

IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, CHENNAI

C.P. No.55/14 (1)/CB 2017

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

In the matter of

M/s. Goyal Ispat Limited

Order delivered on 11th October, 2017

CORAM

CH. MOHD SHARIEF TARIQ, MEMBER (J)
S.VIJAYARAGHAVAN, MEMBER (T)

For Applicant: Mr. Soy Joseph, PCS

ORDER

PER: CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL) : (ORAL)

1. The above Company Petition came to be filed on 13.04.2017 under Second proviso to Section 14 (1) (b) of the Companies Act, 2013 by the Applicant Company viz. M/s. Goyal Ispat Limited for conversion of its status from public company to private company.

2. The Petitioner Company was incorporated on 26.09.1990 under the provisions of the Companies Act,

1956. The company's registered office is situated at No.664, Tiruvottiyur High Road, Tondiarpet, and Chennai-600081 having its CIN: U27104TN1990PLC019711.

3. The authorised share capital of the company is Rs.7,75,00,000(Rupees Seven Crores Seventy Five Lakhs Only) divided into 77,50,000(Seventy Seven Lakhs Fifty Thousand Only) equity shares of Rs.10/- each. The issued, subscribed and paid up share capital of Rs.6,72,50,000/- (Rupees Six Crores Seventy Two Lakhs Fifty Thousand Only) divided into 67,25,000 (Sixty Seven Lakhs Twenty Five Thousand Only) equity shares of Rs.10/- each.


4. It has been stated that the Board of Directors held a meeting on 10.11.2016 and accorded their consent for conversion of the company from a public limited to a private limited and consequently change in the name of the company and alteration to the Memorandum of Association and the Articles of Association. Therefore, an EoGM for the said purpose was convened. It is a

closely held company. The EoGM dated 10.12.2016 was attended by 5 members and unanimously passed the Special Resolution approving conversion of the company into private limited. Consequently, the name of the company was proposed to be changed from Goyal Ispat Limited to Goyal Ispat Private Limited.

5. The Petitioner has filed requisite documents before the Registrar of Companies concerned, including Form MGT-14 on 04.04.2017. In relation to the publication of notice, it is on record that there are 42 secured creditors and 110 unsecured creditors. On 25.07.2017, the petitioner company filed the proof of publication of notice in newspapers on 20.07.2017, one in English "**The Times of India**", and another in vernacular "**Thina Thanthi**". They have made paper publication containing the details of the petition in terms of Rule 35 r/w Rule 68(5) of the National Company Law Tribunal Rules, 2016 for proposed conversion of public to private limited company. The Petitioner Company has sent individual notice to its secured and unsecured creditors and filed proof of

sending and delivery thereof with an affidavit. Therefore, it appears that the petitioner company has fulfilled the requirements as per law, for consideration of its application.

6. The representative of the Petitioner has also submitted during argument that the Petitioner has not received any petition, application and objection in response to the advertisements dated 20.07.2017, as mentioned in Form NCLT-3A under the NCLT Rules, 2016.

7. The Registrar of Companies, Chennai vide report dated 16.05.2017 stated that the application may be decided on merits. The special resolution passed also provides for amending the Memorandum of Association and Articles of Association to align with the provisions of the Companies Act, 2013. Therefore, it appears that the Applicant Company has fulfilled all the requirements as per law, for the proposed conversion. 

8. The Tribunal vide its earlier order dated 28.09.2017 had asked for the consent of the major creditors including financial institution before approving the application to convert the Public Limited Company to Private Limited Company. The applicant vide its letter dated 11.10.2017 has submitted the consent of the parties and also the consent from their creditors as per the list of creditors as on 15.02.2017. In view of the compliance with the earlier orders of this Tribunal, the company petition is allowed permitting the conversion from public limited to private limited which is in the interest of the company with a view to carry on the business more efficiently and effectively under the provisions of Companies Act, 2013 and the same is not likely to cause any prejudice to the members. The CP is disposed of accordingly, by giving approval to the amendment made in the Articles of Association by passing a special resolution in the EoGM held on 10.12.2016 converting the company from 'Public' to 'Private'. A copy of this Order along with printed copy of the Articles of Association be filed with the Registrar of Companies concerned, **within a**

period of 15 days from the date the copy of this order is received, in the manner as prescribed for registration of the company and change of the name of the company as prayed for in the petition.

S. Vijayaraghavan

S.VIJAYARAGHAVAN
MEMBER (TECHNICAL)

PAM

CH. MOHD. SHARIEF TARIQ
CH. MOHD. SHARIEF TARIQ
MEMBER (JUDICIAL)