the matter of
Pennwalt Limited
D-221, MIDC, TTC, Thane- Belapur Rd.,
Nerul, Navi Mumbai-400706

....Applicant

Date of Hearing: 17.07.2018

Proposed n: 4-9-2018

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Coram:

Hon'ble M.K. Shrawat, Member (J)

For the Petitioner:

Advocate Astiya Cutchi i/b Siddharth Doshi.

Per: M. K. Shrawat, Member (J)

ORDER

1. Application under consideration was filed on 30th May, 2018 under the provisions of Sec. 14 (1) (b) of Companies Act, 2013 (herein below referred as "the Act").
2. The Counsel for the Applicant has sought the relief regarding allowing the Conversion of Applicant Company from Public Limited Company to Private Limited Company.
3. The Applicant has made following averments in the Application:
 - 1) The Authorized Share Capital of the Company is ₹1,50,00,000/- (One Crore Fifty Lacs only) divided into 150000 (One lac Fifty Thousand) equity shares of ₹ 100/- (Hundred only) each.
 - 2) The Issued, Subscribed & Paid up Capital of the Company is ₹84,09,900/- (Rupees Eighty Four Lacs Nine Thousand Nine Hundred Only) divided into 84,099 (Eighty Four Thousand Ninety Nine) Equity Shares of ₹100/- (Hundred Only) each.
 - 3) The Applicant has complied with the conditions laid down under Rule 68 of NCLT Rules 2016.

- 4) The Board of Directors of Pennwalt Limited (Applicant) have decided in their meeting held on 29.11.2017 to convert the Petitioner Company "Pennwalt Limited" to Private Limited Company by the name and style of "Pennwalt Private Limited". Thereafter, at the Extraordinary General Meeting held on 20.01.2018 at Devi's Residency, Ashok Retreat Pvt. Ltd., Plot No. 08, Sector-24, Sion-Panvel Highway, Turbhe, Navi Mumbai-400705, a Special Resolution has been passed for conversion of the Applicant Company from Public Limited Company to Private Limited Company.
 - 5) 5 out of 53 members holding 78.69% equity shares in the company were present and all voted in favour of the said conversion.
4. The reason for conversion into a Private Company [Rule 68 (2) (e)] as set out in the Petition is specified as under:-

"For the following reasons :

In order to avail the privileges which are available to private limited companies under the Companies Act, 2013, it was thought appropriate to convert the company into a Private Limited Company which would help the management to carry out its affairs more efficiently and economically the proposed conversion will not have any adverse effect on any shareholder, creditor or any other related party of the Company".

5. To give effect of the proposed conversion, Memorandum of Association (MOA) and Articles of Association (AOA) of the Company shall undergo a change. The copy of altered Memorandum of Association (MOA) and Articles of Association (AOA) is also enclosed as Annexure 6.
6. The applicant had sent notices to all its creditors intimating the Conversion from Public Limited Company to Private Limited Company. The receipt of speed post has been tendered by the Ld. Representative of the Applicant. The Ld. Representative has informed that, so far he has not received any objection from any of the Creditor.
7. The applicant had published the public notice, one in English newspaper, Business Standard, and one in Marathi Newspaper, Navbharat Times dated 27.06.2018, both having wide circulation in the area where the Registered office of the Applicant Company is situated.

8. In the light of the foregoing legal position, it is hereby summarised that the Petitioner has complied with provisions of Section 14 to be read with Rule 68 of NCLT Rules, 2016. Therefore, having regard to all the circumstances, the conversion from "Public" to "Private" is in the interest of the Company which is being made with a view to comply efficiently with the provisions of Companies Act, 2013 causing no prejudice either to the members or to the creditors of the Petitioner. Therefore, the conversion is hereby allowed. The Petitioner is directed to give effect of the conversion by requisite alteration in its Articles and communicate the altered Articles within a period of 15 days to the Registrar of Companies.
9. The liberty is granted to any interested person for applying this Tribunal in this matter for any directions that may be necessary,
10. Accordingly, CP No. 1932/14(1)/NCLT/MB/MAH/2018 is, therefore, allowed. No order as to cost. Ordered Accordingly.

Dated : 04.09.2018

SD/-
M. K. SHRAWAT
MEMBER (JUDICIAL)