IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 277 OF 2015

In the matter of Companies Act, 1956;

And

In the matter of Sections 100 to 104 of the Companies Act, 1956

And

In the matter of Reduction of Share Capital of Multi-Act Equity Research Services Private Limited

Multi-Act Equity Research Services Private Limited,)
A Company incorporated under the provisions)
of the Companies act, 1956 having its Registered Office)
At 10th Floor, SC, The RUBY Tower, Senapati Bapat)
Marg, Dadar (West), Mumbai – 400 028) … Petitioner Company

Called for Hearing

Mr. Hemant Sethi i/b Hemant Sethi & Co. Advocates for Petitioner Company

CORAM: S.J. KATHAWALLA, J

DATE: 8TH MAY 2015

P.C.:

1. Heard the learned counsel for the Petitioner. No objector has come before the court to oppose the proposed Reduction of share Capital of the Petitioner Company and nor any party has contravened any averments made in the Petition.

2. The Petitioner Company has sought the confirmation of proposed reduction as embodied in the Special Resolution dated 13th August 2014 for the proposed reduction under Section 100 to 105 of the Companies Act, 1956.

3. The Learned Advocate for the Petitioner Company states that the reasons for reduction is stated in paragraph (9) of the Petition, inter-alia stating that Petitioner Company needs restructuring to reflect the future prospects of the Company in the most appropriate manner and propose to adjust the issued, subscribed and paid up equity share capital of the Company and therefore passed a resolution recommending for the reduction of the issued and paid-up capital to write off the accumulated losses against the paid-up share capital of the Petitioner Company.

4. The Counsel for the Petitioner Company submits that Article 3 (b) of the Articles of Association of the Petitioner Company provides that the Company may, from time to time, by passing a Special Resolution in a General Meeting, reduce its share capital in any manner permitted by law and the Petitioner having passed Special Resolution with requisite majority at its Annual General Meeting held on 13th August, 2014, inter-alia resolving that the Paid-up Equity Share Capital of the Company be reduced from Rs.8,00,00,000/- (Rupees Eight Crore only) divided into 80,00,000 (Eighty Lacs) Equity Shares of Rs.10/- each (Rupees Ten only) to Rs.1,60,00,000/- (Rupees One Crore Sixty Lacs only) divided into 80,00,000 (Eighty Lacs) Equity Shares of Rs.2/- each (Rupees Two only) and that such reduction be effected by cancelling the Paid-up Equity Share Capital which has been lost or is unrepresented by available assets on account of the accumulated losses of the Company to the extent of Rs.8/- per

share, upon each of the 80,00,000 Equity Shares of Rs.10/- each which have been issued and by reducing the paid-up value of all the shares in the Company's Paid-up Share Capital from Rs.10/- per share to Rs.2/- per share and the accumulated losses of the Company of Rs.6,45,77,108/- shown as the debit balance in the Audited Statement of Profit & Loss as on 31st March, 2014 be written off to the extent of Rs.6,40,00,000/-, by utilizing the aforesaid Reduction in the Paid-up Share Capital amount. The Counsel for the Petitioner further submits that as stated in paragraph 17 of the Petition, the proposed reduction in capital does not involve any financial outlay/outgo on the part of the Petitioner and as such will not cause any prejudice to the creditors of the Petitioner and that the reduction of Capital does not involve either diminution of any liability in respect of unpaid capital or payment to any shareholder of any paid-up capital. Therefore the provisions of Section 101 (2) of the Companies act, 1956 are not attracted.

5. Counsel appearing on behalf of the Petitioner Company states that the Petitioner has complied with all the statutory requirements as per the directions of this Court and they have filed necessary Affidavit of compliance in the Court. Moreover, Petitioner Company also undertakes to comply with statutory requirements, if any, as required under the Companies Act, 1956 and/or Companies Act, 2013 and the Rules made thereunder, as may be applicable.

6. Since the requisite statutory procedure has been fulfilled, the Company Scheme Petition is made absolute in terms of prayer clauses (a) and (b).

7. The Petitioner Company is directed to file a copy of this Order along with copy of the form of minutes with the concerned Registrar of Companies as per relevant provisions of the Act.

8. That the notice of registration by the Registrar of Companies of this order and of the said minute shall be published once each in the two local newspapers viz. 'Free Press Journal' in English Language and translation thereof in 'Navshakti' in Marathi language both having circulation in Mumbai within 14 days of the registration of this order and of the said form of minutes with the Registrar of Companies.

9. Filing and issue of drawn up order is dispensed with.

10. All concerned regulatory authorities to act on authenticated copy of order and the form of minutes annexed as 'Exhibit G' to the Petition, duly authenticated by the Company Registrar, High Court, Bombay.

(S.J. KATHAWALLA, J)