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(2008) 09 RAJ CK 0099

In the Rajasthan High Court

In Re: Shree Shiva Spinners Ltd.

Date of Decision : 26-09-2008

Acts Referred:
Companies (Court) Rules, 1959 — Rule 9

Citation : (2009) 91 SCL 51

Hon'ble Judges : Shiv Kumar Sharma, J

Bench : Single Bench

Judgement

Shiv Kumar Sharma, J.—The applicants Sarva Shri Shankar Lal Bansal and Sita Ram Goyal, filed this application under Rule 9 of the Company (Court) Rules, 1959 for issue of directions to convene separate meetings of members, secured and unsecured creditors to consider revised scheme of compromise and arrangement of Shree Shiva Spinners Ltd. (company under liquidation), praying as under:

(i) Direct holding of separate meeting of members secured creditor and unsecured creditors of the Company to consider scheme of compromise and Arrangement (Annexure A-19) at the premises of registered office of the company or at such place as may be determined by the Hon''ble Court.

(ii) To appoint chairman to preside over the proceedings of the said meetings and to report thereon.

(iii) To direct publication of notices in the Daily Statesman (in English published from New Delhi) and Daily Rajasthan Patrika(in Hindi-City Edition, Jaipur) relating to proposed meeting of members, secured creditor and unsecured creditors of the company to consider the scheme of compromise and arrangement.

2. Shree Shiva Spinners Ltd. was incorporated on July 2, 1984 as a public company limited. The registered office of the company is situated at 381, Naya Bazar, Ajmer.

3. The position authorized issued, subscribed and paid-up capital of the applicant-company is detailed out in para No. 8 of the application.

4. The main objects of the applicant transferor-company as set out in the object clause of its Memorandum of Association, have been detailed out in para No. 9 of the application. That with reference to financial position as on March 31, 1993 the company was declared as Sick Industrial Company and the matter was referred by the BIFR to the Rajasthan High Court for winding up of the company. The applicants Sarvashri Shankar Lal Bansal and Sita Ram Goyal, being promoters directors as well as the members of the Company have been interested to settle outstanding dues of RIICO Ltd. and RFC, but the matter could not be settled. Now Bharti Syntex Ltd. conveyed its approval to provide the requisite resources and at the meeting of its Board of Directors held on June 24,2008 resolved to become assignee of the debts owed by the Company to RIICO Ltd. RIICO Ltd. vide its letter dated April 23,2008 had agreed to gets its entire rights and privileges qua the company transferred in favour of Bharti Syntex Ltd. and after receipt of the amount from the said financiers issued no dues vide letter dated July 4, 2008. The RFC have also settled dues vide letter dated May 27,2008. The entire dues of RIICO and RFC having been assigned to Bharti Syntex Ltd. as on date having one secured creditors ie. Bharti Syntex Ltd. proposed to enter into agreement with the secured creditors, unsecured creditors and the members. The scheme of compromise and arrangements is enclosed as Annexure A-19 with the company application.

5. Having heard the learned Counsel for the applicants and on perusal of the entire application, it is ordered that the meetings of secured creditors, unsecured creditors and members ie. 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 Secured creditors of the 15-11-2008 Registered Office of applicant-company 10.30 a.m. company

Unsecured creditors of the 15-11-2008 Registered Office of applicant-company 11.30 a.m. company

Members i.e. Shareholders 15-11-2008 Registered Office of of the company 1.00 noon company

6. At least 21 clear days before the date 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 transferor company or from the office of their advocate be advertised once in the dailies, namely, English Newspaper - The Statesman (in English - Delhi Edition) and Hindi Newspaper - Dainik Bhaskar (in Hindi - Ajmer Edition).

7. 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

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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 secured creditors and unsecured creditors, whose meetings are to be held at the registered addresses.

8. The advocates for the applicants 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 accompany the notices, and the same shall be settled by the Registrar of this Court.

9. Shri Virendra Dangi, Advocate Rajasthan High Court, Jaipur Bench shall be the Chairman of the meetings of the secured creditors, unsecured creditors and members (i.e., shareholders), to be held on November 15, 2008 as aforesaid. The applicant shall deposit in the Court or pay within one week from today an amount of Rs. 45,000 (Forty five thousand) towards remuneration to the chairman for presiding the meetings aforesaid. The applicants shall also bear the expense of conveyance of the Chairman for the said meeting.

10. The Chairman appointed for the meetings through applicants, do issue the advertisement and send out the notices of the meeting referred to above.

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

12. 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.

13. The value of each secured creditors, unsecured creditors and members shall be in accordance with the books of the applicant-company where the entries in the books are disputed the Chairman shall determine the value for purposes of the meetings.

14. 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.

With these directions the application accordingly stands disposed of.

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