IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 629 OF 2016

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 100 to 103 of the Companies Act, 1956;

AND

In the matter of reduction of Share Capital of Prag Agro Farm Limited.

Prag Agro Farm Limited (CIN U01100MH1997PLC128846), a company incorporated under the provisions of the Companies Act, 1956 and being a company within the meaning of the Companies Act, 2013, having its Registered Office at Indian Mercantile Chambers, Ramjibhai Kamani Marg, Ballard Estate, Mumbai 400 001.	)	… Petitioner Company

Called for Hearing

Mr. Peshwan Jehangir, Mr. Himanshu Vidhani i/b M/s. Khaitan & Co., Advocates for the Petitioner.

CORAM: A. K. Menon, J.

DATE: 29th September, 2016

1. Heard the counsel for the Petitioner. No objector has come before the Court to oppose the proposed reduction in the Petitioner and nor any Party has controverted any averments made in the Petition.

2. The confirmation of the Court has been sought for the reduction of share capital of Prag Agro Farm Limited, the Petitioner Company under Sections 100 to 103 of the Companies Act, 1956, as approved in the Special Resolution passed by its Equity Shareholders at the Extra Ordinary General Meeting held on 15th June, 2016.

3. Learned Counsel appearing on behalf of the Petitioner submits that Article 54 of the Articles of Association of the Petitioner authorizes the Petitioner to reduce its share capital *vide* a Special Resolution. The Petitioner *vide* its Special Resolution in its Extraordinary General Meeting held on 15th June, 2016 at 10:30 a.m. being Exhibit D to the Company Scheme Petition, approved the reduction of the Share Capital of the Company from Rs. 12,80,00,200 (Rupees Twelve Crores Eighty Lakhs and Two Hundred Only) divided into 1,28,00,020 (One Crore Twenty Eight Lakhs and Twenty) Equity Shares of Rs. 10/- each to Rs. 1,28,00,020 (Rupees One Crore Twenty Eight Lakhs and Twenty Only) divided into 1,28,00,020 (One Crore Twenty Eight Lakhs and Twenty) Equity Shares of Rs. 1/- (Rupee One) each by cancelling the Issued, Subscribed and Paid-up Equity Share Capital of the Company to the extent of Rs. 9/- (Rupees Nine) per Equity Share, and reducing the nominal value from Rs. 10/- (Rupees Ten) per Equity Share to Rs. 1/- (Rupee One) per Equity Share upon each of the said 1,28,00,020 Equity Shares in the Share Capital of the Company and accounting for and adjusting such cancellation of Equity Share Capital against the debit balance in the Profit and Loss Account of the Company with effect from

1st April, 2016. Further, in view of the averments contained in the Petition, there are no secured creditors of the Petitioner and there are only few unsecured creditors of the Petitioner. The proposed reduction of capital does not involve either diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital and also does not involve any financial outgo on the part of the Petitioner. Further, the creditors of the Petitioner are in no way affected by the proposed reduction of capital as there is no reduction in the amount payable to any of the creditors and no compromise or arrangement is contemplated with them and the proposed adjustment does not in any way adversely affect the ability of the Petitioner to honor its commitments or to pay its debts in the ordinary course of business. Hence, the procedure under Section 101(2) of the Companies Act, 1956 does not apply to the proposed reduction of Share Capital and does not have to be complied with.

4. No one has come forward to oppose the proposed reduction of share capital. The Petitioner has complied with the directions of this Hon'ble Court and have filed necessary affidavit of compliance before this Court.

5. Since the requisite procedure has been fulfilled, the Petition is made absolute in terms of prayer clauses (a), (b) and (c).

6. The Petitioner is directed to file a copy of this order along with a copy of the Form of Minute of reduction with the concerned Registrar of Companies electronically along with INC-28 as per the relevant provisions of the Companies Act.

7. All concerned regulatory authorities to act on a copy of this order and the Form of Minute annexed as Exhibit H to the Petition, duly authenticated by the Company Registrar, High Court, Bombay.

8. Filing and issue of the drawn up order is dispensed with.

9. The Petitioner is directed to publish notice of registration of the Order and minute of reduction by the Registrar of Companies in the two newspapers viz. "Free Press Journal" in English and "Navshakti" in Marathi, both having circulation in Mumbai within 14 days of registration.

(A. K. Menon, J.)

C E R T I F I C A T E

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

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