

(2008) 06 KAR CK 0076
In the Karnataka High Court
Case No : C.A. No. 611 of 2008
In Re: Mysore Cements Ltd.

Date of Decision : 26-06-2008

Acts Referred:

Companies Act, 1956 — Section 391

Citation : (2009) 149 CompCas 50 : (2009) 3 CompLJ 248

Hon'ble Judges : Mohan Shantanagoudar, J

Bench : Single Bench

Advocate : Amarchand and Mangaldas, for the Appellant;

Judgement

Mohan Shantanagoudar, J.—This application is filed praying for a direction to convene the meeting of the equity shareholders of the applicant-company u/s 391 of the Companies Act, 1956. The applicant has also prayed for dispensation of the meeting of the preference shareholders of the company as the only preference shareholder has given no objection. The applicant has also prayed for dispensation of the meeting of the unsecured creditors.

2. The scheme of amalgamation is proposed to amalgamate the transferor company with the applicant-company. For the said purpose a direction is sought from this Court to convene the meeting of the equity shareholders.

There is only one preference shareholder who has given a letter of no objection as per annexure M. Hence, the meeting of preference shareholders is dispensed with.

3. According to the applicant, the unsecured creditors of the applicant-company are not in any manner affected by the scheme nor is there any compromise of arrangement envisaged in the scheme with the unsecured creditors of the applicant-company. The scheme does not contemplate any variation in the rights of the unsecured creditors of the applicant-company in any manner whatsoever. Further, the applicant-company is satisfying the amounts payable to its sundry/trade creditors which arise on day-to-day basis from the business activities of the applicant-company. The scheme upon becoming effective by the merged entity,

would be in a further stronger financial position to meet its current liabilities as they arise in the original course of business. The applicant-company has also currently sufficient cash and bank balances to meet the dues payable to the trade creditors. In view of the same, this Court proposes to dispense the applicant from convening and holding of meeting of the unsecured creditors of the applicant-company to further approval to the scheme of amalgamation.

There is no secured creditors to the applicant-company. The meeting of the equity shareholders shall be held as per the following calendar of events:

I. Date of meeting and time : Wednesday, August 6,2008. Equity shareholders 9.30 a.m. II. Venue of meeting : Mysore Cements Employees Staff Club Auditorium, Mysore Cements Ltd. P.O., Ammasandra District, Karnataka-572 211. III. Chairman of the meeting : Mr. Ashish Guha (Managing Director) or failing him Mr. Amitabha Ghosh (Director) IV. Quorum : (a) For equity shareholders : 5 Members present either in person or proxy. 6. The applicant-company shall publish notice in The Hindu and Udhaya-vani newspapers with regard to the holding of meeting of the equity shareholders. Notice should be published about 21 days prior to holding of meeting. The application is allowed accordingly.