

(2007) 02 RAJ CK 0081
In the Rajasthan High Court
In Re: Multimetals Ltd.

Date of Decision : 23-02-2007

Acts Referred:

COMPANIES ACT, 1956 — Section 235, 236, 237, 238, 239

Citation : (2007) 78 SCL 31

Hon'ble Judges : Shiv Kumar Sharma, J

Bench : Single Bench

Judgement

Shiv Kumar Sharma, J.—The applicant Multimetals Limited filed this application u/s 391 of the Companies Act, 1956 (hereinafter shall be referred to as the Act of 1956) for a direction of the Court as to the method of convening, holding and conducting the meetings of the preference shareholders and equity shareholders of the applicant company as to the notice and advertisement to be issued, for the purpose of considering and, if thought fit, approving with or without modification, the scheme of arrangement proposed by Multimetals Limited.

2. Multimetals Ltd. (hereinafter shall be referred as the applicant-company) is a company duly incorporated under the Companies Act, 1956 on 2-8-1962 vide Certificate of Incorporation No. 25586 of 1962.

3. The position authorized issued, subscribed and paid up capital of the applicant company as on date is detailed out in para No. 3 of the application.

4. The main objects of the applicant-company as set out in the object clause of its Memorandum of Association, have been detailed out in para No. 4 of the application. The copy of the latest audited annual accounts of the applicant-company for the year ended on 31-3-2006 has been submitted as Annexure C to the application.

5. The net worth of the applicant-company as per Audited Balance Sheet as on 30-9-1999 stood eroded and reference was filed by it before the Board for Industrial Reconstruction New Delhi and the applicant-company was declared Sick Industrial Company. On 26-2-2003 the BIFR sanctioned scheme for revival of the applicant-company. During the course of implementation of scheme of

revival. Rajendra Agarwal with the financial stake was inducted as co-promoter and associate concern Hadoti Punji Vikas Limited, Kota subscribed 1.30 crores 6 per cent Redeemable Preference share of Rs. 10 each for cash at par i.e., Preference Share capital of Rs. 13 crores. Vide order dated 16-11-2005 BIFR Bench No. 1 observed that the applicant-company has been able to turn its net worth positive at the end of 31-3-2005, the applicant ceased to be Sick Industrial Company. On account of the imperative to have its net worth stated in the realistic perspective it was stated by the applicant-company that it is felt necessary to convert preference shares into equity share and the Board of Director in its meeting held on 4-9-2006 approved the proposed scheme of arrangement by unanimously passing a resolution. The Scheme of Arrangement is enclosed as Annexure D with the application. No proceedings under Sections 235 to 251 of the Companies Act are pending against the applicant-company.

6. Having heard the learned Counsel for the applicant on perusal of the entire application, it is ordered that the meetings of the preference shareholders and equity shareholders of the applicant-company for the purpose of considering and if thought fit, approving with or without modifications, the scheme of arrangement aforesaid shall be convened and held as per the following schedule--

___	Name	Date and time	Place
___	Preference Shareholders	28-3-2007	Registered office of the company
10.30 A.M.	of the company	Equity shareholders	28-3-2007
Registered office of the company	11:30 A.M.	of the company	___

7. At least 21 clear days before the days fixed for the meetings an advertisement convening the same and stating that copies of the said scheme of arrangement and of the statements required to be furnished shall be furnished pursuant to Section 393 of the Act, 1956 and forms of proxy can be obtained free of charge at the office of the applicant-company or from the office of their advocate be advertised once in the dailies namely, English Newspaper Statesman (in English - Delhi Edition) and Hindi Newspaper - Dainik Bhaskar (in Hindi-Jaipur Edition).

8. At least 21 clear days before the meetings to be held as aforesaid a notice convening the said meetings at the place and time aforesaid, together with the copy of the said scheme of arrangement, a copy of the statement required to be sent u/s 393 of the Act, 1956 and the prescribed form of proxy, shall be sent by prepaid post under certificate of posting addressed to each of the preference and equity shareholders, whose meetings are to be held at the registered addresses.

9. The advocates for the applicant company do within the time as they consider necessary and at least within three days file in Court the forms of the advertisement the notices and statement to company the notices, and the same shall be settled by the Registrar of this Court.

10. Shri Ashok Pareek, Advocate Rajasthan High Court, Bench Jaipur shall be the

Chairman of the meetings of the shareholders, to be held on 28-3- 2006 as aforesaid. The applicant-company shall deposit in the court or pay within one week from today an amount of Rs. 30,000 (Thirty thousand) towards remuneration to the Chairman for presiding the meetings aforesaid. The applicant-company shall also bear the expense of conveyance of the the Chairman for the said meeting.

11. The Chairman appointed for the meetings through applicant-company, do issue the advertisement and send out the notices of the meeting referred to above.

12. The quorum for the said meetings shall be as per the provisions of the Act of 1956.

13. Voting by proxy be permitted, provided that a proxy in the prescribed form duly signed by the person entitled to attend and vote at the meeting, is filed with the applicant-company at their registered office, aforesaid not later than forty eight hours before the meeting scheduled to be held.

14. The value of each shareholder shall be in accordance with the books A of the applicant-company where the entries in the books are disputed the Chairman shall determine the value for purposes of the meetings.

15. And it is further ordered that the Chairman do separately report to this court the result of the said meetings within seven days of the conclusion thereof, and the said reports shall be verified by his affidavit.

16. With these directions the application accordingly stands disposed of.