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PAGES : 5

CHARGE : 21

O/32136/2016

Read By :

Prepared By : K.K. Joshi

Applied on : 23/08/2016

Prepared on : 23/08/2016

Notified on : *24/8/16*

Delivered on : *24/8/16*

Examined By :

*Palpan
24/8/16*

*Palpan
24/8/16*



Dy.S.O.

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDER PASSED BY THE COURT IN THE CASE OF

- 1 TEXEL INDUSTRIES LIMITED
BLOCK NO 2106, SANTEJ-KHATRAJ ROAD, VILLAGE SANTEJ
TALUKA KALOL
DIST : GANDHINAGAR 382 721

VERSUS

Petitioner(s)

1



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THE HIGH COURT
OF GUJARAT

Respondent(s)

Being COMPANY PETITION No. 324 of 2016

Appearance on Record:

MR ASHOK L SHAH as ADVOCATE for the Petitioner(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE R.M.CHHAYA

Date of Decision: 12/08/2016

(COPY OF ORDER ATTACHED HEREWITH)

NATIONAL INFORMATICS CENTRE

Q/COMP/324/2016

ORDER

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 324 of 2016

TEXEL INDUSTRIES LIMITED....Petitioner(s)

Versus

.....Respondent(s)

Appearance:

MR ASHOK L SHAH, ADVOCATE for the Petitioner(s) No. 1

CORAM: HONOURABLE MR. JUSTICE R.M. CHHAYA

Date : 12/08/2016

ORAL ORDER

1. The petitioner Company was registered on 02.06.1989 as a private Company under the provisions of the Companies Act, 1956, as a company limited by shares under the name Texel Plastics Private Limited which name was changed to Texel Plastics Limited on 13.04.1992.

2. The Company had filed its reference with the Board for Industrial and Financial Reconstruction (BIFR) under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and the same was registered as Reference Case No.433/2001.

3. The BIFR appointed Union Bank of India as an Operating Agency (OA) under Section 17(3) of SICA to examine the Company's viability and formulate a rehabilitation Scheme, if feasible.

4. Based on classifications submitted by the Operating



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Agency and the directions given by it, the BIFR formulated on 03.09.2014 a Draft Rehabilitation Scheme (DRS) for revival of the Company.



5. The Draft Revival Scheme submitted by the Operating Agency and as prepared by the BIFR was circulated to all concerned. Ultimately, the BIFR by its order dated 31.08.2015 sanctioned the Rehabilitation Scheme of the Company. A copy of the said order dated 31.08.2015 of the BIFR is produced at Exh:A to the petition.

6. Clause 11.4(a) and clause 16 of the sanctioned Rehabilitation Scheme required the Company to reduce its paid up share capital as directed therein. The said clauses 11.4(a) and 16 of the said Scheme reads as under:

"11.4 Any other strategy :

(a) The existing equity share capital of the Company shall be reduced by 50%. The existing preference share capital shall be converted into equity share capital and then shall be reduced by 50%. After reduction of these equity shares by 50%, every two equity shares of Rs.5/- each shall be consolidated into one equity share of Rs.10/- each fully paid up of in terms of Sec. 18(2)(f) of the SICA after complying with the requirements as per Companies Act/SEBI or other applicable Guidelines/Laws."

"16. Sacrifice from Existing Shareholders:

Reduction of e-ui share capital Rs.534.58 lakhs and Preference Share Capital Rs. 50.00 Lakhs The existing equity shares of Rs.534.58 (except equity shares issued to Standard Chartered Bank of Rs.80 Lakhs) and preference share capital of the Company will be reduced by 50% as a

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sacrifice on behalf of the shareholders of the company to reduce accumulated losses."

7. As directed by the BIFR in Clause 11.4(a) (read with Clause 16) of the sanctioned Scheme the Petitioner has already converted its then existing 5,00,000 preference shares into 5,00,000 equity shares on 30-11-2015. Thus after conversion of the said preference shares into equity shares, the Company has now only equity share capital.

8. Article 8 of the Articles of Association of the Company, it is provided that the Company may, from time to time, by Special resolution reduce its capital in any manner permitted by law.

9. By a special resolution of the Company duly passed accordance with Section 189 of the Companies Act, 1956, at general meeting thereof held after due notice as provided in the Act on the 30th day of November, 2015 the Company resolved to reduce its share capital as required by the BIFR as per the sanctioned Scheme. The Petitioner has reproduced the Special Resolution in paragraph 8 of the Petition. By the said special resolution the Company has reduced its share capital which is not represented by available assets and is lost as per the directions of the BIFR in the sanctioned scheme. The reduction of the said capital does not involve either the diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and consequently no interest of any creditor is affected by the said reduction of share capital and no objections from any creditor are required to be invited.



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10. As the share capital is reduced by passing an appropriate special resolution at a general meeting of the Petitioner Company and the said capital reduction is as directed by the BIFR in the sanctioned Scheme, the reduction in capital of the Petitioner Company is hereby confirmed. The Company shall not be required to add the words "and reduced" in its name as the last words. The minute asset forth in paragraph 10 of the Petition is hereby confirmed.

11. A certified copy of this order including the minute as approved be delivered to the Registrar of Companies within 21 days from this date.

12. Notice of the registration by the Registrar of Companies of this order and the said minute be published once in "Divya Bhaskar" Ahmedabad edition, a Gujarati Daily and "The Times of India", Ahmedabad edition, an English language daily within 14 days of the Registration aforesaid. Publication in Official Gazette is dispensed with.

Sd
(R.M.CHHAYA, J.)

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TRUE COPY

[Signature]
DEPUTY / ASSISTANT REGISTRAR
THIS DAY OF

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