IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 790 OF 2016.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 869 OF 2016.

In the matter of the Companies Act 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 HAKOBA LIFESTYLE LIMITED

HAKOBA LIFESTYLE LIMITED, a company incorporated under the Indian Companies Act, 1956 and having its registered office at Unit No, 101-B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 058)))))) …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: 2nd December, 2016

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

2. The sanction of the Court has been sought for the Reduction of share capital of HAKOBA LIFESTYLE LIMITED, the Petitioner Company, under section Sections 100 to 104 of the Companies Act, 1956, as approved in the Special Resolution passed by its Equity Shareholders at the Annual General Meeting held on 12th day of August, 2016.

3. Learned Counsel for the Petitioner submits that the Article 3 of the Articles of Association of the Petitioner Company empowers the Petitioner Company to reduce its Share Capital and the Petitioner Company having passed Special Resolution in its Annual General Meeting of its Equity Shareholders held on 12th August, 2016 being Exhibit 'E' to the Company Scheme Petition, resolution that the reduction of Share Capital of the Petitioner Company from the paid-up equity share capital of the Company

be reduced from from Rs. 48,46,31,170/- (Rupees Forty Eight crores Forty Six Lacs Thirty One Thousand one Hundred and seventy only) divided into 4,84,63,117 (Four Crores Eighty Four Lacs Sixty Three Thousand One Hundred and Seventeen) Equity Shares of Rs.10/- each fully paid-up to Rs.4,84,63,120/- (Rupees Four Crores Eighty Four Lacs Sixty Three Thousand One Hundred and Twenty only) divided into 48,46,312 (Forty Eight Lacs Forty Six Thousand Three Hundred and twelve) Equity shares of Rs.10/- each fully paid-up by cancelling the capital to the extent of 4,36,16,805 Equity Shares of Rs. 10/- each thereby the amount of the Equity Share Capital is reduced by Rs. 43,61,68,050/- (Rupees Forty Three Crores Sixty One Lacs Sixty Eight Thousand and Fifty only) be adjusted against the debit balance in Profit & Loss Account as appearing in the books of account of the Company as on March 31, 2016 and that the Share Capital Account will be effective from the date of approval of the Members by a special resolution and in view of the averments made in paragraphs 18 and 19 of the Affidavit in support of Summons for Direction dated 6th day of September, 2016 and it is further stated that there is a Sole Secured Creditor and as far as Unsecured Creditors in the Petitioner Company are concerned the proposed reduction in capital neither involves any financial outlay/outgo on the part of the Petitioner Company nor does it directly or indirectly involves any outflow of the Petitioner

Company's assets to its shareholders and is only in the nature of a book entry. Consequently, such reduction will not cause any prejudice to the creditors of the Petitioner Company. For the sake of clarity, it is specified that the reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. The proposed adjustment would not in any way adversely affect the ordinary operations of the Petitioner Company or the ability of the Petitioner Company to honour its commitments or to pay its debts in the ordinary course of business. The restructuring will not cause any prejudice to the creditors of the Petitioner Company. The Creditors of the Petitioner Company would not be affected in any way by the proposed restructuring as there is no reduction in the amount payable to any of the creditors and also no compromise or arrangement is contemplated to be made with the creditors under this scheme of reduction of capital. Hence, the procedure prescribed under Section 101(2) of the Companies Act, 1956 was dispensed with vide order dated 27th October, 2016 passed in the Company Summons for Direction No. 869 of 2016.

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/ 2013 and the Rules made thereunder whichever is applicable. The Undertaking is accepted.

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

6. 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 in addition to physical copy as per the relevant provisions of the Act.

7. All concerned regulatory authorities to act on a copy of this order and the Form of Minutes annexed as Exhibit- 'H' 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 of registration of the Order and form of minutes of reduction of capital by concerned Registrar of Companies once each in the same newspapers viz. “Free Press Journal”, in English language and translation thereof in

"Navshakti", in Marathi language. Both having circulation in Mumbai within 14 days of registration.

(S. C. Gupte, J.)

CERTIFICATE

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

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