IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 917 OF 2016

IN THE MATTER of the Companies Act, 1956

AND

IN THE MATTER Of Polestar Maritime Limited

AND

IN THE MATTER of Sections 100 to 104 of the Companies Act, 1956

AND

IN THE MATTER of the Reduction of Equity and Preference Share Capital of Polestar Maritime Limited.

Polestar Maritime Limited,	)	
a company incorporated under the	)	
Companies Act, 1956 and having its	)	
Registered office at 109, 10th Floor,	)	
Bajaj Bhawan, Nariman Point,	)	
Mumbai-400021	)	..Petitioner Company

Called for Hearing

Dr. Birendra Saraf i/b M/s Federal & Rashmikant, Advocates for the Petitioner Company.

CORAM: S. C. Gupte, J.

DATE: 22nd DECEMBER, 2016

MINUTES OF ORDER

1) Heard counsel for the Petitioner.

2) The sanction of the Court has been sought for the reduction of equity and preference share capital of the Petitioner Company under Section 101 of the Companies Act, 1956 and relevant provisions of Companies (Court) Rules, 1959, as approved in the Special Resolution passed by its members at the Extra Ordinary General Meeting held on 11th day of November, 2016.

3) Learned Counsel for the Petitioner submits that Article 8 of the Articles of Association of the Petitioner Company empowers the Petitioner Company to reduce its Share Capital, inter alia, from time to time in any manner for the time being authorised by law AND the Petitioner Company having passed Special Resolution with unanimous consent at its Extraordinary General Meeting held on 11th November, 2016 being Exhibit F to the Company Scheme Petition, approving the reduction of the issued, subscribed and paid-up share capital of the Company from Rs. 40,31,36,240/- (Rupees Forty Crores Thirty One Lakhs Thirty Six Thousand Two Hundred and Forty Only) divided into 34,63,624 (Thirty Four Lakh Sixty Three Thousand Six Hundred and Twenty Four) equity shares of Rs.10/- (Rupees Ten only) each and 36,85,000 (Thirty Six Lakhs and Eighty Five Thousand) 6% Non-Cumulative, Non-Convertible, Redeemable fully paid up preference shares of Rs 100/- each to Rs.2,76,36,240/- (Rupees Two Crores Seventy Six Lakhs Thirty Six Thousand Two Hundred and Forty only) divided into 27,63,624

(Twenty Seven Lakh Sixty Three Thousand Six Hundred and Twenty Four) equity shares of Rs. 10/- (Rupees Ten) each be reduced which reduction shall be effected by way of, (a) selective extinguishment and cancellation of (i) 4,00,000 (Four Lakh) fully paid up equity shares of Rs. 10/- (Rupees Ten) each held by Seabird Marine Services Private Limited and having an aggregate paid up value of Rs. 40,00,000/- (Rupees Forty Lakhs only); (ii) 3,00,000 (Three Lakh) fully paid up equity shares of Rs. 10/- each (Rupees Ten) held by Orchid Shipping Private Limited and having an aggregate paid up value of Rs. 30,00,000 (Rupees Thirty Lakhs Only) and (iii) 36,85,000 (Thirty Six Lakh Eighty Five Thousand) 6% Non-Cumulative, Non-Convertible, Redeemable fully paid up preference shares of Rs. 100/- (Rupees Hundred) each held by Seabird Marine Services Private Limited and having an aggregate paid up value of Rs. 36,85,00,000/- (Rupees Thirty Six Crores Eight Five Lakhs); ("Proposed Capital Reduction"); and (b) NIL consideration being payable by the Company to Seabird Marine Services Private Limited and Orchid Shipping Private Limited in lieu of the aforesaid selective extinguishment and cancellation of the fully paid up equity shares and preference shares respectively held by them as mentioned hereinabove AND in view of the averment made in paragraph 17 of the Company Scheme Petition inter alia stating that there is one (1) Secured Creditor of the Petitioner Company and fifty one (51) Unsecured Creditors AND in view of the averments made in paragraphs 18 and 20 of the Company Scheme Petition wherein it is further inter alia stated that the proposed capital reduction does not affect or prejudice the interests of its creditors and does not involve the diminution of liability in respect of unpaid equity and preference share capital or payment to any equity and preference shareholder of any paid up equity and preference capital AND in view of the above, the provisions of and the procedure prescribed under Section 101(2) of the Companies Act, 1956 was not applicable and the same was dispensed with along with publication of the notice of hearing of the Petition in the Maharashtra Government Gazette and newspapers and the formality of words "And Reduced" while describing the capital structure of Petitioner Company while confirming the proposed reduction of equity and preference capital was also dispensed with vide order dated 15th December, 2016 passed in Company Summons for Direction No. 1034 of 2016.

4) Learned Counsel for the Petitioner states that the reasons for reduction of Share Capital has been stated in paragraph 10 of the Petition. He further states that after confirmation of the reduction of capital, the Petitioner Company shall pass the necessary accounting entries in its books of accounts to effect the reduction of equity and preference share capital by debiting the equity and preference share capital account and the difference (the surplus) being credited to the Capital Reserve Account and further, the Petitioner Company shall comply with the applicable Accounting Standards, if any.

5) He further states that they have complied with all the statutory requirements. Moreover, Petitioner Company undertakes to comply with

statutory requirements, if any, as required under the Companies Act, 1956/ 2013 and the Rules made thereunder. The Undertaking is accepted.

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

7) 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 INC-28 in addition to physical copy as per the relevant provisions of the Act.

8) All concerned regulatory authorities to act on an authenticated copy of this order and the Form of Minutes annexed as Exhibit- 'H' to the Petition.

9) Filing and issuance of the drawn up order is dispensed with.

10) The Petitioner to publish notices of registration of the Order and form of minutes of reduction of capital with the concerned Registrar of Companies, one each in the two local 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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