In Re: Mangalam Cement Ltd.

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SooperKanoon Citation : sooperkanoon.com/771368

Court : Rajasthan

Decided On : Nov-30-2007

Reported in : [2008]86SCL153(Raj)

Judge : Ajay Rastogi, J.

Appellant : In Re: Mangalam Cement Ltd.

Judgement :
ORDER

Ajay Rastogi, J.

1. Company Petition has been filed seeking confirmation under Section 78 of Companies Act, 1956 ('the Companies Act') as to reduction of securities premium account of Mangalam Cement Limited (for short, 'the Company') incorporated in the year 1976 having its two cement units Mangalam Cement and Neer Shree Cement and registered Office at Aditya Nagar - 326520, Morak (Kota district).

As per Special resolution passed at Annual General Meeting held on 14-7-2007, shareholders of the company with the consent, approved reduction on securities premium account for the purpose of meeting the deferred tax liability by utilization of credit balance in securities premium account. Under orders of this Court passed on 5-10-2007, a Notice was published in the Form No. 5 appended to Rule 25 of Company (Court) Rules, 1959. After its publication in daily newspapers 'Indian Express' (national Edn.) and local newspaper 'Dainik Bhaskar' (Raj. Edn.) of 20-

10-2007, the matter came up on 16-11-2007 but, there was no objection raised to public notice published (supra). However, this Court considered it proper to grant one more opportunity, and posted for 30-11-2007.

2. Today on 30-11-2007 none appeared, nor any objection has been raised. Accordingly, this Court doth order:

(a) the reduction of share capital/securities premium account of applicant company resolved on and affected by Special resolution passed at its General Meeting held on 14-7-2007 ad infra:

Resolved that pursuant to Sections 78, 100 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the confirmation by the Hon'ble Rajasthan High Court as provided under Section 100 of the Companies Act, 1956, the Company be and is hereby authorized to utilize the credit balance in the securities premium account of the Company for the purpose of meeting the 'deferred tax liability' provided and/or to be provided by the company in terms of Accounting Standard-22 issued by the Institute of Chartered Accountants of India, i.e., Accounting for taxes on income.

Resolved further that for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company or any of its Committee, be and is hereby authorized to do and perform all acts, deeds, matters and things and take all such actions as may be considered necessary and desirable to give effect to the same.

be and is hereby confirmed;

(b) The minutes proposed by the Company to be registered under Section 103(1) of the Companies Act, set forth in para 14 of the petition, be and is hereby approved ad infra:

The Company do utilize the credit balance as on 31-3-2007 to the extent of Rs. 46,69,28,887 (Rupees forty six crores sixty nine lakhs twenty eight thousand eight hundred and eighty seven only) securities premium account for the purpose of meeting the deferred tax liability in terms of Accounting Standard-22 issued by the Institute of Chartered Accountants of India.(c) The additional of words, 'and reduced' after name of the Company pursuant to Section 102(2)(a) of the Companies Act be and is hereby dispensed with.

(d) Publication of reasons for the reduction and other information pursuant to Section 102(2)(b) of the Companies Act be and is hereby dispensed with.

(e) The Company shall deliver to the Registrar of Companies, Rajasthan for registration of certified copy of this order within six weeks from the date hereof.

(f) Notice of registration of the Registrar of Companies, Rajasthan of this order and of afore-quoted minutes be published once in daily Newspaper 'Indian Express' (National Edn.) & Local newspaper 'Dainik Bhaskar' (Rajasthan Edn.) within two weeks from the date of registration by Registrar of Companies.

3. In the light of what has been directed (supra), this Company petition be and is hereby disposed of. A copy of this order be sent to the Registrar of Companies for necessary compliance.