

PAGES : 11

CHARGE :44

Q/31102/2015

Read By :

Prepared By : MS. BITTAN RAJPUT

Examined By :

Applied on : 19/08/2015

Prepared on : 24/08/2015

Notified on : 25-8-15

Delivered on : 27/8/15



Dy.S.O.

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDER PASSED BY THE COURT IN THE CASE OF

1 MERCURY METALS LIMITED
36, ADVANI MARKET, O/S. DELHI GATE,
SHAHIBAUG, AHMEDABAD.

380004

Petitioner(s)

VERSUS

1 ..

Respondent(s)

Being COMPANY PETITION No. 186 of 2015

Appearance on Record:

M/S WADIAGHANDY & CO as ADVOCATE for the Petitioner(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE VIPUL M. PANCHOLI

Date of Decision: 17/08/2015

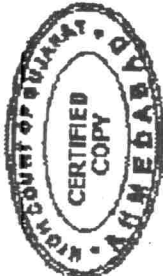
(COPY OF ORDER ATTACHED HEREWITH)

COMP/186/2015

ORDER

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 186 of 2015



MERCURY METALS LIMITED....Petitioner(s)

Versus

.....Respondent(s)

Appearance:

M/S WADIAGHANDY & CO, ADVOCATE for the Petitioner(s) No. 1

CORAM: HONOURABLE MR.JUSTICE VIPUL M. PANCHOLI

Date : 17/08/2015

ORAL ORDER

1. The present Company Petition has been filed for the purpose of seeking confirmation of scheme of reduction of Capital of the Petitioner Company under Section 78, 100 and 103 of the Companies Act, 1956 ["the Act" for short].

2. The Petitioner Company is in the business of dealing in various types of ferrous and non-ferrous metal scraps, alloys, anodes and castings including aluminium, brass, zinc, copper, lead and nickel. It appears from the petition that in view of the continuous losses the chances of recovery are remote and it has therefore, been thought prudent to write off part of the debit balance in the Profit & Loss account to the

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extent of Rs.6,77,03,772/- (Rupees Six Crore Seventy Seven Lacs Three Thousand Seven Hundred Seventy Two only) by cancelling the capital which has been lost or is unrepresented by any tangible assets. The said capital reduction shall not only help the Company to better its operational efficiency, improvements in the future years but shall also reflect the correct value of the shares. This would result in better reflection of key financial ratios such as Net Profit Margin, Return on Capital Employed and Return on Net Worth etc. In view of the same, the Petitioner Company has proposed to reduce its Capital.



3. On 14th February, 2015, by a Special Resolution duly passed in accordance with Section 189 of the Act at the Extra Ordinary General Meeting of the Equity shareholders of the Petitioner Company it was resolved that:

"RESOLVED THAT pursuant to Section 100 to 104 read with 391 to 394 and other relevant provisions of the companies Act, 1956, Article 10 of the Articles of Association of the Company and subject to confirmation by the Hon'ble High Court of Judicature at Ahmedabad, in the state of Gujarat, consent of the members of the Company be and is hereby accorded to the reduction in the paid-up share capital of the Company with effect from the effective date of the Scheme from Rs.

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7,46,56,580/- (Rupees Seven Crores Forty Six Lacs Fifty Six Thousands Five Hundred Eighty Only) divided into 69,52,808 (Sixty Nine Lacs Fifty Two Thousand Eight Hundred Eight Only) Equity Shares of Rs.10/- (Rupees Ten Only) each fully paid up and share forfeiture account of Rs. 51,28,500/- (Rupees Fifty One Lacs Twenty Eight Thousand Five Hundred Only) to Rs. 69,52,808/- (Rupees Sixty Nine Lacs Fifty Two Thousand Eight Hundred Eight Only) divided into 69,52,808 (Sixty Nine Lacs Fifty Two Thousand Eight Hundred Eight Only) Equity Shares of Rs. 1/- (Rupee One Only) each fully paid up and that such reduction be effected by reducing the paid up value of shares of the Company from Rs.10/- (Rupees Ten Only) per share to Rs. 1/- (Rupee One Only) per share, on 69,52,808 (Sixty Nine Lacs Fifty Two Thousand Eight Hundred Eight Only) Equity Shares and cancellation of share forfeiture account of Rs. 51,28,500/- (Rupees Fifty One Lacs Twenty Eight Thousand Five Hundred Only), aggregating to 6,77,03,772/- (Rupees Six Crores Seventy Seven Lacs Three Thousand Seven Hundred Seventy Two Only) in the existing paid up Equity Share Capital which is lost or un-represented by the available assets i.e. Debit balance in Profit & Loss Account.

RESOLVED FURTHER THAT after reduction of the capital of the Company, the paid up capital of the Company be re-organized subject to such

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rights, privileges and conditions attaching thereto as are provided by the Memorandum and Articles of Association of the Company and the board be and hereby authorized to implement, modify, amend and alter the REDUCTION OF CAPITAL of the Company in accordance with the order of the Hon'ble High Court judicature at Ahmedabad in the State of Gujarat and such other authorities, Stock Exchange, Registrar of Companies, Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to move the petition/application to the Hon'ble High court judicature at Ahmedabad for an order confirming the aforesaid reduction and to submit necessary applications under the Companies Act, 1956 and/or the Companies Act, 2013, Listing Agreement SEBI Act, 1992 and other Applicable Rules and Regulation for the purpose of giving effect to the above mentioned reduction of capital and to do all such other acts, matters, deeds as may deem fit and proper to carry out the reduction of capital."

ITEM NO. 2:

TO DEAL WITH FRACTIONAL SHARE AND IMPLEMENTATION OF REDUCTION OF CAPITAL OF THE COMPANY

"RESOLVED THAT on account of reconstruction/restructuring of capital, every

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shareholder of the Company, whose name appears on the Register of Members on the Record Date, will get 1 (one) Equity Share of Rs. 1/- (Rupee One Only) each fully paid up against every 1 (one) Equity Shares of Rs. 10/- (Rupees Ten Only) each fully paid up, held earlier in the Company, therefore, there will be no instance of issuance of fractional shares.



RESOLVED FURTHER THAT for the purpose of giving effect to the reduction of capital AND as per the direction of Hon'ble High Court judicature at Ahmedabad and/or such other authorities, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India, the Board of Directors of the Company be and is hereby authorized to:

- A. Fix the Book Closure/Record Date to give effect to the reduction of Capital;
- B. Make necessary application to the depositories including NSDL/CDSL and Registrar and Share transfer Agent; and
- C. Issue new share certificates in accordance with Companies (Share Capital and Debentures) Rules, 2014.
- D. Listing and trading application to stock exchange(s).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to give effect the changes and take appropriate steps to intimate the CDSL/NSDL, BSE and other statutory

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authorities and call back the existing share certificates from the share holders or issue fresh new set of certificates as deem fit and proper or to give effect the changes in the physical shares, issue new share certificates with a new set of distinctive numbers and certificate numbers in the aforesaid proportion under intimation to CDSL / NSDCL, BSE and other statutory authorities and subject to the rules as laid down in the Companies (Share Capital and Debentures) Rules, 2014 and the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and it is hereby authorized to do all such acts, deeds, matters and things as it may, in its discretion, deem necessary. "

ITEM NO. 3:

THE AMENDMENT TO CLAUSE-V OF THE MEMORANDUM OF ASSOCIATION (CAPITAL OF THE COMPANY)

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 the existing clause of the Memorandum of Association of the Company as to share capital be and is hereby modified and Clause-V be read as:

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V. The Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 10,00,00,000 (Ten Crores) equity shares of Rs.1/- (Rupee One Only) each with such

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rights, privileges and obligations as the Company may determine from time to time with the power to increase, reduce, consolidate, sub-divide, convert, cancel, alter or otherwise re-organize the capital and to attach thereto such preferential, differential, qualified or special rights, privileges or conditions as may be determined from time to time and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may, for the time being provided by the regulations of the Company. The rights of the preference shall be determined at the time of issue thereof.

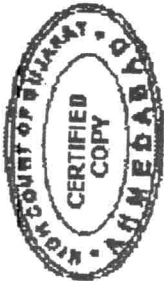
RESOLVE FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its discretion, deem necessary."

4. Heard Ld. Advocate appearing for the Petitioner Company. It is submitted that the Capital reduction shall not cause any prejudice to the creditors of the Petitioner Company. The same does not involve either diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The creditors of the Petitioner Company are in no way affected by the proposed restructuring by way of the capital reduction as there is no reduction in the amount

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payable to any of the creditors or any actual cash out flow. The proposed capital reduction will not affect the operations of the Company and in fact indicate true and correct financials of the Petitioner Company.



5. Upon admission of the petition, by order dated 23.6.2015, the Petitioner was directed to advertise the order passed in the petition. The said time came to be extended by virtue of order dated 24.7.2015 passed in MCA (OJ) 152 of 2015. Accordingly, it is reported by an Affidavit that the advertisements have been duly published on 1.8.2015. Pursuance to the said publication of notice, there is no appearance for and/or against the passing of order in this petition.

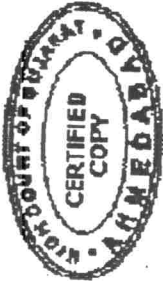
6. In light of the facts and circumstances mentioned hereinabove, the submissions made in the petition, it is deemed fit to confirm the proposed reduction of Capital and hence, the Special Resolution dated 14th February, 2015 as appearing in para-10 of the petition and reproduced hereinabove is hereby confirmed.

7. The form of Minutes proposed to be registered as mentioned in para-13 will be as follows:

"The issued subscribed and paid up of equity share capital of Mercury Metals Limited, by

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virtue of Special Resolution of the Company dated 14th February, 2015 and Board Resolution dated 16th March, 2015 and by virtue of sanction granted by the Hon'ble High Court of Gujarat on the 17th day of August 2015, is reduced from Rs.7,46,56,580/- (Rupees Seven Crores Forty Six Lacs Fifty Six Thousand Five Hundred Eighty Only) divided into 69,52,808 (Sixty Nine Lacs Fifty Two Thousand Eight Hundred Eight Only) Equity Shares of Rs.10/- (Rupees Ten Only) each fully paid up and share forfeiture account of Rs.51,28,500/- (Rupees Fifty One Lacs Twenty Eight Thousand Five Hundred Only) to Rs. 69,52,808/- (Rupees Sixty Nine Lacs Fifty Two Thousand Eight Hundred Eight Only) divided into 69,52,808 (Sixty Nine Lacs Fifty Two Thousand Eight Hundred Eight Only) Equity Share of Rs. 1/- (Rupee One Only) each fully paid up and that such reduction be effected by reducing the paid up value of shares of the Company from Rs. 10/- (Rupees Ten Only) per share to Rs. 1/- (Rupee One Only) per share, on 69,52,808 (Sixty Nine Lacs Fifty Two Thousand Eight Hundred Eight Only) Equity Shares and cancellation of share forfeiture account of Rs. 51,28,500/- (Rupees Fifty One Lacs Twenty Eight Thousand Five Hundred Only), aggregating to Rs. 6,77,03,772/- (Rupees Six Crores Seventy Seven Lacs Three Thousand Seven Hundred Seventy Two Only) in the existing paid up Equity Share Capital."

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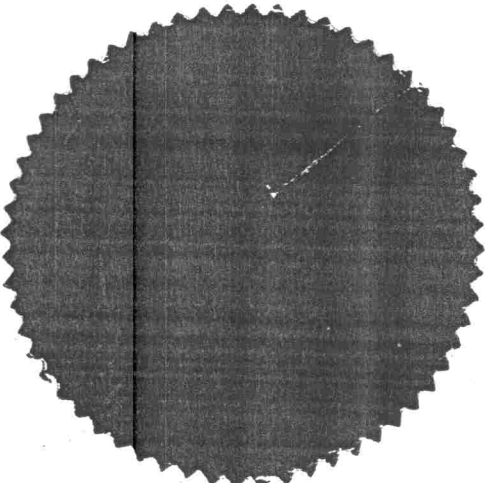
8. The Petitioner Company is directed to publish the notice of confirmation of reduction of capital and approval of Minutes in Business Standard - English daily and Loksatta- Jansatta Gujarati daily both Ahmedabad Edition within a period of 14 days of registration of the order with the Registrar of Companies. The procedure under section 101(2) of the Companies Act, 1956 and Rules 48 to 64 of the Company Court Rules, 1959 are dispensed with in view of the above.



9. The petition stands allowed accordingly. There shall be no order as to costs.

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(VIPUL M. PANCHOLI, J.)



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DEPUTY / ASSISTANT REGISTRAR
THIS DAY OF

24/11/15

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