IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 700 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 736 OF 2015

In the matter of Companies Act, 1956 or any other applicable provisions of the Companies Act, 2013;

And

In the matter of Sections 100 to 105 of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 2013

And

In the matter of Reduction of Equity Share Capital of PFP FOODS Private Limited

PFP FOODS PRIVATE LIMITED, a company }
Incorporated under the provisions of Companies Act, }
1956, having its registered office at Sonawal Building }
No.7, Shop No.7, Naushir Bharucha Marg, Tardeo }
Mumbai, Maharashtra-400007, India }...Petitioner Company

Called for Hearing:

Mr. Rushil Aiya, Advocate for the Petitioner Company

CORAM: S.C. GUPTE, J
DATE: 23rd OCTOBER 2015

P.C:

1. Heard the learned Counsel for the Petitioner Company. No objector has come before the Court to oppose the Scheme for Reduction of Equity Share Capital and nor any party has contravened any averments made in the Company Scheme Petition.

2. The sanction of this Court is sought for the Reduction of PFP Foods Private Limited, the Petitioner Company as approved in a Special Resolution passed by the shareholders of the Petitioner Company at its Extra Ordinary General Meeting held on 29th June, 2015. Copy of the Special Resolution is annexed as Exhibit F-2 to the Company Scheme Petition.

3. The Learned Counsel for the Petitioner Company submits that Article 10 and Article 57 of the Articles of Association of the Petitioner Company empowers the Petitioner Company to reduce its Share Capital in the manner provided for in Section 100 to 105 of the Act.

4. The Learned Counsel for the Petitioner Company states that, in Paragraph 5 of the Company Scheme Petition, it is stated that the Petitioner Company is currently engaged in the business of manufacturing, processing, preparing, preserving, repacking, canning, refining, bottling, buying, selling and dealing as wholesalers, retailers, exporters, distributors, commission agents, contractors and caterers principals in food stuffs and consumable provisions of every description for human consumption as well as materials required or used for preparation of or being food articles.

5. The Learned Counsel for the Petitioner Company states that, in Paragraph 8 of the Company Scheme Petition, it is stated that, the Board of Directors are of the view that at present the Company has employed more capital resources and

reserves than they can profitably employ and the management of the Company do not foresee any future avenues for investing the funds of the Company profitably, giving rise to the need to readjust the relation between capital and assets by reduction of capital. Therefore, it was decided to return the surplus paid up capital to the members. Accordingly, it was intended to return capital which is in excess of the requirements of the Petitioner Company to its shareholders by way of undertaking reduction of capital of the Company that is in excess of its wants to its shareholders in proportion to their shareholding pattern under the provisions of Section 100 to Section 105 of the Companies Act, 1956.

6. The Learned Counsel for the Petitioner Company further submits that the Shareholders of the Petitioner Company having passed a Special Resolution dated. 56,00,000/- (Rupees Fifty Six Lacs only) divided into 5,60,000/- (Five Lacs Sixty Thousand) equity shares of Rs. 10/- each to Rs. 10,00,000/- (Rupees Ten Lacs only) divided into 1,00,000 (One Lac) Equity Shares of Rs. 10/- each, and the surplus amount i.e Rs. 46,00,000/- (Rupees Forty Six Lacs), being in excess of the wants of the company be paid to the shareholders in proportion of the shares held by them as on date. The copy of the special resolution is annexed as Exhibit F-2 to the Company Scheme Petition. The Learned Counsel for the Petitioner Company further submits that in view of the averments made in paragraph 14 to 17 of the Affidavit in Support of Company Summons for Direction dated 13th August, 2015 and in paragraph 6 of the Further Affidavit in Support of Company Summons for Direction dated 15th September, 2015, inter-alia stating that, there are no secured and unsecured creditors in the Petitioner Company as on date of filing the further Affidavit in Support of Company

Summons for Direction and the proposed reduction of share capital would not in any way affect the ordinary operations of the Petitioner Company or the ability of the Petitioner Company to honor its debts in the ordinary course of business. The audited accounts for the year ended 31st March 2014 and the unaudited provisional accounts as on 31st March, 2015 of the Applicant Company indicate that the Applicant Company is in a sound financial position in terms of the assets available with the Applicant Company and will be able to meet its debts as and when they arise. The Applicant Company has sufficient assets, even after the reduction to discharge the liabilities as and when they are due. In view of above, the procedure prescribed under Section 101(2) of the Companies Act was dispensed with in pursuance of order dated 9th October, 2015 passed in Company Summons for Direction No. 736 of 2015.

7. The Learned Counsel appearing on behalf of the Petitioner Company states that the Petitioner Company has complied with all the statutory requirements as per the directions of this Court and they have filed the necessary Affidavit of compliance in this Court. Moreover, the 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 there under, as may be applicable.

8. No objector has come forward to oppose the proposed reduction. Since, the requisite statutory procedures has been fulfilled, the Company Scheme Petition is made absolute in terms of prayer clauses (a) and (b) of the Company Scheme Petition.

9. Petitioner Company to publish notices about registration of the order and minutes of reduction of equity share capital by the concerned Registrar of

Companies, Maharashtra in the same newspapers i.e., ‘Free Press Journal’, in English language and translation thereof in ‘Navshakti’ in Marathi Language, both having circulation in Mumbai. Publication in the Maharashtra Government Gazette is dispensed with.

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

11. 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.C.Gupte, J)

Certificate

I certify that this order is a true and correct copy of original signed order.

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