

National Company Law Tribunal

Allahabad Bench

C P NO. 112/ALD/2017

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF ALLAHABAD BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 27.11.2017

NAME OF THE COMPANY: *M HDS Stone Edge Limited*

SECTION OF THE COMPANIES ACT/I & B CODE: *14 of the Companies Act, 2013*

<u>Sl. NO.</u>	<u>Name</u>	<u>Designation</u>	<u>Representation</u>	<u>Signature</u>
<u>1.</u>	<i>Shruti Srivastava</i>	<i>PCS</i>	<i>Petitioner</i>	<i>Shruti</i>
<u>2.</u>	<i>Krishna Dev Vyas</i>	<i>ROC Adv.</i>	<i>ROC</i>	<i>KS</i>

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1. Mrs. Shruti Srivastava, PCS for the petitioner Company. Shri Krishna Dev Vyas, the Central Govt. Standing Counsel for the ROC, Kanpur are present.
2. Final arguments of PCS/ learned counsel on behalf of both parties in respect of Present petition are heard. Hence, this Court can proceed well to decide forthwith the present Petition on its merits.
3. We have gone through the averments made in the present Company Petition as well as in the Report of the ROC, Kanpur.
4. The petitioner Company by this application has decided to carry necessary amendment/ alteration in its Articles of Association/ Memorandum of Association, as, it has passed necessary Resolution in its Board of Directors meeting held on 5th June, 2017 for proposed conversion of the Company from Public Limited to a Pvt. Ltd.
5. It is also stated that the Board of Director of the Company has taken a conscious decision to run the Company as a Private Ltd. Company. Therefore, it convened an Extra Ordinary General Meeting of the Company

6. We further perused the comments/report as furnished by the ROC, Kanpur, who in its report has provided some particulars about the Company disclosing about the Main objects of the Company which is the business of trading of shares, debentures dealings and other investment activity. That apart, the company is also receiving interest/ income from its other agricultural activities. The company is reported to have complied with all necessary formalities and has filed a Form MGT-14 dated 12.07.2017 within stipulated time after passing of such Special Resolution. Therefore, the Special Resolution passed by the Company for such purpose seems to be order.
7. It is also reported that petitioner Company is having no secured Creditor and is having only three unsecured Creditors and having limited number of three directors and 104 equity Shareholders. Thus, the present company can be treated as a closely held private entity. It is also reported that all its Directors have already given their consent to proposed conversion of the Company from Public Limited into a private Limited Company.
8. The ROC, Kanpur informs further that no kind of violation of Sections 383A and 203 of the Companies Act, 1956 is reported against the Company nor anything adverse is noticed from its record which is contrary to the proposed conversion of the Company. Hence, in the light of its report, the present Company Petition to be considered on its merits and an appropriate order therein may be passed.
9. The petitioner Company in the present petition duly submitted some reasons (in para 4) to adopt such resolution. As per the petitioner, the Special Resolution is passed in order to achieve its object and for carrying necessary activities of the Company in a better manner. Therefore, as a first step to reach such goal, it is decided to carry necessary amendment in the Articles of Association of Company to bring some change in the nature of the company from Public into a Private Ltd. Company. For achieving such purpose, the Company has obtained necessary approval from its

company has further filed its MGT-14 on 12th July, 2017 with the office of the Registrar of Companies (vide SRN No. G48069785). The petitioner in the present petition explained about the reason for taking such decision, because some difficulty as being a Public Ltd. was being faced by the Company to make compliance of its regulatory and statutory requirements, which are necessary for a Public Company. Due to such reason, the Management of the Company had to incur unnecessary cost and time. While on the other hand, it is having only small share holdings with limited resource. Therefore, the petitioner Company adopted a Special Resolution, for its proposed conversion from public Limited into Pvt. Ltd. Company.

10. The petitioner company further informed that it already sent a notice/intimation about its Special Resolution (on the proposed conversion), in accordance with Rule 35 of NCLT Rules to all its Creditors, Central Government/ Registrar of Companies and further got published the same in a Vernacular Newspaper "**Swatantra Bharat**" and English Newspaper "**the Pioneer**" on 21 September, 2017. Thus, it has duly complied with all the provisions of Rule 35, Form No. NCLT 3A. by serving a notice to Regulatory body and to the all concerned. The petitioner further submits that in response thereof, no such kind of objection from any side has so far been received.
11. Thus, the petitioner through the present Petition has sought necessary approval U/s 14(1) of the Companies Act from this Bench of NCLT, about its Special Resolution dated 03.07.2017 (as passed by the EOGM of the Company).
12. Having considered the above stated facts and circumstances of the above case and since all the requisite statutory compliances seems to be fulfilled, the conversion of the status of the Company from "**Public Limited**" to "**Private Limited**" as per Special Resolution passed as the EOGM on 3rd July, 2017 can be approved in the interest of the Company because such change in the status of the Company does not seem to cause any prejudice

Stone Public Ltd. to MHDS Stone Pvt. Ltd. in terms of its Articles of Association, with the status of all concerned to be in the same position as prior to conversion.

14.The petitioner Company is hereby directed to file with the Registrar of Companies, Kanpur, a certified copy of the order of this Bench in the prescribed e-form together with a printed copy of the altered Articles of Association along with requisite fee within a period of 15 days in terms of the provision of Section (2) of section 14 of the Companies Act, 2013 read with Rule 161 of NCLT Rules, 2016.

15.The Company shall also make payment a cost of Rs. 25,000/- to the Central Govt. through the office of the ROC, Kanpur.

With the above stated observation, the present Company Petition is hereby allowed and accordingly stands disposed of.

— Sd —

Shri H.P. Chaturvedi,

Member (Judicial)

Date: 27.11.2017

Typed By;

Jyoti

Stenographer