

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT V
COMPANY PETITION NO. 175 OF 2021

IN THE MATTER OF:

THE SECTION 66 OF THE COMPANIES ACT,
2013, INCLUDING ANY STATUTORY
MODIFICATION OR RENACTMENTS
THEREOF FOR THE TIME BEING IN FORCE
AND INCLUDING RULES THEREUNDER

AND

IN THE MATTER OF:

PETITION FOR THE REDUCTION OF
EQUITY SHARE CAPITAL OF BHARAT
DIAMOND BOURSE UNDER SECTION 66
OF THE COMPANIES ACT, 2013;

BHARAT DIAMOND BOURSE)
a Public Company Limited by Guarantee incorporated)
under the Companies Act, 2013 having)
its registered office at Upper Basement)
Between Tower B & C, Near Gate No. 4,)
G Block, Bandra Kurla Complex,)
Bandra (East), Mumbai 400051)
CIN U51398MH1984NPL033787) ...Petitioner Company

Order delivered on: 04.01.2023

Coram:

Hon'ble Smt. Anuradha Bhatia	Member (Technical)
Hon'ble Shri Kuldip Kumar Kareer	Member (Judicial)

Appearances through Video Conferencing

For the Petitioner: Mr. Pramod S. Shah i/b Pramod S. Shah & Associates,

Practicing Company Secretaries

ORDER

1. The Court is convened by videoconference.
2. Petition admitted.
3. Petition fixed for the hearing on the **12.04.2023**.
4. The learned Authorized Representative for the Petitioner Company submits that the present petition is for confirmation of a special resolution passed by the shareholders of the Petitioner Company for reduction of its equity share capital by reducing the paid-up equity share capital from Rs. 159,25,44,000 /- divided into 15,92,544 Equity Shares of Rs. 1000/- each to Rs. 159,25,00,000/- divided into 15,92,500 Equity Shares of Rs. 1000/- each by cancelling and extinguishing 44 shares having value of Rs. 1000/- each held by M/s Lunar Gems.
5. Rationale Of The Scheme For Reduction Of Share Capital:
 - a. In order to finance the cost of acquisition of land, cost of construction of Land and Buildings and other costs, BDB has issued Shares for specific stipulated premises as mentioned in Article 3(aa) of the Articles of Association of the Company consisting of office premises, room, shop, garage, parking space and/or other portions in the Buildings and the Land appurtenant thereto to the Members of the Company.
 - b. In the year 2014, an applicant Company viz. M/s. LUNAR GEMS, purchased office space bearing office No. DE5090A, measuring 147 sq. ft. of area at an amount mutually agreed by both the parties. Accordingly, Ms. M/s. LUNAR GEMS was admitted as the Category-

- I Member of the Company and was allotted a block of 147 shares by the Company.
- c. Currently, at the time of sale of the premises the member, M/s. LUNAR GEMS bearing office No. DE5090A, came to know that there was a difference in the area allotted and actual area. The actual area is only 103 sq. ft as against 147 sq. ft allotted to them earlier, and there was a difference of 44 sq. ft. in the area allotted to them.
 - d. Thus, in this case, 44 shares against the difference of 44 sq ft were allotted to M/s. LUNAR GEMS in excess, on the basis of the Stipulated Premises which consisted only 103 sq. ft instead of 147 sq. ft as measured earlier.
 - e. The Company now proposes to reduce selective paid up capital of 44 shares having face value of Rs.1,000/- each held by M/s. LUNAR GEMS in excess, than what was required to be held by them.
 - f. The extinguishment of 44 (Forty-Four) shares of Rs.1,000/-each in BDB would result into cancellation of shares of BDB held by M/s. LUNAR GEMS. Therefore, in order to reflect the correct and true capital structure of BDB, it has become imperative for BDB to reduce its share capital by cancelling the shares held by M/s. LUNAR GEMS following the process of capital reduction.
 - g. Further the Articles of Association of the company authorizes the company to reduce its share capital in any manner and in accordance with the provisions of the Act.
 - h. The company has passed a special resolution confirming the said reduction of share capital of the company on 05th February 2021.
6. The learned Authorised Representative for the Petitioner Company submits that notices shall be sent to all the creditors through RSC 3 for confirming the reduction of share capital of the Company after the receipt of certified copy of the order.
 7. The Petitioner Company is directed to serve notices in Form No. RSC - 2 of the hearing of the Petition within 7 (Seven) days from the receipt of certified copy of the order along with copy of Petition upon :- (i) the Registrar of Companies (ROC), Mumbai and (ii) the Central Government

through office of the Regional Director, Western Region with a direction that they may submit their representations to the Tribunal, if any, within a period of three months from the date of receipt of such notice and a copy of such representations shall simultaneously be served upon the Petitioner Company, failing which, it shall be presumed that the authorities have no representations to make on the proposed Capital Reduction.

8. The Petitioner Company has been directed to publish notice of the date of hearing of petition in Form RSC – 4 in two local newspapers viz. **“Free press Journal”** in English language and translation thereof in **“Navshakti”** in Marathi Language, both having circulation in State of Maharashtra not later than 7 days from the date of receipt of the certified copy of the order.
9. The Notice shall state the amount of the proposed reduction of share capital and that the objections, if any, shall be filed within 3 months from the publication of the notice with a copy served on the Petitioner Company.
10. The Petitioner Company shall submit to the Tribunal within, seven days of expiry of period upto which representations or objections were sought, the representations or objections so received along with responses of the Petitioner Company thereto.
11. The Petitioner Company shall, as soon as may be, but not later than seven (7) days from the date of issuance of such notices, file an affidavit in Form No. RSC – 5 confirming the dispatch and publication of the notice.
12. Ordered accordingly.

Sd/-
Anuradha Sanjay Bhatia
Member (Technical)

Sd/-
Kuldip Kumar Kareer
Member (Judicial)