IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.03.2015

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THE HONOURABLE MR. JUSTICE R.MAHADEVAN

Company Petition No.60 of 2015

Spectrasoft Technologies Private Limited
A Private Limited Company
Incorporated under the Companies Act, 1956
having its Registered Office
at Nos.33/2B, 33/2C1, 32C1 and 32/2/2C4
Old No.7, New No.41
Mount Poonamallee Road
Nandambakkam
Tambaram Taluk-631 501
Represented by its Director
Mr.Dharmendra Jain. ... Petitioner

Petition under Sections 100 to 104 of the Companies Act, 1956, read with Rules 11(a)(3) and 46 of the Companies (Court) Rules, 1959, for confirming the reduction of Equity Share Capital of the petitioner Company duly approved by the equity shareholders of the petitioner Company at an Extra-ordinary General Meeting thereof held on 15.12.2014 at the registered office of the petitioner Company be confirmed by this Court so as to be binding on all shareholders and creditors of the petitioner Company and the petitioner Company; to issue necessary and proper directions; to approve the proposed minute; and not requiring the petitioner to add the words "and reduced" to its name as the last words thereof.

For Petitioner : Mr.A.M.Ilango

Mr.M.Gopi Krishnan
Additional Central Government
Standing Counsel for
Regional Director,
Southern Region,
Ministry of Corporate Affairs,
Chennai.

O R D E R

This petition is filed under Sections 100 to 104 of the Companies Act, 1956, read with Rules 11(a)(3) and 46 of the Companies (Court) Rules, 1959, for confirming the reduction of Equity Share Capital of the petitioner Company duly approved by the equity shareholders of the petitioner Company at an Extra-ordinary General Meeting thereof held on 15.12.2014 at the registered office of the petitioner Company be confirmed by this Court so as to be binding on all shareholders and creditors of the petitioner Company and the petitioner Company; to issue necessary and proper directions; to approve the proposed minute; and not requiring the petitioner to add the words "and reduced" to its name as the last words thereof.

2.Heard Mr.A.M.Ilango, learned counsel appearing for the petitioner and Mr.M.Gopikrishnan, learned Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai.

3. According to the petitioner Company, it is presently engaged on the business of design, develop, implement, make, install, operate, maintain, market, buy, import, export, sell, license computer software, embedded software, databases, computer systems and programme products & services.The Board of Directors of the petitioner Company thought it fit to reduce some portion of paid up Share Capital by way of writing off losses pertaining to previous years to the extent of Rs.17,45,00,000/- which is not represented by the available assets. Section 100 of the Companies Act, 1956, provides for reduction of Equity Share

Capital. Article 7(b) of the Articles of Association of the petitioner Company permits the petitioner Company from time to time to reduce its Share Capital in any manner permitted by law. Accordingly, the petitioner Company is proposing to reduce its Paid-up Equity Share Capital of the shareholders by Rs.1,74,50,000/- shares of Rs.10/- each held by the shareholders. The nature of business carrying on is detailed in the Memorandum & Articles of Association and the same is marked as Annexure-A. The Authorized Share Capital of the petitioner Company as on 20.11.2014 is Rs.23,00,00,000/- (Rupees Twenty Three Crore only) divided into 1,95,00,000 (One Crore Ninety Five Lakh) Equity Shares of Rs.10/ each and 35,00,000 0% Non-cumulative Redeemable Preference Shares of Rs.10/- each. The issued, subscribed and paid-up capital of the petitioner Company as on 20.11.2014 was Rs.22,16,66,800/- (Rupees Twenty Two Crore Sixteen Lakh Sixty Six Thousand Eight Hundred only) divided into 1,86,66,680 (One Crore Eighty Six Lakh Sixty Six Thousand Six Hundred and Eighty) Equity Shares of Rs.10/- each and 35,00,000 0% Non-cumulative Redeemable Preference

Shares of Rs.10 each. Therefore, the petitioner Company has adequate reserves to meet the proposal for reduction of the Paid-up equity share capital of the Company. Upon the said reduction of equity share capital, the Paid-up equity share capital account of the Company shall stand reduced to Rs.4,71,66,800 (Rupees Four Crore Seventy One Lakhs Sixty Six Thousand and Eight Hundred only) divided into 12,16,680 (Twelve Lakhs Sixteen thousand Six Hundred and Eighty) Equity shares of Rs.10/- each and 35,00,000 0% Non-cumulative Redeemable Preference Shares of Rs.10 each. A copy of the Resolution passed by the Board of Directors of the petitioner Company on 22.11.2014 is marked as Annexure-B. A copy of the audited Balance Sheet of the petitioner Company as on 31.03.2014 is marked as Annexure-C. A copy of the Special Resolution passed by the Board of Directors of the petitioner Company at its Extra Ordinary General Meeting held on 15th December, 2014, is marked as Annexure-E. A copy of the Form of Minute is marked as Annexure-F. A Certificate showing "No Secured Creditors" from a Chartered Accountant is marked as Annexure-I.

The consent affidavits from preference shareholders is marked as Annexure-J. According to the petitioner Company, the reduction of the Paid-up equity share capital of the petitioner Company will not in any way compromise the interests of or cause any prejudice to the creditors of the petitioner Company.

4.At this juncture, it is relevant to extract the Special Resolution passed by the petitioner Company in accordance with Section 189 of the Companies Act, 1956, at the Extra Ordinary General Meeting held at Chennai on 15th December, 2014, wherein, it was resolved as follows:-

> "RESOLVED THAT pursuant to the provisions of Section 100, 101, 102, 103, 104 & 105 and all other applicable provisions of the Companies Act, 1956 / Companies Act, 2013, if any, and subject to the Memorandum and Articles of Association of the Company and subject to confirmation of the Hon'ble High Court of Judicature at Madras, the approval of shareholders of the Company be

and is hereby accorded for the reduction of the Paid-up Share Capital of the Company from Rs.22,16,66,800/- (Rupees Twenty Two Crores Sixteen Lakhs Sixty Six Thousand Eight Hundred Only) divided into 1,86,66,680/- (One Crore Eighty Six Lakhs Sixty Six thousand Six hundred and Eighty) Equity shares of Rs.10/- each and 35,00,000 0% Non-cumulative Redeemable Preference Shares of Rs.10 each as on date to Rs.4,71,66,800(Rupees Four Crore Seventy One Lakhs Sixty Six Thousand and Eight Hundred only) divided into 12,16,680 (Twelve Lakhs Sixteen thousand Six Hundred and Eighty) Equity shares of Rs.10/- each and 35,00,000 0% Non-cumulative Redeemable Preference Shares of Rs.10 each by way of writing off profit & loss account debit balance which is an unrepresented assets aggregating to a sum of Rs.17,45,00,000 (Rupees Seventeen Crore Forty Five Lakhs only) divided into 1,74,50,000 equity shares of Rs.10 each.

Resolved Further that the reduction shall be effected in the books of accounts of the Company on approval of Honourable High Court of Judicature of Madras and on filing requisite forms with Registrar of Companies and in which case, 1,74,50,000 equity shares of Rs.10 each held by the shareholders, stall stand cancelled to the extent specified above; and upon cancellation of such equity shares, the issued, subscribed and paid-up share capital of the Company shall stand reduced to Rs.4,71,66,800 (Rupees Four Crore Seventy One Lakhs Sixty Six Thousand and Eight Hundred only) divided into 12,16,680 (Twelve Lakhs Sixteen thousand Six Hundred and Eighty) Equity shares of Rs.10/- each and 35,00,000 0% Non-cumulative Redeemable Preference Shares of Rs.10 each.

RESOLVED FURTHER that KIRTI KUMAR BAHETI and DHARMENDRA JAIN, Directors of the Company, be and are hereby severally authorized in their name and behalf of the Company;

a) to do all such acts as may be required to comply with requirements under the Companies (Court) Rules, 1959;

b) to make such alterations and changes to the proposal of reduction as may be expedient or necessary, particularly for satisfying the requirements or conditions imposed by the Central Government or the Court of competent jurisdiction;

c) to evolve, decide upon and bring into effect the Scheme and make and give effect to any modifications, changes, variations, alterations or revision in the proposal of reduction from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or as any of the officers as authorized above may suo-moto decide in their absolute discretion and to do all such acts, deeds, matters and things whatsoever, including settling any question, doubt or difficulty that may arise with regard to or in relation to the reduction of capital as they may in their absolute discretion consider necessary, expedient, fit and proper.

d) to settle any question or difficulty that may arise with regard to implementation of the scheme and to give effect to the above resolution;

e) to sign and file applications / petitions / any other affidavit or document with the High Court / any other competent authority of competent jurisdiction for directions for holding / dispensing with a meeting of the members and creditors and for confirmation of the proposal of reduction of capital;

f) to prepare, finalise, settle and circulate notices for convening the meeting of members;

g) for the above purposes to engage any counsel, company secretary or consultants and if considered necessary, also avail services of counsel/s, declare and file all pleadings, reports and sign and issue public advertisements and notices; and

h) to do all such other acts, matters, deeds

> and things necessary in connection with or incidental to give such effect to the proposal of reduction for the purpose of the above resolution. ”

5. It is also relevant to refer to the Form of the Minute proposed to be registered under Section 103(1)(b), which reads as follows:-

> “Pursuant to the provisions of Section 100 to 104 of the Companies Act, 1956 and Rules 46 and 47 of the Company (Court) Rules, 1959, the paid up Equity Share Capital from Rs.22,16,66,800/- (Rupees Twenty Two Crore Sixteen Lakh Sixty Six Thousand Eight Hundred Only) divided into 1,86,66,680 (One Crore Eighty Six Lakh Sixty Six thousand six hundred and Eighty) Equity shares of Rs.10/- each and 35,00,000 0% Non-cumulative Redeemable Preference Shares of Rs.10 each – be reduced by Rs.17,45,00,000 (Rupees Seventeen Crore Forty Five Lakhs only) divided into 1,74,50,000 equity shares of Rs.10 each and the paid up capital of the said company is henceforth Rs.4,71,66,800 (Rupees Four Crore Seventy One Lakhs Sixty Six Thousand and

Eight Hundred Only) divided into 12,16,680 (Twelve Lakhs Sixteen thousand Six Hundred and Eighty) Equity shares of Rs.10/- each and 35,00,000 0% Non-cumulative Redeemable Preference Shares of Rs.10 each. ”.

6.Publication containing the advertisement of the petitioner Company effected in one issue of English daily "Trinity Mirror", Chennai Edition, on 20.02.2015 and also in another issue of Tamil daily "Makkal Kural", Chennai Edition on 20.02.2015.

7.The Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, has filed an affidavit stating no objection to the proposal made by the petitioner Company for reduction of the Paid-up Equity Share Capital.

8.In view of the above, this Company Petition is ordered-

(i)confirming the reduction of the paid-up equity share capital of the petitioner Company duly approved in terms of the Special Resolution passed by the equity shareholders at the Extra Ordinary General Meeting held at Chennai on 15th December, 2014 ;

(ii) approving the proposed Minute marked as Annexure-F; and

(iii)not requiring the petitioner Company to add the words "and reduced" to its name as the last words thereof.

9.A certified copy of the order including the minutes as approved be delivered to the Registrar of Companies within twenty one days and the notice of the registration order by the Registrar of Companies and of the said minutes as approved by this Court be published in one issue of English daily "Trinity Mirror" and also in one issue of Tamil Daily "Makkal Kural" within four weeks from the date of receipt of copy of the order.

R.MAHADEVAN,J

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10.The petitioner Company is hereby directed to pay a sum of Rs.5,000/- (Rupees Five Thousand only) towards fee to the Additional Central Government Standing Counsel.

27.03.2015

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