



10th March, 2023

Department of Corporate Services

BSE Limited
Phiroze Jeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir / Madam,

Ref.: Slip Code – 533018

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to our earlier intimation dated 20th January, 2023 under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we intimated that the National Company Law Tribunal (NCLT), Mumbai bench -IV has reserved its Order, in the matter of consolidation of the equity shares of the Company in terms of the Section 61 (1) and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

In view of the above, we are pleased to inform you that the NCLT, Mumbai bench -IV vide its Order dated 3rd March, 2023 has approved the aforesaid consolidation of equity shares of the Company to Rs 1000/- per equity share from Rs. 10 per equity shares.

The certified true copy of the aforesaid Order dated 3rd March, 2023, is received by us on 9th March, 2023 is attached herewith as **"Annexure-A"**

We request you to take the same on your records.

Thanking You,

Yours faithfully,
For **Simplex Mills Company Limited**

Shekhar Singh
Shekhar Singh
Director



Registered Office: Village Shivani, Taluka and District, Akola - 444104

CIN-L65900MH1998PLC116585

Corporate Office: 30, Keshavrao Khairat Marg, Sant Gadge Maharaj Chowk, Mahalaxmi (E), Mumbai – 400011

T : +91 22 2308 2951 | F : +91 22 23072773 | E : mills@simplex-group.com | W : www.simplex-group.com

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH C-IV**

C.P. 401/MB/2021

*In the matter of
Under Section 61 (1) (b) of the
Companies Act, 2013 and the
Rules framed thereunder;*

And

*In the matter of
Consolidation of Shares
of
Simplex Mills Company Limited
("The Petitioner Company")*

Simplex Mills Company Limited,
[CIN: L65900MH1998PLC116585]

..... Petitioner Company

Order Pronounced on : **03.03.2023**

Coram:

Shri Prabhat Kumar,
Hon'ble Member (Technical)

Shri Kishore Vemulapalli,
Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Petitioner Company:

Mr. Nitin Gutka i/b M/s ZADN &
Associates, Practicing Chartered
Accountants.

For the Regional Director: (WR):

Ms. Rupa Sutar, Deputy Director.



ORDER

Per: Prabhat Kumar, Member (Technical)

1. The Court convened by video-conference today.
2. We have heard the Representative for the Petitioner Company and the Representative of the Regional Director. No objector has come before this Tribunal to oppose the Company's Petition for Consolidation of Shares of Simplex Mills Company Limited.
3. The sanction of the Tribunal is sought under Section 61(1)(h) of the Companies Act, 2013 read with Rule 71 and applicable provisions of the NCLT Rules, 2016 for consolidating every 100 fully paid up Equity Shares of face value of Rs.10/- each into 1 fully paid up Equity share of face value of Rs.1000/- each.
4. The Petitioner Company was incorporated under the Companies Act, 1956 (1 of 1956) in the State of Maharashtra in the name of "Lupercal Finance and Investments Private Limited" on 21st September, 1998. Subsequently, the name of the company was changed to "Galaxy Garments Private Limited" with effect from 13th May, 2002 vide certificate issued by the Registrar of Companies, Mumbai. Subsequently, the name was changed to "Gaalaxy Garments Private Limited" with effect from 9th August, 2004 vide certificate issued by Registrar of Companies, Mumbai. Subsequently the name was changed to "Gaalaxy Garments Limited" with effect from 24th January, 2005 vide certificate issued by Registrar of Companies, Mumbai. Subsequently, the name was changed to "Simplex Mills Company Limited" with effect from 14th December, 2005 vide certificate issued by Registrar of Companies, Mumbai. The Shares of the Petitioner Company are listed with the BSE Limited (BSE). The Registered Office of the Petitioner Company is situated at Village, Shivni, Taluka and District, Akola - 444 001 and the Corporate office of the Company is

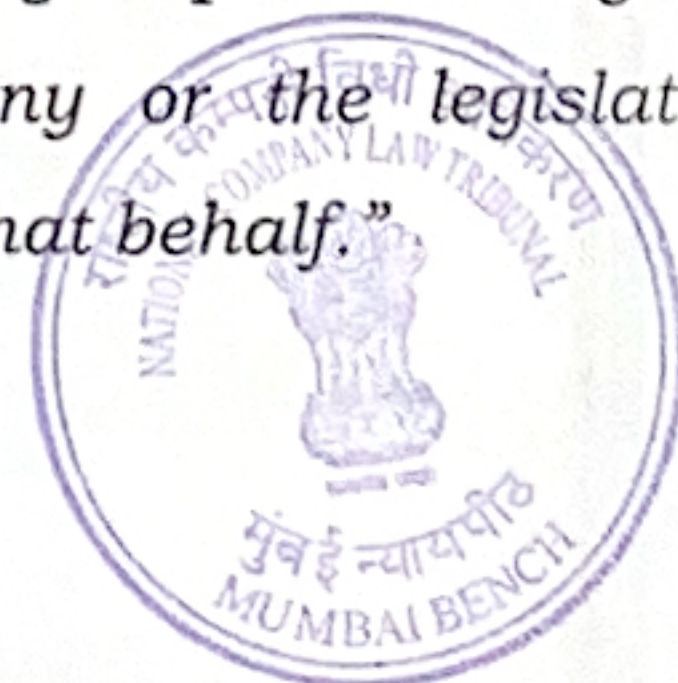


situated at 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk
Mumbai – 400 011.

5. The Authorized Share Capital of the Petitioner Company as on 31st March, 2021 is Rs.13,10,00,000/- consisting of 31,00,000 Equity Shares of Rs.10/- each and 1,00,00,000 Redeemable Preference Shares of Rs.100/- each. The Issued, Subscribed and Paid-up Share Capital is Rs. 3,00,04,750/- consisting of 30,00,475 Equity Shares of Rs.10/- each.
6. The Petitioner Company is engaged in the business of trading of textile products and is not having any major revenue from business operations.
7. The Article 4 and Article 79 of the Articles of Association of the Petitioner Company authorises the Company to consolidate its share capital and reads as under:-

Article 4:

"The Authorised Share Capital of the Company shall be as per the Clause V (a) of the Memorandum of Association of the Company, with the rights, privileges and conditions attaching thereto as provided by the Articles of Association of the Company for the time being. The Company has power from time to time to increase or reduce its Capital and to divide the shares in the Capital, for the time being, into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege, conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."



Article 79: Consolidation Division and Sub-division:

"The Company in General Meeting may alter the conditions of its Memorandum as follows:

- a. consolidate and divide all or any of the share capital into shares of larger amount than its existing shares;*
- b. sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amounts, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;*
- c. cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share Capital by the amount of the shares so cancelled."*

8. The rational for consolidation is stated as follows:-

- a. The proposed consolidation will result in increase in share price which will attract institutional investors, fund managers and the retail investors.
- b. Many Shareholders who wish to sell their shares do not have exit route as the Equity Shares of the Petitioner Company are infrequently traded.
- c. The consolidation of shares would provide an exit route to the fragmented minority Shareholders. More than 5000 public shareholders hold 5,49,292 equity shares representing 18.30% of the total paid up equity share capital. The consolidation of shares would result in reduction of the overhead costs incurred on servicing the fragmented shareholders.



9. The Board of Directors of the Petitioner Company have accorded their consent for such consolidation on 27th May, 2021 and the Equity Shareholders of the Petitioner Company have passed special resolution approving the consolidation of share capital with requisite majority in their 23rd Annual General Meeting held on 6th July, 2021.
10. The Petitioner Company has filed Form MGT-14 with the Registrar of Companies for Special Resolution passed at the Annual General Meeting (AGM) for Consolidation of Shares on 30th July, 2021 vide SRN: T33287996.
11. The meeting of non-cumulative redeemable preference shareholder holding 90,00,000 fully paid-up redeemable preference shares of Rs.10/- each, is not required as the sole non-cumulative redeemable preference shareholder of the Petitioner Company has given consent via affidavit asserting to the consolidation of the equity shares. Even otherwise, the rights of the non-cumulative redeemable preference shareholders are not getting affected by reason of consolidation of equity shares of the Petitioner Company.
12. The Petitioner Company has filed this petition, under provisions of Section 61(1)(b) of the Companies Act, 2013 read with Rule 71 of the NCLT Rules, 2016 to consolidate its equity shares by increasing the face value of the equity shares from the existing Rs.10/- per equity share of the Petitioner Company to Rs.1,000/- per equity share.
13. Pursuant to the directions, vide order dated 24th November, 2022 of this Bench, the Petitioner Company has issued a public notice in two local newspapers i.e. "Financial Express", Mumbai edition, in English language and "Akola Mahasagar", Akola edition, in Marathi language intimating to large public about its consolidation of equity shares, on 8th December, 2022 and also served notices -



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- (i) To the Central Government through the office of Regional Director (Western Region) Ministry of Corporate Affairs, Mumbai;
- (ii) To the Registrar of Companies, Maharashtra in Mumbai, and;
- (iii) To the BSE Limited.
14. The proposed consolidation will result in cancellation of 75 equity shares which are not possible to be rounded off and as a consequence, number of outstanding equity shares will stand reduced by 75 Equity Shares. The said cancellation consequent upon the proposed consolidation shall not be deemed to be a reduction of share capital as per sub-section 2 of section 61 of the Companies Act, 2013.
15. The amount of 75 equity shares so cancelled will be adjusted in capital reserve account and the cancelled 75 equity shares will be reduced from the promoter group shareholding.
16. If any, Equity Shareholder of the Petitioner Company becomes entitled to fractional shares on consolidation of shares, the Board of Directors of the Petitioner Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated Equity Shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Petitioner Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee may in its sole discretion decide and on such sale, pay to eligible shareholders of the Petitioner Company in proportion to their respective fractional entitlements, the net sale proceeds thereof and



any additions and accretions, after deducting therefrom all costs, charges and expenses of such sale.

17. The Pre and Post consolidated capital structure of the Petitioner Company is represented as under:

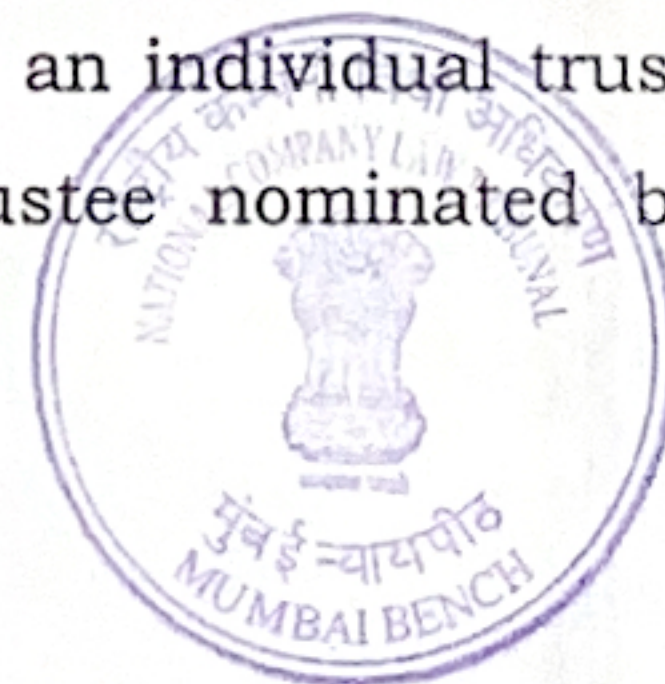
Pre- Consolidation		Post-Consolidation	
Particulars	Amount in INR	Particulars	Amount in INR
Authorized Share Capital:		Authorized Share Capital:	
31,00,000 Equity Shares of INR.10/- each	3,10,00,000	31,000 Equity Shares of INR.1000/- each	3,10,00,000
1,00,00,000 Redeemable Preference Shares of INR.10/- each.	10,00,00,000	1,00,00,000 Redeemable Preference Shares of INR.10/- each.	10,00,00,000
Total	13,10,00,000	Total	13,10,00,000
Issued, Subscribed and Paid-up Share Capital:		Issued, Subscribed and Paid-up Share Capital:	
30,00,475 equity shares of INR.10/- each	3,00,04,750	30,004 equity shares of INR.1000/-	3,00,04,000



		each	
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The equity shares post consolidation will continue to remain listed on BSE Limited.

18. The Petitioner Company submits that in response to notice served to BSE Limited on 8th December, 2022, no representations have been received from BSE Limited till date.
19. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed his Report dated 16th January, 2023 and in paragraph 2 (a) to (j) of the Report, the RD has made certain observations. In response to the observations made by the Regional Director, the Petitioner Company have given necessary undertakings and clarification as per affidavit in rejoinder dated 19th January, 2023. The Petitioner Company submitted that:-
 - (a) many shareholders have expressed their willingness to exit the management from time to time to seek an exit from the Petitioner Company by way of selling their shares. However, the shareholders were not getting the opportunity to exit from the Petitioner Company as the shares are infrequently traded. The consolidation would provide the exit opportunity to the fragmented minority shareholders. The proposed consolidation would result in increase in share price which will attract institutional investor, fund manager and retail investors. As regards the protection of minority shareholders who becomes entitled to fractional shares on consolidation of shares, the Board of Directors of the Petitioner Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated Equity Shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the



Petitioner Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee may in its sole discretion decide and on such sale, pay to eligible shareholders of the Petitioner Company in proportion to their respective fractional entitlements, the net sale proceeds thereof and any additions and accretions, after deducting therefrom all costs, charges and expenses of such sale. Hence the minority shareholders would get a discovered price after consolidation of shares. Further the Petitioner Company undertakes that, if the shareholders are not traceable to whom the payment is to be made the Company it shall transfer such amount to Investor Education and Protection Fund as per provision of Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority Rules, 2016.

- (b) SEBI or stock exchange has not prescribed any regulation for consolidation of shares. However, BSE has provided a checklist for listing of shares post consolidation and the same shall be adhered to.

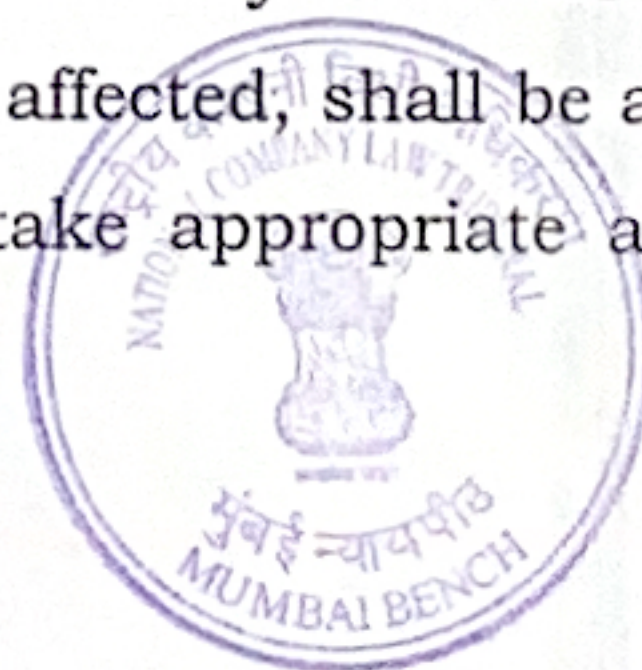
20. The Representative of the Regional Director (RD) submits that the replies of the Petitioner Company are satisfactory and the Regional Director has no further observations/ objections to the proposed consolidation of equity shares of the Petitioner Company.
21. We have perused the material on file and heard the counsel for Petitioner Company.



22. It is noticed that the Board of Directors and Equity Shareholders of the Petitioner Company have approved the consolidation of the Share Capital of the Petitioner Company; the notices have been duly served upon RD, ROC, BSE and no one has filed any objection before this Bench to oppose this Company Petition; the Petitioner Company has published the notice of consolidation in the newspapers and the requisite procedure prescribed U/s 61 (1) (b) of the Companies Act, 2013 and under Rule 71 of the NCLT Rules has been followed.

23. In view of above facts, this Bench hereby orders that:

- a. The face value of the Equity Share of the Petitioner Company shall be consolidated to Rs. 1000/- per Equity Share from Rs. 10/- per Equity Share.
- b. Henceforth, the Authorised Share Capital of the Petitioner Company shall be Rs.13,10,00,000/- (Thirteen Crores Ten Lakhs only) divided into 31,000 (Thirty One Thousand) Equity Shares of Rs. 1,000/- each and 1,00,00,000 (One Crore) Redeemable Preference Shares of Rs.10/- each.
- c. Henceforth the Issued, Subscribed and Paid up Share Capital of the Petitioner Company shall be Rs.3,00,04,000/- (Three Crore Four Thousand Only) divided into 30,004 (Thirty Thousand Four only) Equity Shares of Rs.1,000/- each.
- d. There shall not be any other alteration / modification in the Share Capital of the Petitioner Company; except stated in this order at clause no. 23.a to clause 23.c.
- e. Though any concerned person or Authority has not approached this Bench to oppose this Company Petition however, in the interest of justice, it is hereby clarified that any concerned person or Authority whose interest is adversely affected, shall be at liberty to approach appropriate Forum or to take appropriate action as



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH C-IV

C.P./401/MB/2021

permissible under law.

- f. Since all the requisite statutory compliances have been fulfilled, Company Petition in CP./401/MB/ 2021 filed by Petitioner Company is made absolute in terms of clause (a) to (d) of the said Company Petition.
- g. The Petitioner Company is directed to lodge a certified copy of this Order with the concerned Registrar of Companies, electronically along with e-Form INC-28, within 30 days from the date of receipt of the order by the Registry, duly certified by the Assistant/ Deputy Registrar of this Tribunal.

24. Accordingly, CP/401/MB/2021 is **allowed** and **disposed of**.

Sd/-

Prabhat Kumar
Member (Technical)

/Dubey/

Sd/-

Kishore Vemulapalli
Member (Judicial)

Certified True Copy _____
Date of Application 03.03.2023
Number of Pages 11
Fee Paid Rs. 55/-
Applicant called for collection copy on 09.3.23
Copy prepared on 09.3.2023
Copy issued on 09.3.2023

P. S. Sonawale
09.03.2023
Deputy Registrar

National Company Law Tribunal, Mumbai Bench

