

HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

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COMPANY PETITION No.255 of 2015

Date:21.9.2015

Between:

M/s Supra Trends Limited, Hyderabad,
reptd., by its Managing Director-Mathamsetty
Venkata Krishna Sunil Kumar

..... Petitioner

Counsel for the Petitioner: Mr. Y.Suryanarayana

The Court made the following:

ORDER:

This Company Petition is filed for the following substantive reliefs:

“(a) to dispense with the requirement of following the procedure laid down under Section-101(2) of the Companies Act, 1956, read with Rules-48 to 58 of the Company (Court) Rules, 1959, as the Petitioner Company has obtained the consent affidavits from all its creditors;

(b) to fix a date for hearing of the present Company Petition as required under Rule 59 of Company (Court) Rules, 1959 and to issue directions for advertisement of the date of hearing of the Company Petition in news papers, viz., Business Standard (English daily) and Andhra Bhoomi (Telugu daily);

(c) that the reduction of capital resolved on 13th day of July 2015, by the shareholders

of the Petitioner Company as Special resolution set out in paragraph No.9.1 above be confirmed;

(d) to dispense with the requirement of using the word "and reduced" in the name of the Petitioner Company;

(e) that the Minute as set out in paragraph-13 of this Company Petition be approved;

(f) that a certified copy of the order made by this Hon'ble High Court confirming the Reduction of Capital and the approved Minute be delivered to the Registrar of Companies, Andhra Pradesh and Telangana within 30 days from the date of receipt of order made by this Hon'ble High Court;

(g) that notice of the registration by the Registrar of Companies of the order issued by this Hon'ble Court and of the said Minute be published within 14 days of the registration in the same newspapers in which the notice of date of hearing of the Company Petition is being published; and

(h) that such further order(s) be made as this Hon'ble court deem fit and proper in the facts and circumstances of the case."

I have heard Mr.Y.Suryanarayana, learned counsel for the petitioner and perused the record.

The petitioner averred that it was originally, incorporated under the Companies Act, 1956 on 23.01.1987 as 'M/s Vijay Growth Projects Limited' and consequent on change of its name as 'M/s Supra Trends Limited', it was issued a fresh certificate of incorporation on 26.12.2013; that its registered office is situated at Barkatpura, Hyderabad, Telangana; that its main objects *inter alia* are to carry on in India or elsewhere the business of manufacturing including licensed manufacturing, processing, producing,

washing, dyeing, ginning, pressing, spinning, weaving, crimping, texturising, carding, bleaching, etc., of all types of textile goods, apparels, personal wear, footwear, etc; that its authorized share capital is Rs.5 cores divided into 50 lakhs equity shares of Rs.10/- each ; that its paid-up capital as on 31.10.2014 and also as on date is Rs.5 corers divided into 50 lakhs equity shares of Rs.10/- each; that it has 6,764 share holders; that it has accumulated loss as on 31.3.2014 standing at Rs.4,64,92,471/- and as on 31.3.2015 at Rs.4,80,62,380/-; that it has proposed reduction of capital from Rs.5 crores divided into 50 lakhs fully paid-up shares of Rs.10/- each to Rs.50,00,000/- divided into 50 lakhs equity shares of Re.1/- each; that such reduction in the issued, subscribed and paid-up equity share capital of the company shall be effected by writing off the losses amounting to Rs.4,50,00,000/- out of the total accumulated loss of Rs.4,64,92,471/-; that the Board of Directors in its meeting, dated 01.3.2015, approved the proposed reduction of capital, vide its resolution (Annexure-A); and that the Bombay Stock Exchange Limited has given its consent through letter, dated 07.5.2015, subject to certain conditions (Annexure-E).

The petitioner further averred that it has issued notices calling for an Extra-Ordinary General Meeting (EGM) for consideration of the proposed reduction of capital and for postal ballot on 04.6.2015 (Annexure-F); that the EGM of the share holders has passed a special resolution, dated 13.7.2015, (Annexure-F4); (Consolidated report of the Scrutinizer showing the result of voting conducted at the EGM of the share holders and the voting through remote e-voting is filed as Annexure-F1); that the postal ballot voting and

remote e-voting process was held from 12.6.2015 and 11.7.2015 (Consolidated report of the Scrutinizer showing the result of the postal ballot voting and remote e-voting is filed as Annexure-F3); that the share holders have passed resolution, dated 13.7.2015, with requisite majority (Annexure-F5) approving the proposed scheme of reduction; that the statutory auditors of the petitioner issued certificate showing the list of its six unsecured creditors, one trade creditor and the respective amounts due to them by the petitioner-company (Annexure-G); and that the unsecured creditors and the trade creditor have given their consent (Annexures-H to H8 and Annexure-I respectively) to the proposed scheme of reduction of capital.

This Court by order, dated 24.8.2015, directed the petitioner to cause publication of advertisement of this Company Petition in two newspapers, viz., 'Andhra Bhoomi' (Telugu daily) and 'Business Standard' (English daily) having circulation in the State of Telangana. The petitioner has filed memo, USR.No.4450 of 2015, along with the proof of publications, dated 28.8.2015.

The Managing Director of the petitioner has filed affidavit, dated 19.9.2015, to the effect that from the date of publication of notice till the date of filing of the affidavit, the petitioner did not receive any objection or query with regard to the scheme of reduction of its capital from any share holder, creditor or any other person/entity.

In the light of the material filed by the petitioner, viz., the consent given by the Bombay Stock Exchange Limited, subject to the following conditions, viz., filing of

- (a) Copy of the High Court approved scheme;
- (b) Result of voting by shareholders for approving the scheme;

- (c) Statement explaining changes, if any and reasons for such changes carried out in the approved scheme vis-à-vis the draft scheme;
- (d) Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
- (e) Status of compliance with the observation letter/s of the stock exchanges;
- (f) The application seeking exemption from Rule-19(2)(b) of SCRR, 1957, wherever applicable;
- (g) Complaints Report as per Annexure-II of this Circular; and
- (h) Any other document/disclosure as informed by the Exchange;

the special resolution passed by the EGM of the shareholders of the petitioner-company approving the proposed reduction of its capital and also the result of e-voting and postal ballot in favour of the proposed reduction of capital, besides the consents given by the unsecured creditors and the trade creditor and the fact that no claims or objections have been received, as stated in the affidavit of the Managing Director referred to above, this Court is of the opinion that the proposed reduction of capital of the petitioner-company is not against the interests of any of the stake holders including that of public and that there can be no legally sustainable objection for approval of the said proposal.

Accordingly, the Company Petition is allowed as prayed for, subject to the petitioner complying with all the conditions contained in the consent letter given by the Bombay Stock Exchange Limited.

*JUSTICE C.V.NAGARJUNA
REDDY*

21st September, 2015

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