

NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – II
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 11-01-2023
AT 10.30 A.M. THROUGH VIDEO CONFERENCING:

PRESENT : DR. DEEPTI MUKESH, HON'BLE MEMBER (JUDICIAL)
SHRI. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)

APPLICATION NUMBER : --

PETITION NUMBER : CP/146(CHE)2022

NAME OF THE PETITIONER : Magick Woods Exports Private Limited

NAME OF THE RESPONDENT(S) : --

UNDER SECTION : Sec 66 r/w Sec 52 of CA, 2013

ORDER

Learned Counsel Mr. R. Inbaraju appears for the Applicant and is present through Video Conferencing Platform. The present application has been filed by MAGICK WOODS EXPORTS PRIVATE LIMITED (hereinafter "Applicant Company") under the provisions of Section 66 of the Companies Act, 2013, seeking the following reliefs:

- i. *That the reduction of CCS of the Company approved by the Shareholders at the Extraordinary General Meeting held on 14th October 2022 as set out in paragraph 8 above be confirmed by this Hon'ble Tribunal, so as to be binding on all shareholders and creditors of the Company;*
- ii. *That creating a Capital Reserve as approved by the Shareholders at the Extraordinary General Meeting(s) as set out in paragraph 8 above be confirmed by this Hon'ble Tribunal, so as to be binding on all Shareholders and Creditors of the Applicant Company;*
- iii. *That this Hon'ble Tribunal may issue notice to Central Government, Ministry of Corporate Affairs, represented by the Regional Director and the Registrar of Companies and to its Creditors;*
- iv. *That this Hon'ble Tribunal may issue directions for publication in the newspapers;*

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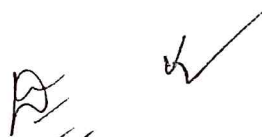
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- v. *That to this end all inquiries and directions necessary and proper be made and given;*
- vi. *That the proposed minute be approved by the Hon'ble Tribunal;*
- vii. *That the company be not required to add the words "and reduced" to its name;*
- viii. *That this Hon'ble Tribunal may pass such further orders as it may deem fit and proper in the facts and circumstances of the case.*

2. In respect of the above prayers, the Applicant states that on 05.09.2022, a Board Resolution was passed with respect to the approval of the reduction of the Share Capital of the Applicant Company. On 14th October 2022, a Special Resolution was passed by the Applicant Company at the Extra Ordinary General Meeting (hereinafter the "EoGM") held at the Registered Office of the Applicant Company under Section 66 of the Companies Act, 2013 whereby Applicant Company by way of the present Application seeks to extinguish Compulsorily Convertible Preference Shares having value Rs. 74,45,62,000/- (7,33,562 Compulsorily Convertible Preference Shares of Rs. 1000/- each). The following tabulation depicts the Share Capital of the Company before and after the proposed reduction:

Share Capital before Reduction	
Issued, Subscribed and Paid-up	Amount
3,78,507 Equity Shares of Rs. 10/- each	
34,92,514 Compulsorily Convertible Preference Shares of Rs. 1000/- each	
Total	Rs. 349,62,99,070/-

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Share Capital after Reduction	
Issued, Subscribed and Paid-up	Amount
3,78,507 Equity Shares of Rs. 10/- each	
27,47,952 Compulsorily Convertible Preference Shares of Rs. 1000/- each	
Total	Rs. 275,17,36,070/-

3. We have perused the Application filed by the Applicant Company along with the annexures. The authorized share capital of the Applicant Company as on 31.03.2022 is divided into 47,70,000 Equity Share of ₹10/- each and 50,88,800 Compulsorily Convertible Preference Shares of Rs. 1,000/- each. The issued, subscribed and paid – up share capital of the Applicant Company is divided into of 3,78,507 Equity Shares of Rs. 10/- each and 34,92,514 Compulsorily Convertible Preference Shares of Rs. 1,000/- each. The same is tabulated as under:

<u>Authorised capital</u>	
47,70,000 equity shares of Rs.10/- each	4,77,00,000
50,88,800 Preference shares (CCPS) of Rs.1000/- each	508,88,00,000
<u>Issued, subscribed and paid up capital</u>	
3,78,507 Equity Shares of Rs.10/- each	37,85,070
34,92,514 Preference shares (CCPS) of Rs. 1,000/- each	349,25,14,000

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4. The Statutory Auditor of the Company has filed a Certificate which is annexed at page 233 – 247 to the effect that the Applicant Company as on 12.10.2022 has 4 Secured Creditors with an outstanding balance of Rs.30,20,05,622/-, 2 Unsecured Loan Creditors with an outstanding balance of Rs. 39,52,516/- and 200 Unsecured Trade Creditors at an outstanding balance of Rs. 37,11,09,436/-in total.

5. The Director of the Company has given their declaration in affidavit confirming that there are NO arrears of repayment of deposits and the same has been annexed at Annexure - A12 to the Application. The Certificate issued by the Statutory Auditor confirming that the Applicant Company has no default in arrears of repaying deposits has been annexed at page 250 of the Application in compliance of Section 66(1) proviso. The list of creditors certified by the Statutory Auditor showing the details of the creditors of the Company is placed from 233 -274 of the Application.

6. In consonance with the provisions of this Act as well as the rules framed thereunder, the Applicant Company amongst other documents, have also filed a certificate dated 15.10.2022 from the Statutory Auditor issued to the effect that the accounting treatment as per Section 66(3) proviso for the Reduction of Share Capital is in conformity with the Accounting Standards with respect to the same as specified by the Central Government read with Section 133 of the Companies Act, 2013. The 'Form of Minute' for the propose reduction is also placed as Annexure – 10 along with the Application.

7. Taking into consideration the Application as well as the documents filed along with it, and the representation made by the Ld. Authorised Representative for the Applicant Company, we order as follows:





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i. The Applicant Company is directed to give notice of the instant Application within a period of 7 days from the date of receipt of this order to the Central Government through the Regional Director and the Registrar of Companies having jurisdiction over the files of the Applicant Company. Since the Company is not a listed Company, hence SEBI is not required to be served.

ii. The Applicant Company is further directed to cause publication of notice in the prescribed form in English "Business Standard" (All India Edition) and in Tamil, "Dina Malar" (Tamil Nadu Edition), where the registered office of the Applicant Company is situated.

iii. The Applicant Company is also directed to upload in their website, if any, intimating the factum of the Application and notice of the date of hearing, which is fixed as **19.04.2023**.

8. The Applicant Company shall file an affidavit confirming the dispatch and publication of notice not later than seven days from the date of issue of such notices. The notices directed to be issued herein by the Applicant Company shall be given by the Applicant Company whereby the authorities to whom such notices are issued shall have atleast three months from the date on which the notice is served on them to file their report/objection, if any.

9. The Application shall come up for hearing on **19.04.2023** by which date the authorities to whom the notice of the Application is directed to be given shall file their objections, if any, failing which it will be presumed that there is no objection to the confirmation of reduction of share capital of the Applicant Company as contemplated in the Application.

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10. To come up for hearing and further orders on 19.04.2023.

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SAMEER KAKAR
Member (Technical)

V Shree Kumar

-Sd-

DR. DEEPTI MUKESH
Member (Judicial)