

Appellant Vs. Respondent

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Court : Kolkata

Decided On : May-15-2014

Judge : Nadira Patherya

Appellant : Appellant

Respondent : Respondent

Judgement :

ORDER

SHEET CP No.143 of 2014 CA No.536 of 2013 IN THE HIGH COURT AT CALCUTTA Original Jurisdiction ORIGINAL SIDE IN THE MATTER OF : ADAPT INVESTMENTS LTD.& ORS.BEFORE: The Hon'ble JUSTICE PATHERYA Date : 15th May, 2014.

Mr.Ratnanko Banerjee, Adv.for the petitioner Mr.Raja Saha, Adv.for union of India
The Court : Several objections have been raised by the Central Government.

The fiRs.of such objection relates to pay back contemplated to the shareholders who have not exercised their option to get shares.

In the scheme in clause 12.6, it has categorically been stated that equity shareholders will be entitled to exercise option to either obtain equity shares as per clause 12.5 or cash equivalent to the value of such shares within 30 days of service of notice.

In the event no option is exercised account payee cheques in respect of shares held by the shareholders will be issued by the concerned companies.

This clause cannot be faulted as 30 days time limit has been set for the shareholders to exercise their respective options and if no option is exercised the company must take its decision with regard to the shareholding.

This is all that has been set but one must admit that the company has no intention of depriving any shareholders of its dues.

Therefore the option raised by the Central Government on the touchstone of the shareholders democracy cannot be sustained as the shareholders have been given full opportunity to exercise option within the time set out in the said scheme.

Accordingly the fiRs objection raised by the Central Government cannot be sustained in the eye of law and is rejected.

The second objection raised is with regard to treatment of accounts and all that the Central Government seeks is that the accounts be treated as per Accounting Standard - 14.

The company has in clause 14.3.4 categorically stated that Accounting Standard as per the Companies (Accounting Standard) Rules, 2006 will be adopted.

Therefore in view of the aforesaid and the applicants being ready and willing to treat its accounts as per Accounting Standard - 14, the Central Government can have no objection in respect thereof.

The third objection is with regard to operation of bank accounts till the date of the scheme.

Till the effective date of the scheme the applicants will operate the bank accounts as has been operated and therefore no further direction need be given by Court in respect thereof.

This finds mention in Clause 16 of the scheme.

Legal proceedings which have been initiated against the transferor company will be continued against the transferee company, Rainbow.

One of such legal proceedings is proceedings pending before the Chief Judicial Magistrate.

The said proceedings directed against the transferor company on sanction of the scheme by this Court, will continue against the officers of the transferor company.

Liberty is given to the applicant to correct Adapt in the eighth line of Clause 5 at page 51 by inserting the word Rainbow in place and stead of Adapt.

In view of the aforesaid there will be orders in terms of prayers (a) to (j) of the petition.

In the event the petitioners supply a legible computerized print out of the scheme and the schedule of assets in acceptable form to the department, the department will append such computerized print out, upon verification, to the certified copy of the order without insisting on a handwritten copy thereof.

Let cost of 200 G.Ms.be paid by the applicant to the Central Government.

In view of the aforesaid, C.P.143 of 2014 is disposed of.

Urgent photostat certified copy of this order, if applied for, be supplied to the parties subject to compliance with all requisite formalities.

(PATHERYA, J.) TR/

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