IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 116 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 141 OF 2015

In the matter of Companies Act, 1956 or any other applicable provisions of the Companies Act, 2013;

And

In the matter of Sections 100 to 103 of the Companies Act, 1956 or any other applicable provisions of the Companies Act, 2013;

And

In the matter of Reduction of Share Capital of SI Group – India Limited

SI Group – India Limited, a company incorporated under the provisions of Companies Act, 1956, having its registered office at Plot No. 2/1, TTC Industrial Area, Thane – Belapur Road, Navi Mumbai – 400 705) …. Petitioner Company

Called for Hearing

Mr. Virag Tulzapurkar, Senior Counsel with Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the Petitioner

CORAM: S.J. KATHAWALLA, J

DATE: 13TH MARCH 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 62 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 Counsel for the Petitioner states that the reasons for Reduction as averred in paragraphs 9 & 10 of the Petition is that the Petitioner Company was de-listed from the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in September 2009 pursuant to the open offer made by SI Group, Inc. ('Promoter') under SEBI (Delisting of Securities) Guidelines, 2003 for acquisition of Equity Shares from the Public Shareholders. Subsequent to the delisting of the Equity Shares of the Company, there is no market to buy and sell the Equity Shares held by the Non Promoter Shareholders. The investments made by these shareholders are locked up and they find it difficult to dispose-off their shareholding. The holders of the Equity Shares (other than the Promoters) are facing a lot of hardship and inconvenience as there is no liquidity / tradability to their shareholding. In the absence of tradable security for exit, the value of the shares would be significantly impaired. As an investor friendly gesture, the Petitioner Company wants to provide a one time exit opportunity to the holders of the Equity Shares (other than the Promoters), being the shareholders holding 1,126,208 equity shares representing 2.66% of the total issued, subscribed and paid-up equity capital of the Petitioner Company by reducing the entire issued and paid-up share capital held by all the Shareholders (other than the Promoters). Accordingly, it is proposed to reduce the equity shares held by the holders of

Equity Shares (other than the Promoters) in accordance with the provisions of Section 100 to 103 of the Companies Act, 1956 (hereinafter referred to as "Act").

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 26th day of November 2014, for reduction of the Issued, Subscribed and Paid-up Equity Share Capital of the Petitioner Company be reduced from Rs. 42,33,45,130/- (Rupees Forty Two Crore Thirty Three Lakh Forty Five Thousand and One Hundred Thirty only) divided into 4,23,34,513 (Four Crore Twenty Three Lakh Thirty Four Thousand and Five Hundred Thirteen) Equity Shares of Rs. 10/- each to Rs. 41,20,83,050/- (Rupees Forty One Crore Twenty Lakh Eighty Three Thousand and Fifty only) divided into 4,12,08,305 (Four Crore Twelve Lakh Eight Thousand and Three Hundred Five) Equity Shares of Rs. 10/- each, by cancellation of 11,26,208 (Eleven Lakh Twenty Six Thousand and Two Hundred Eight) Equity Shares of Rs. 10/- each held by the holders of the Equity Shares, other than the Promoter (i.e. Non Promoter Shareholders) of the Company and the aforesaid reduction shall be made by the Company by paying off / returning to Non Promoter Shareholders a price of Rs. 103.82 per Equity Share (including a premium of Rs. 93.82 per Equity Share) and thereby extinguishing all such shares.

5. The Counsel for Petitioner further submits that in view of the averments made in paragraph 20 to 22 of the Affidavit in Support of Company Summons for Direction, inter-alia stating that there are no Secured Creditors in the Petitioner Company and that the proposed reduction would not in any way adversely affect

the rights of the Unsecured Creditors who will be paid off in the ordinary course of business. Further, no compromise or arrangement is called for with any of the creditors of the Petitioner Company as there is no reduction in the amount payable to any of the Unsecured Creditors of the Petitioner Company and there is no diminution of liability in respect of unpaid share capital in the Petitioner Company, the procedure prescribed under Section 101(2) of the Companies Act was dispensed with by an order dated 20th February 2015 passed in Company Summons for Direction No. 141 of 2015.

6. The Counsel for the Petitioner states that though there is payment to shareholders of paid up Equity share capital, there is no diminution of liability in respect of unpaid share capital and creditors are not affected by the proposed reduction.

7. 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.

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

9. Petitioner to publish notices about registration of Order and minutes of reduction by the concerned Registrar of Companies, Maharashtra in two newspapers namely i.e., ‘Free Press Journal’, in English language and translation thereof in

'Navshakti ', in Marathi language both having circulation in Mumbai and also in the Maharashtra Government Gazette.

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

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

(S.J. KATHAWALLA, J)