

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO 716 OF 2016

In the matter of Companies Act, 1956 (1 of 1956) or any
corresponding provisions of the Companies Act, 2013;

AND

In the matter of Sections 391 to 394 read with Sections 100
to 103 of the Companies Act, 1956 or any other
corresponding provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between CMS
Traffic Systems Limited and CMS Computers Limited and
their respective shareholders and creditors

CMS Computers Limited, a company)
incorporated under the provisions of the)
Companies Act, 1956 having its registered)
office at CMS Lake Road Centre, 70, Lake)
Road, Kaycee Industrial Compound,)
Bhandup (West), Mumbai -400078) ...Applicant Company
Maharashtra, India.

Called Summons for Directions for hearing

Mr. Hemant Sethi with Mr. Ajit Singh Tawar i/b. Hemant Sethi & Co., for Applicant

Coram: B. P. Colabawalla, J.

Date: 12th August, 2016

MINUTES OF THE ORDER

UPON the application of the Applicant Company above named by a Company Summons for Directions AND UPON HEARING Mr. Hemant Sethi instructed by M/S Hemant Sethi & Co., Advocates for the Applicant Company, AND UPON READING the Affidavit dated 24th day of June, 2016 of Mr. Murugesh Iyer, Authorised Signatory of the Applicant Company, in support of Summons for Directions and the Exhibits therein referred to, IT IS ORDERED THAT:

1. The convening and holding the meeting of the Equity Shareholders of the Applicant Company for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between CMS Traffic Systems Limited and CMS Computers Limited and their respective shareholders and creditors is dispensed with, in view of consent given by all the Eight Equity Shareholders of the Applicant Company, which are annexed as Exhibits "G1 to G8" to the Affidavit in support of the Summons for Directions.
2. The convening and holding the meeting of the Secured Creditors of the Applicant Company for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement between CMS Traffic Systems Limited and CMS Computers Limited and their respective shareholders and creditors is dispensed with in view of the averments made in paragraph 14 of the Affidavit in support of Company Summons for Direction, inter-alia stating therein that the Scheme is an arrangement between the Applicant Company and its shareholders is contemplated under Section 391(1)(b) and not in accordance with the provisions of Section 391(1)(a) of the Act as there is no

Compromise and/or Arrangement with the Secured Creditors and no sacrifice is called for. Further the rights of Secured Creditors of the Applicant Company will not be affected adversely with the proposed Scheme as all the Secured Creditors will be paid off in the ordinary course of business and that the Applicant Company undertakes to issue individual notices of hearing of the Petition by R.P.A.D to all its Secured Creditors and also publish the notices of the same in 'Free Press Journal', in English and translation thereof in 'Navshakti', in Marathi language and both having circulation in Mumbai. The said undertaking is accepted.

3. The convening and holding the meeting of the Unsecured Creditors of the Applicant Company for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement between CMS Traffic Systems Limited and CMS Computers Limited and their respective shareholders and creditors is dispensed with in view of the averments made in paragraph 15 of the Affidavit in support of Company Summons for Direction, inter-alia stating therein that the Scheme is an arrangement between the Applicant Company and its shareholders as contemplated under Section 391(1)(b) and not in accordance with the provisions of Section 391(1)(a) of the Act as there is no Compromise and/or Arrangement with the Unsecured Creditors and no sacrifice is called for. Further the rights of Unsecured Creditors of the Applicant Company will not be affected adversely with the proposed Scheme as all the Unsecured Creditors will be paid off in the ordinary course of business and that the Applicant Company undertakes to issue individual notices of hearing of the Petition by R.P.A.D to all its Unsecured Creditors having an outstanding balance of Rs. 1,00,000/- and above and also publish the notices of the same in 'Free Press Journal', in English and translation thereof in 'Navshakti', in Marathi language and both having circulation

in Mumbai. The said undertaking is accepted.

4. The reduction of the Equity Share Capital of the Applicant Company pursuant Clause 11 of the Scheme shall be effected as an integral part of the Scheme. The said reduction does not involve either diminution of liability in respect of unpaid share capital of the Applicant Company or payment to any shareholder of any paid up share capital of the Applicant Company as the proposed reduction in capital does not involve any financial outlay / outgo on the part of the Applicant Company and is only in the nature of a book entry as mentioned in paragraph 16 of the affidavit in support of the Company Summons for Direction and that the Applicant Company undertakes to pass a Special Resolution in respect of the said reduction and annex a copy of Special Resolution to the Company Scheme Petition. The said undertaking is accepted. In view of the above, the procedure prescribed under Section 101(2) of the Companies Act, 1956 is dispensed with.

(B. P. Colabawalla, J.)

CERTIFICATE

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

Uploaded by: Shankar Gawde, Stenographer