

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY APPLICATION NO. 37 /NCLT/MB/2017**

**In the matter of Section 66 of the Companies act 2013 and
the Rules framed there under.**

AND

**In the matter of Reduction of Share Capital of M/s. MPF
SYSTEMS LIMITED**

MPF SYSTEMS LIMITED, a company)
incorporated under the Indian Companies Act,)
1956 and having its Registered office at 108,)
Prime Plaza, J.V. Patel Compound B.M. Road,)
Elphinstone(W), Mumbai 400013)Applicant Company.

Mr. Lokanath Mishra., Advocate for the Applicant Company along with Mr. Ramesh Mishra –
Practicing Company Secretary

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

V. Nallasenapathy, Member (Technical)

DATE: 30th 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 not 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 or from the Securities Exchange Board of India 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 submit that Article 9 of the Article of Association of the Company empowers the Petitioner Company to reduce its share capital.

The fire fighting equipment's presently deployed in various projects needs use of latest software. The earlier management failed to impart the said software's.

b). The Company also under went a severe problem in respect of skilled labour and competition from un-organized sector. The Prices are as per International

4. The Counsel for the Petitioner submits that the proposed reduction of share capital are

on account of:- The fire fighting equipment's presently deployed in various projects needs use of latest software , Technical Knowhow, skilled labour and competition from un-organized sector, Non-receipt of the outstanding's from various parties after follow ups and the Subscribed and paid up capital of the Company wiped out to the extent of 100% which puts the company under severe stress to raise fresh capital.

5. Further, The Counsel for the Petitioner 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 11th February,2016 have decided it appropriate to reduce the paid up capital of the company reduced from Rs. 34,026,470/- (Rupees Three Crore forty Lacs Twenty-six Thousand four Hundred Seventy Only) divided into 3,402,647 (Thirty four Lacs Two Thousand Six hundred Forty-seven) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 1,701,320 (Seventeen Lacs One Thousand Three Hundred and Twenty only) divided into 170,132 (One Lacs Seventy Thousand One Hundred Thirtytwo) Equity Shares of Rs. 10/- (Ten only) each by reducing the paid up capital to the extent of 95% .
6. The Counsel for the Petitioner Company submit that Paid up capital of the company, post reduction of capital, will not to exceed, Rs. 1,701,320 (Seventeen Lacs One Thousand Three Hundred and Twenty only) divided into 170,132 (One Lacs Seventy Thousand One Hundred Thirtytwo) Equity Shares of Rs. 10/- (Ten only) each.
7. The Counsel for the Petitioner further submits that the reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company and in respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded of to the nearest whole number. Consequently, every shareholder of the Company, whose name appears on the Register of Members as on the Record Date, shall receive 5 (five) Equity Share of Re.10/- (Rupees Ten each Only) in lieu of every 100 (Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each, held earlier in the Company and no shares who holds shares less than 100 or part thereof and the fractional shares of less than 100 or in odd lot(s) shall be rounded up to its nearest entitlement and will be sold in the open market and the sale proceed will be distributed as per the proportion of entitlement to the Shareholders under the Direction and supervision of the Chairman of the Audit committee.
8. The Counsel appearing on behalf of the Petitioner further submits that the petitioner has complied with all the statutory requirements as per the Direction of this Hon'ble Tribunal and they have filed necessary affidavit of compliance in this Tribunal. Moreover the Petitioner Company also undertakes to comply with the applicable statutory requirements, if any, under the companies Act, 2013 and rules framed there under as may be applicable.
9. Since the requisite statutory procedure has been fulfilled, the Company scheme petition

is made absolute in terms of prayerclauses (1) and (3) of the company scheme petition.

10. The Minutes setforth in the schedule hereto be and is hereby approved.
11. The Petitioner to publish the notices about the registration of the order and minutes of Reduction by the consent Registrar of Companies, Maharashtra in two news papers namely Financial Express & Mumbai Lakshadeep in English and translation thereof in Marathi Language respectively both having circulation in Mumbai within 30-days of Registration.
12. 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 capital of MPF Systems Limited LIMITED, is henceforth Rs. 1,701,320 (Seventeen Lacs One Thousand Three Hundred and Twenty only) divided into 170,132 (One Lacs Seventy Thousand One Hundred Thirtytwo) Equity Shares of Rs. 10/- (Ten only) each, reduced from Rs. 34,026,470/- (Rupees Three Crore forty Lacs Twenty-six Thousand four Hundred Seventy Only) divided into 3,402,647 (Thirty four Lacs Two Thousand Six hundred Forty-seven) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only) each.

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

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