

Allowed

BEFORE THE NATIONAL COMPANY LAW BOARD TRIBUNAL

MUMBAI BENCH

COMPANY PETITION NO 34 OF 2017

In the matter of Section 66 of the Companies
act 2013 and the Rules framed thereunder.

AND

In the matter of Reduction of Share Capital of
Hamilton Writing Instruments Private Limited

Hamilton Writing Instruments Private Limited Petitioner Company

Called for Hearing

Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the Petitioner.

Coram: B.S.V. Prakash Kumar, Member (Judicial)

V. Nallasenapathy, Member (Technical)

Date: 21st June, 2017

Order confirming Reduction of Share Capital and Approving Minute

1. Heard the learned counsel for the Petitioner Company. No objector has come before the Tribunal to oppose the Petition and nor any party has controverted any averments made in the Petition.
2. The Counsel for the Petitioner submit that no representation have been received from the Central Government through Regional Director or the Registrar of Companies or the Creditors within the said period, it is therefore presumed that they have no objection to the reduction of share capital.
3. The Counsel for the Petitioner Company submits that Article 11 of the Articles of Association of the Company empowers the Petitioner Company to reduce its share capital.
4. The Counsel for the Petitioner Company submits that the proposed reduction of share capital will result in improvement of the financial ratios like return on capital, return on equity, earning per share. Thus, considering the strategic business plans of the Company, the Board of Directors of the Petitioner Company at their meeting held on 4th January, 2017 have deemed it appropriate to reduce the paid up equity share capital of the Company from Rs. 11,72,10,000/- (Rupees Eleven Crores Seventy Two Lakhs Ten Thousand Only) consisting of 1,17,21,000 (One Crores Seventeen Lakhs Twenty One Thousand only) Equity Shares of Rs.

10/- (Rupees Ten Only) each fully paid-up to Rs. 1,17,210/- (Rupees One Lakhs Seventeen Thousand Two Hundred and Ten Only) consisting of 1,17,21,000 (One Crores Seventeen Lakhs Twenty One Thousand only) Equity Shares of Rs. 0.01/- (One Paise Only) each by reducing the paid-up capital to the extent of 99.90%. Further, Board of the Petitioner Company has accorded to consolidate the reduced issued, subscribed and paid-up Equity share capital of Rs.1,17,210/- consisting of 1,17,21,000 Equity Shares of Rs. 0.01/- each, by increasing the face value of Equity Shares from Rs. 0.01/- each to Rs. 10/- each so that every 1000 equity shares of the reduced face value of Rs.0.01/- each are consolidated and redesigned into Rs.1,17,210/- consisting of 11,721 Equity Shares with face value of Rs.10/- each provided that no member shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of whole shares so arising shall be held by a trustee appointed by the Board of Directors (hereinafter referred as "the Board" which term shall be deemed to include any Committee thereof) who shall dispose off the said whole shares and the proceeds of sale of such whole shares shall be distributed proportionately among the members who would otherwise be entitled to fractional entitlements. The shareholders who are part to such reduction and consolidation shall be those whose names appear in the register of members of the Company on a proportionate basis, as on 31st March 2016. The amount equivalent to the amount of share capital so reduced shall be credited to the Capital Reserve Account.

5. The Counsel for the Petitioner Company further submits that the Petitioner Company having passed a Special Resolution with requisite majority at its Extra Ordinary General Meeting held on 27th January, 2017, for reduction of the paid up equity share capital of the Petitioner Company from Rs. 11,72,10,000/- (Rupees Eleven Crores Seventy Two Lakhs Ten Thousand Only) consisting of 1,17,21,000 (One Crores Seventeen Lakhs Twenty One Thousand only) Equity Shares of Rs. 10/- (Rupees Ten Only) each fully paid-up to Rs. 1,17,210/- (Rupees One Lakhs Seventeen Thousand Two Hundred and Ten Only) consisting of 1,17,21,000 (One Crores Seventeen Lakhs Twenty One Thousand only) Equity Shares of Rs. 0.01/- (One Paise Only) each by reducing the paid-up capital to the extent of 99.90% and

to consolidate the reduced issued, subscribed and paid-up Equity share capital of Rs.1,17,210/- consisting of 1,17,21,000 Equity Shares of Rs. 1/- each, by increasing the face value of Equity Shares from Rs. 0.01/- each to Rs. 10/- each so that every 1000 equity shares of the reduced face value of Rs.1/- each are consolidated and redesigned into Rs.1,17,210/- consisting of 11,721 Equity Shares with face value of Rs.10/- each provided that no member shall be entitled to a fraction of a share. The shareholders who are part to such reduction and consolidation shall be those whose names appear in the register of members of the Company on a proportionate basis, as on 31st March 2016.

6. Counsel appearing on behalf of the Petitioner Company states further submit that the Petitioner has complied with all the statutory requirements as per the directions of the Tribunal and they have filed necessary Affidavit of compliance in the Tribunal. Moreover, the Petitioner Company also undertakes to comply with statutory requirements, if any under the Companies Act, 2013 and the Rules made thereunder, as maybe applicable.
7. Since the requisite statutory procedure has been fulfilled, the Company Scheme Petition is made absolute in terms of the prayer clauses 1 and 3 of the Petition.
8. The minutes set forth in the schedule hereto be and is hereby approved.
9. Petitioner to publish the notices about registration of order and minutes of reduction by the Concerned Registrar of Companies, Maharashtra in two newspapers namely i.e. 'Free Press Journal' in English language and translation thereof in 'Navshakti', in Marathi language both having circulation in Mumbai within 30 days of registration.
10. All concerned regulatory authorities to act on certified copy of the order duly certified by the Deputy Director, National Company Law Tribunal.

Form of Minutes

"The Equity Share Capital of Hamilton Writing Instruments Private Limited, the Petitioner Company is henceforth Rs.1,17,210 (Rupees One Lakh Seventeen Thousand Two Hundred Ten only) divided into 11,721 (Eleven Thousand Seven Hundred Twenty One) Equity Shares of Rs. 10/- each, reduced from Rs. 11,72,10,000/- (Rupees Eleven Crore Seventy Two Lakh Ten Thousand only) divided into 1,17,21,000 (One Crore Seventeen Lakh Twenty one Thousand) Equity Shares of Rs. 10/- each.

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kumar, Member (J)