IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 816 OF 2014

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTIONS NO 879 OF 2014

In the matter of Companies Act, 1956;

And

In the matter of Sections 100 to 104 of the Companies Act, 1956

And

In the matter of Reduction of Paid Up Preference Share Capital of Remunance Systems Private Limited

Remunance Systems Private Limited, a company incorporated under the provisions of Companies Act, 1956, having its registered office at 11, Prasad, Phatak Park, Behind Sharada Centre, Off Karve Road, Erandwane, Pune – 411004) …Petitioner Company

<u>Called for Hearing</u>

Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the Petitioner

CORAM: S.J. KATHAWALLA, J

DATE: 9th JANUARY 2015

P.C.:

1. Heard the learned counsel for the Petitioner. No objector has come before the court to oppose the Scheme for Reduction of share Capital and nor any party has contravened any averments made in the Petition.

2. The Counsel for the Petitioner Company submits that Article 9 of the Articles of Association of the Petitioner Company empowers the Petitioner Company to reduce its Share Capital by passing a Special Resolution in any manner for the time being authorised by law.

3. The reason for reduction is that Petitioner Company has not been able to deploy the paid up 0.1% Cumulative Convertible Preference Share capital so raised gainfully due unfavorable business conditions. The Board of Directors of Company were of the view that it is in the best interest of the Company to reduce the Preference Share Capital as it is in excess of financial requirements of the Company.

4. The Counsel for the Petitioner further submits that the Petitioner having passed a Special Resolution with requisite majority at its Extraordinary General Meeting held on 2nd June 2014, the paid-up Preference Share Capital of Rs. 1,25,00,000/- consisting of 1,25,000 0.1% Cumulative Convertible Preference Shares of Rs. 100/- each shall be reduced by cancellation of entire fully paid up 0.1% Cumulative Convertible Preference Shares consisting of

1,25,000 0.1% Cumulative Convertible Preference Shares of Rs. 100/- and returning a sum of Rs. 1,25,00,000/- to the holder of said Preference Share namely Fusiontech Ventures Private Limited AND in view of the averments made in paragraph Seventeen to Nineteen of the Affidavit in support of Company Summons for Direction, inter-alai stating that there are no Secured Creditors of the Petitioner Company and that there are 11 (eleven) Unsecured Creditors in the Petitioner Company and that the proposed reduction would not in any way adversely affect the interests of any of the Petitioner Company's Unsecured Creditors or the ordinary operations of the Petitioner Company in the ordinary course of business. Further, no compromise or arrangement is called for with any of the Unsecured Creditors of the Petitioner Company as there is no reduction in the amount payable to any of the Unsecured Creditors of the Petitioner Company, the procedure prescribed under Section 101(2) of the Companies Act was dispensed with by an order dated 5th December 2014 passed in Company Summons for Direction No. 879 of 2014.

5. The Counsel for the Petitioner states that although there is payment to shareholders of paid up Preference share capital there is no diminution of liability in respect of unpaid share capital.

6. Counsel appearing on behalf of the Petitioner Company states that the Petitioner has 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 also undertakes to comply with statutory requirements, if any, as

required under the Companies Act, 1956 and/or Companies Act, 2013 and the Rules made thereunder, as may be applicable.

7. Since the requisite statutory procedure has been fulfilled, the Company Scheme Petition is made absolute in terms of prayer clauses (a) and (b).

8. Petitioner to publish notices about registration of Order and minutes of reduction by the concerned Registrar of Companies, Maharashtra in the same newspapers i.e., 'Indian Express', in English language and translation thereof in 'Loksatta', in Marathi language both having circulation in Pune and also in the Maharashtra Government Gazette.

9. Filing and issue of drawn up order is dispensed with.

10. All concerned regulatory authorities to act on authenticated copy of order and the form of minutes annexed as 'Exhibit H' to the Petition, duly authenticated by the Company Registrar, High Court, Bombay.

(S.J. KATHAWALLA, J)