IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 395 OF 2015.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 465 OF 2015.

In the matter of the Companies Act 1 of 1956;

AND

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

AND

In the matter of the Reduction of Share Capital of Midland Finance and Investment Enterprises Private Limited

Midland Finance and Investment Enterprises Private Limited, a company incorporated under the Indian Companies Act, 1956 and having its Registered office at 3rd Floor, Jehangir Building, Mahatma Gandhi Road, Fort, Mumbai 400001 ) ) ) ) …Petitioner Company.

Called For Hearing

Mr. Rajesh Shah i/b M/s. Rajesh Shah & Co., Advocate for the Petitioner.

CORAM: S. C. Gupte, J.

DATE: 10th July, 2015

PC:

1. Heard counsel for the Petitioner.
2. The sanction of the Court has been sought for the Reduction of Share Capital of Midland Finance and Investment Enterprises Private Limited, the Petitioner Company, under Sections 100 to 104 of the Companies Act, 1956, as approved in the Special Resolution passed by its Equity Shareholders at the Extra Ordinary General Meeting held on 26th March, 2015.
3. Learned Counsel for the Petitioner submits that the Article 3 of the Articles of Association of the Petitioner Company empowers and authorized the Petitioner Company to reduce its share capital. The Petitioner Company submits that a Special Resolution was passed in Extra Ordinary General Meeting held on 26th March, 2015 being Exhibit – E to the Petition, approved the reduction in the paid-up equity share capital of the Company be effected by reducing the existing equity capital of Rs. 53,83,500 divided into 53,835 equity shares of Rs. 100 each, to equity capital of Rs. 1,00,000 divided into 1,000 equity shares of Rs. 100 each, by extinguishing equity capital of Rs. 52,83,500 divided into 52,835 equity shares of Rs. 100 each, by

paying off/ returning to the holders of the said equity shares, an amount totaling to Rs. 14,09,10,945/- at a price of Rs. 2,667 per share of Rs. 100 each, in the same proportion as his/ her holding as on the record date and in view of the averments made in paragraphs 16 of the Affidavit in support of Summons for Direction and paragraph 3 of the Affidavit dated 26th May, 2015 that the Secured and Unsecured Creditors of the company is not affected by the said reduction, as there are no secured creditor and Unsecured Creditors of the Applicant Company, in view thereof interest of the creditors is not affected by such reduction. Hence, the procedure prescribed under Section 101(2) of the Companies Act, 1956 was dispensed with vide order dated 12th June, 2015 passed in the Company Summons for Direction No.465 of 2015.

4. Counsel appearing on behalf of the Petitioner states that they have 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 undertakes to comply with statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made thereunder. The Undertaking is accepted.

5. None of the parties concerned have come forward to oppose the proposed reduction of Share Capital. Since the requisite statutory procedure has been fulfilled, the Petition is made absolute in terms of prayer clauses (a) and (b).

6. Petitioner is directed to file a copy of this order alongwith a copy of the Form of Minutes with the concerned Registrar of Companies, electronically, along with E-Form 21 in addition to physical copy as per the relevant provisions of the Act.
7. All concerned parties to act on a copy of this order and the Form of Minutes annexed as Exhibit-'G' to the Petition, duly authenticated by the Company Registrar, High Court, Bombay.
8. Filing and issuance of the drawn up order is dispensed with.
9. Petitioner to publish notices in the two local newspapers viz. “Free Press Journal”, in English language and translation thereof in “Navashkti”, in Marathi language, both having circulation in Mumbai and also in the Maharashtra Government Gazette about registration of the Order and minutes of reduction with the concerned Registrar of Companies.

(S.C. Gupte, J.)