IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 147 OF 2015.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 178 OF 2015

In the matter of Companies Act, 1956 (1 of 1956) and Companies Act, 2013;

And

In the matter of Sections 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 (Corresponding to Section 78 of the Companies Act, 1956);

And

In the matter of Reduction of share capital (Securities Premium Account) of Team Lease Services Private Limited

Team Lease Services Private Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Office No. 6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra – 400051 } ….. Petitioner Company

<u>Called For Hearing</u>

Mr. Rajesh Shah i/b M/s. Rajesh Shah & Co., Advocate for the Petitioner.

CORAM: S. J. Kathawalla, J.

DATE: 27th March, 2015

1. Heard counsel for the Petitioner. No objector has come before the Court to oppose the Reduction and nor any party has controverted party has any averments made in the Petition.

2. The sanction of the Court has been sought for the Reduction of Share Capital (Securities Premium Account) of Team Lease Services Private Limited, the Petitioner Company, under 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 (Corresponding to Section 78 of the Companies Act, 1956, as approved in the Special Resolution passed by its Equity Shareholders at the Extra Ordinary General Meeting held on 15th day of January, 2015.

3. Learned Counsel for the Petitioner states that the reasons for reduction of Share Capital has been stated in paragraph 10 of the Petition interalia stating that it will give a true and fair picture of the financial condition of the Company and that the clean up of the Balance Sheet of the Applicant Company would result in better presentation of the balance sheet of the Applicant Company and that will facilitate distribution of current profits to the shareholders as dividend.

4. Learned Counsel for the Petitioner submits that the Article 5 and 6 of the Articles of Association of the Petitioner Company empowers the Petitioner Company to reduce its Share Premium Account and the Petitioner Company

having passed Special Resolution in its Extraordinary General Meeting of its Equity Shareholders held on 15th January, 2015 being Exhibit 'E' to the Company Scheme Petition, resolution that an amount of Rs. 38,22,59,301 (Rupees Thirty Eight Crores Twenty Two Lakhs Fifty Nine Thousand Three Hundred and One only) from the Securities Premium Account of the Company be reduced /utilized for adjusting the entire debit balance in the Profit and Loss Account, as at March 31, 2014 and that the entire debit balance of Profit and Loss Account as at March 31, 2014 to the extent of Rs. 38,22,59,301 (Rupees Thirty Eight Crores Twenty Two Lakhs Fifty Nine Thousand Three Hundred and One only) be adjusted against the Securities Premium Account and in view of the averment made in Paragraph 19 of Company Scheme Petition the proposed reduction in the Share Capital Account ('Securities Premium Account') does not involve any financial outlay/ outgo on the part of the Petitioner Company and is only in the nature of a book entry and that such reduction will also not cause any prejudice to the Creditors of the Petitioner Company and that the Petitioner states that the reduction of the Share Capital Account ('Securities Premium Account') does not involve either the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital nor is any call being waived and that the Creditors of the Petitioner Company are also in no way be affected by the proposed reduction of the Share Capital Account ('Securities Premium Account') as there is no reduction in the amount payable to any of the Creditors, no compromise or arrangement is contemplated with the Creditors and also there is no reduction in the security, which the Creditors may have in the Petitioner Company and that the proposed adjustment would not in any way adversely affect the ordinary operations of the Petitioner Company or the ability of the Petitioner Company to honour its commitments or to pay its debts in the ordinary course of business. In view of thereof vide order dated 27th February, 2014 the procedure prescribed under Section 101(2) of the Companies Act, 1956 was dispensed with.

5. Counsel appearing on behalf of the Petitioner states that they have complied with all the statutory requirements as per the directions of this Court and they have filed necessary affidavit of compliance in the Court. Moreover, Petitioner Company undertakes to comply with statutory requirements, if any, as required under the Companies Act, 1956/ 2013 and the Rules made thereunder whichever is applicable. The Undertaking is accepted.

6. None of the parties concerned have come forward to oppose the proposed reduction of Share Capital (Securities Premium Account). Since the requisite statutory procedure has been fulfilled, the Petition is made absolute in terms of prayer clauses (a) and (b).

7. Petitioner is directed to file a copy of this order alongwith a copy of the Form of Minutes with the concerned Registrar of Companies, electronically, along with E-Form/ INC-28 in addition to physical copy as per the relevant provisions of the Act.

8. All concerned regulatory authorities to act on a copy of this order and the Form of Minutes annexed as Exhibit- 'I' to the Petition, duly authenticated by the Company Registrar, High Court, Bombay.

9. Filing and issuance of the drawn up order is dispensed with.

10. Petitioner to publish notices of registration of the Order and minutes of reduction with the concerned Registrar of Companies in the two local newspapers viz. “Free Press Journal”, in English language and translation thereof in “Navshakti”, in Marathi language, both having circulation in Mumbai, about registration of the Order and minutes of reduction with the concerned Registrar of Companies.

(S. J. Kathawalla, J.)