

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

CP No. 200A/14(1)/NCLT/MB/MAH/2017

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

In the matter of

M/s. Roopam Fashions limited, 218/222
Carnac Road, Mumbai - 400002,
Maharashtra, India.

....Applicant/Petitioner Company

Order delivered on: 08.08.2017

Coram:

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

For the Petitioner:

Ms. Perila Sheth, Practicing Company Secretary - Authorised Representative for
the Applicant/Petitioner.

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

ORDER

1. This Application/Petition under consideration was filed on 24th May, 2017 under the provisions of Sec. 14 (1) (b) of Companies Act, 2013 (herein below referred as "the Act").
2. The Authorised Representative for the Applicant has sought the relief regarding allowing the Conversion of Applicant/Petitioner Company from Public Limited Company to Private Limited Company.
3. The Applicant has made following averments in the Application:
 - 1) The Authorized, Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 15,00,000/- (₹ Fifteen Lacs only) divided into 1,50,000 (One Lakh Fifty Thousand only) equity shares of ₹ 10/- (₹ Ten only) each.

MKS

- 2) The Applicant has complied with the conditions laid down under - Rule 68 of NCLT Rules 2016.
- 3) The Board of Directors of M/s. Roopam Fashions Limited (Applicant) have decided in their meeting held on 12th December, 2016 to convert the Petitioner Company "M/s. Roopam Fashions Limited" to Private Limited Company by the name and style of "M/s. Roopam Fashions Private Limited". Thereafter, at the Extra-ordinary General Meeting (EGM) held on 5th January, 2017 at the Petitioner Company's registered office at, 218/222 Carnac Road, Mumbai - 400002, Maharashtra, India., a Special Resolution has been passed for conversion of the Applicant Company from Public Limited Company to Private Limited Company. All the members were present and have voted unanimously 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:-

"Facts of the Case are given below:

..... Since there is no involvement of Public in the Shareholding or management of the Company it would be appropriate to convert the company into the Private Limited Company to avoid unnecessary formalities and to obtain privileges which are applicable to the Private Limited Companies under the Companies Act, 2013 which would help the management to carry out its affairs efficiently & economically. The conversion will not have any adverse effect on any of the shareholder, creditor or any other related party.

5. The Ld. Representative for the Applicant/Petitioner further submitted that, the Company is Closely held Public Company and all the shareholders of the Company are Members of one Family only.
6. To give effect of the proposed conversion, Memorandum of Association (MOA) and Articles of Association (AOA) of the Company

me/

shall undergo a change. And the copy of altered Memorandum of Association (MOA) and Articles of Association (AOA) is also enclosed as **Annexure – 5** to the Petition.

7. The applicant had published the public notice, one in English newspaper, The Free Press Journal, Mumbai Edition dated 5th July, 2017, and one in Marathi Newspaper, Navshakti, Mumbai Edition dated 5th July, 2017, both having wide circulation in the area where the Registered office of the Applicant/Petitioner Company is situated. And no objector has approached, to oppose the said conversion, neither to applicant nor before this Bench.
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 Limited Company” to “Private Limited Company” 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 Applicant/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. 200A/14(1)/NCLT/MB/MAH/2017 is, therefore, allowed. No order as to cost.
11. Ordered Accordingly.

Dated: 8th August, 2017

Sd/-
M. K. Shrawat
Member (Judicial)