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NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD

IA 34 of 2017 in CA(CAA) No. 3/230-232/NCLT/AHM/2017

Coram: **Present: Hon'ble Mr. BIKKI RAVEENDRA BABU**
MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 16.03.2017

Name of the Company: Aditya Birla Financial Services Ltd.

Section of the Companies Act: Section 230-232 of the Companies Act, 2013

S.NO.	NAME (CAPITAL LETTERS)	DESIGNATION	REPRESENTATION	SIGNATURE
1.	Sandeep Singhi	Advocate	Applicant	
2.	Pranjal Buch for Singhi & Co.	"	"	

ORDER

Learned Advocate Mr. Sandeep Singhi with Learned Advocate Mr. Pranjal buch present for Applicant.

16/3/17

BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Dated this the 16th day of March, 2017.

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NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD

CORAM: SRI BIKKI RAVEENDRA BABU, MEMBER (JUDICIAL)

Date: 16th day of March, 2017

IA No.34 of 2017

IN

C.A.(CAA) No. 3/NCLT/AHM/2017

In the matter of: -

Aditya Birla Financial Services Limited,
A company incorporated under
the provisions of the Companies
Act, 1956 and having its Registered
Office at Indian Rayon Compound,
Veraval, Gujarat – 362 266. ..... Applicant.

Appearance: -

Mr. Sandeep Singhi and Mr. Pranjlal Buch,
Advocates, for M/s Singhi & Co.,
Advocates, for the Applicant.

ORDER

(Date: 16.03.2017)

1. This application is filed seeking modification of the Final Order dated 06.02.2017, passed by this Tribunal in CA (CAA) No.3/230-232/NCLT/AHM/2017.

2. This Tribunal directed the applicant-company to convene the meetings of both categories of preference shareholders of Aditya Birla Financial Services Limited (ABFSL) on 10th April, 2017 at10.30 A.M. This Tribunal also fixed 04.03.2017 as the cut-off date for the meetings to be held on 10.04.2017.

3. It is stated in the application that ABFSL converted Non-Cumulative Compulsorily Convertible Preference Shares of the value of Rs.10/- each ("CCPS") into equity shares of the face value of Rs.10/- each on 16.02.2017 and to that effect, a certificate of Chartered Accountant is also filed. Applicant also redeemed NCNCRPS issued by ABFSL on 02.03.2017. Certificate of Chartered Accountant also filed.

4. The applicant, stating those circumstances in this application, requested this Tribunal to dispense with the meetings of holders of both the Companies of Preference shareholders of ABFSL since the holders of CCPS would participate in the meeting of equity shareholders.

5. In this application, the applicant-company is invoking the inherent powers of this Tribunal. The basis for invoking the inherent powers of this Tribunal, according to the applicant, is that CCPS of the applicant-company were converted into equity shares. This conversion of CCPS into equity shares took place after the final order was passed by this Tribunal. The said action on the part of the applicant-company has not been called upon by any statutory authority or by necessity of compulsion. There is no dispute about the fact that this Tribunal has got inherent powers under Rule 11 of the NCLT Rules. But there are certain principles which govern inherent powers of Courts or Tribunals. In case the subsequent acts

or developments were by virtue of any enactment or by virtue of circumstances which were beyond the control of the applicant and the circumstances were such that they warrant emergent action, then there is some meaning in invoking inherent powers of this Tribunal. In the case on hand, the applicant, for the reasons best known to it or in its business wisdom, might have taken a decision to convert CCPS into equity shares. Therefore, such an action undertaken by the applicant-company cannot be taken as a ground to invoke the inherent powers of this Tribunal. However, the change in the shareholding pattern can certainly be brought to the notice of this Tribunal by the applicant-company or by the Chairman of the concerned meetings in the petition that is going to the filed for sanction of the Scheme for consideration of this Tribunal on merits and the effect of it on the Scheme.

6. In light of the above said observations, this application is disposed of accordingly.

16/3/17

BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Pronounced by me in open court on this 16th day of March, 2017.

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