

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
DB, CHENNAI

Arguments heard on 06.02.2017

Orders passed on 17.02.2017

C.P.No. 12 of 2017

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

Petitioner : M/s. L&T South City Projects Ltd. rep. by Advocates
M/s.Anant Merathia, Pawan Jhabakh and TVP Sai Vihari

CORUM

ANANTHA PADMANABHA SWAMY & CH MOHD SHARIEF TARIQ,
MEMBERS (JUDICIAL)

ORDER

ANANTHA PADMANABHA SWAMY, MEMBER (JUDICIAL) :- (ORAL)

1. This company petition came to be filed on 28.12.2016 under Second proviso to Section 14 (1)(b) of the Companies Act, 2013 which has been numbered as in C.P.No.12 of 2017.
2. The Applicant "L & T South City Projects Limited" is a company incorporated under the Companies Act, 1956 having its CIN : U70101 TN2006PLC058866 and its registered office is located at Mount-Poonamallee Road, Manapakkam, P.B.No.979, Chennai-89 Tamilnadu.
3. It has been stated that the Board of Directors held meeting on 18.03.2016 and decided for conversion of the company as a private limited company. An EoGM has been held on 13.10.2016 in which all the 9 Shareholders participated and unanimously approved the special

resolution for conversion of the Applicant company from public limited to private limited.

4. The company has a lone Secured Creditor and 56 Unsecured Creditors, the details of which are enclosed with the petition. The authenticated list of creditors is stated to be available for inspection at the registered office of the company during business hours. There is no debenture holder as on the date of filing of the petition. The annual returns of the company is for the year ending 31st March 2016 has been filed in MGT-7. The company also issued public notice dated 17.01.2017 through newspapers having wide circulation in English and local vernacular for not less than 14 days prior to the date fixed for hearing. The copies of newspaper publication are also annexed with the petition. The proposed conversion of the company from Public limited to Private limited shall not prejudice to the right/interest, whatsoever of any shareholders/creditors for or related parties of the company. The conversion of public limited company into a private limited is stated to be in the interest of the Company and its shareholders with an object to have ease of business as the company being private limited shall enjoy more privileges. The company is unlisted public limited company. The affidavits have been filed by two Directors verifying the list of Creditors. The copy of the petition is stated to have been sent to the Registrar of Companies concerned. The Registry has also sent notice to the Registrar of Companies concerned for his remarks, on 11.01.2017. But in the report

of the Deputy Registrar of Companies, it has been stated that their office has no objection, if the application being allowed on merits and on such terms as deemed fit, pointing out certain deficiencies in fulfilling the requirements. However, we consider that non-fulfilment of the said requirements may not be a sufficient ground for rejection of the petition.

5. In the light of the above, it seems that the 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 perform efficiently with the provisions of the Companies Act, 2013 without causing any prejudice either to the members or to the creditors of the company. Therefore, the company petition is allowed. Accordingly, the petition is disposed of, with a direction to give effect to the conversion of the company from public to private by inclusion of a clause in the Articles of Association.

6. The copy of the order of this Tribunal along with the printed copy of the altered Articles of Association be filed with the Registrar of Companies, Chennai within a period of 15 days from today in a prescribed manner, for registration of the company thereof and for change of the name of the company as has been prayed in the petition.


CH. MOHD. SHARIEF TARIQ
MEMBER (JUDICIAL)


K. ANANTHA PADMANABHASWAMY
MEMBER (JUDICIAL)