

**In the National Company Law Tribunal  
Single bench, Chennai**

**CP No. 40 of 2017**

Under Section 14(1)(b) of the Companies Act, 2013

In the matter of

**M/s. Don Construction Chemicals India Limited**

Order delivered on 18.09.2017

For the Petitioner: Shri Sukesh K.L., PCS

**Per: K. Anantha Padmanabha Swamy, Member (J)**

**ORDER**

1. Under consideration is a company Petition No. 40 of 2017 filed by M/s. Don Construction Chemicals India Limited (hereinafter called as '**Petitioner Company**') under Second proviso of Section 14(1)(b) of the Companies Act, 2013 read with Rule 68 of the NCLT Rules, 2016.
2. The Petitioner Company is a closely held Unlisted Public Company limited by shares having its CIN: U24294TN1993PLC025377 and Registered office at No. 4&5, II Block, Chowdhary Complex, Nandanam Extension, 5<sup>th</sup> Street, Nandanam, Chennai- 600032.
3. It is mentioned that the Authorised capital of the company is Rs. 25,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs.10/- each. The current Issued Capital is Rs. 20,53,94,980/-

divided into 2,05,39,498 Equity Shares of Rs.10/- each and the subscribed & paid-up capital is Rs. 20,35,90,720/- divided into 2,30,59,072 of Rs. 10 each..

4. The main objects of the company as set out in the Memorandum of Association of the Petitioner Company are to carry on the business of manufacturers, merchants, exporters, importers and distributors of chemicals, useful to the construction industry.
5. The Board of directors of the petitioner company vide its resolution dated 18.08.2016 has approved the proposed conversion from public limited company to that of Private Limited Company. Subsequently an AGM was conducted on 28<sup>th</sup> September 2016 in which 5 out of 10 shareholders of the company representing more than 99% in value have approved the special resolution regarding proposed conversion. There is one secured creditor i.e. Citi Bank N.A. and the company has produced the consent letter from them consenting to the proposed conversion.
6. Shri Sukesh K.L., the learned PCS representing the Petitioner Company submitted that the petitioner company is a closely held foreign subsidiary and having no involvement of public

in the shareholding and management of the company. He further submitted that in order to save on compliance cost while also improving efficiency of management and flexibility in decision making, it was felt necessary to change the status of company from that of Public to Private. It is further submitted that the conversion of the company from public limited to private limited does not prejudice the interests of any person either Member or creditor or other related parties of the company.

7. The Registrar of Companies, Tamil Nadu, Chennai, vide letter dated 07.07.2017 has submitted that there is no prosecution pending against the Petitioner company and its Directors and also no investors complaints are pending and submitted that the petition may be decided on its merits.
8. In the light of the above, it seems that the Petitioner Company has complied with the provisions of Section 14 r/w Rule 68 of NCLT Rules, 2016. This Bench is of the opinion that permitting conversion of the company from public limited to private limited is in the interest of the company with a view to make the company to carry on the business more efficiently and it will not be prejudicial to the interest of any members or

to the creditors of the company. Therefore, the company petition is allowed

9. The copy of this order along with the copy of the altered Articles of Association be filed with the Registrar of Companies, Tamil Nadu, Chennai within a period of 15 days from the date of this order in a prescribed manner for necessary compliance.

10. . Accordingly, the Company Petition is disposed of.



**K. ANANTHA PADMANABHA SWAMY**  
**Member (J)**

RLS