IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 192 OF 2015.
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 204 OF 2015

IN THE MATTER OF the Companies Act, 1956 or any re-enactment thereof;

AND

IN THE MATTER of Petition under Sections 100 to 104 of the Companies Act, 1956 or any re-enactment thereof;

AND

In The Matter of the Reduction of the Share Capital of GV Films Limited.

GV FILMS LIMITED, a Company incorporated under the Companies Act (I) of 1956 having its registered office at No. 001, Damani Building, next to Dilkush School, Opp. Hotel Ramada Palm Grove, Juhu Tara Road, Juhu Mumbai -400 049.	} } } } }	….. Petitioner Company

Called For Hearing

Mr. Shyam Mehta i/b Sharon Pinto, Advocate for the Petitioner.

CORAM: S. J. Kathawalla, J.

DATE: 10th April, 2015

1. Heard counsel for the Petitioner. No objector has come before the Court to oppose the proposed reduction of share capital and nor any party has contravened any averments made in the Petition.

2. The Petitioner Company has sought confirmation of reduction as embodied in special resolution dated 30th September, 2014 for the proposed reduction under section 100 to 104 of the Companies Act, 1956.

3. Learned Counsel for the Petitioner states that the reasons for reduction of Share Capital has been stated in paragraph 6 of the Petition interalia stating that the adverse remark of the Statutory Auditors of the Company on the Financial Accounts of the Company for the year ended March 31, 2013 which is supported by the observations of the Audit Committee of the Company, this has given rise to the need to re-adjust the relation between capital and assets and to accurately and fairly reflect the liabilities and assets of the Company in its books of accounts. In order to reflect its assets and liabilities at their real value and maximize its business value, the Company proposes to reduce the equity share capital of the Company, in accordance with Section 100 of the Companies Act, 1956 and to represent the realistic value for the shares of the Company.

4. The Learned Counsel for the Petitioner Company states that the Article 16 of the Articles of Association of the Petitioner Company empowers the

Petitioner Company to reduce its share capital and accordingly the Petitioner Company has passed Special Resolution in its Annual General Meeting of its Equity Shareholders held on 30th September, 2014 being Exhibit ‘D’ to the Company Scheme Petition, resolving that the issued and paid-up equity share capital of the Company be reduced from Rs.3,68,62,78,330/- divided into 36,86,27,833 equity shares of Rs.10/- each fully paid up to Rs.36,86,27,833/- divided into 36,86,27,833 equity shares of Rs.1/- each fully paid up by adjusting against the accumulated losses of the Company AND in view of the averment made in Paragraph 14, 14A, 15, 16, and 17 of the said Company Scheme Petition inter alia stating that the Petitioner Company is not pressing to sanction the proposed scheme of reduction of share capital being Exhibit ‘C’ to the Company Scheme Petition and which is mentioned in Special Resolution dated 30th September, 2014 and the reduction of share capital account does not involve either the diminution of any liability in respect of unpaid capital or payment to any shareholder of any paid up capital. There are no secured creditors of the Petitioner Company and So far as the Unsecured Creditors of the Petitioner Company are concerned they are not affected by the proposed reduction of share capital account as there is no reduction in the amount payable to any of the creditors. However, some of the unsecured Creditors of the Petitioner Company have given their consent to the proposed reduction of Share Capital of Petitioner Company and the Original consent letters are annexed as Exhibit ‘R- 1’ to ‘R-8’ to the further affidavit in support of the Company Scheme Petition. There are remaining unsecured creditors of the Petitioner Company who have not given their consent to the proposed reduction. However, there are no compromises or arrangement is contemplated with the said unsecured creditors. Further the proposed adjustment would not in any way adversely affect the ordinary operations of the Petitioner Company. In view thereof, procedure prescribed under section 101(2) of Companies Act, 1956 has been dispensed with vide order dated 13th March, 2015 passed in Company Summons For Direction 204 of 2015.

5. The Counsel for the Petitioner further submits that Petitioner has complied with all the statutory requirements as per the directions of this Court and they have filed necessary affidavit of compliance in this Court. Moreover, the Petitioner Company undertakes to comply with statutory requirements, if any, as required under the Companies Act, 1956/ 2013 and the rules made there under as may be applicable.

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

7. That the 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/ INC-28 as per the relevant provisions of the Act.

8. That the notice of registration by the Registrar of Companies of this Order and of the said minutes shall be published in the same newspapers in. “Free Press Journal”, in English language and translation thereof in “Navshakti”, in Marathi language, within 14 days from the date of the registration of this order and of the form of minutes with the concerned Registrar of Companies Mumbai.

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

10. All concerned Regulatory Authorities to act on authenticated copy of the order and the Form of Minutes annexed as Exhibit- 'I' to the Petition.

(S. J. Kathawalla, J.)