THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY PETITION No.309 of 2015

ORDER:

This company petition is filed under Section 100 to 102 of the Companies Act, 1956 for confirming the proposed scheme of arrangement for reduction of capital of the petitioner.

The petitioner-Company averred that it was incorporated as a private limited company under the Act on 25.11.1991 with its registered office situated at 8-2-596/5/B/1, Road No.10, Banjara Hills, Hyderabad-500 034; that its authorized share capital as on 31.03.2015 is Rs.48,50,00,000/- divided into 75,00,000 equity shares of Rs.10/- each; 4,10,00,000 preference shares of Rs.10; the issued , subscribed and paid up share capital as on 31.03.2015 is Rs.5,78,82,670 divided into 52,68,267 equity shares of Rs.10/- each; and 5,20,000 10% Compulsorily Convertible Cumulative preference shares of Rs.10/- each; and that in its annual general meeting held on 03.08.2015 after due notice as required under the Act, a special resolution was passed under Section 189 of the Act.

The petitioner further averred that it has availed secured and unsecured loans and it has obtained no objection letters from all its creditors with regard to the proposed reduction of share capital. Copies of the no objection letters are filed as Annexure No.6.

It is further averred that reduction of share capital does not involve diminution of any liability in respect of unpaid capital; that it will not prejudicially affect the petitioner-Company or its shareholders; and that it would not in any way adversely affect the ordinary operations of the company or the ability of the company to honour its commitments or to pay its debts.

It is further averred that the petitioner is fully solvent and has adequate liquidity and cash reserves to meet all its financial obligations, and therefore, the interest of its trade creditors shall not in any way be prejudicially affected.

It is further averred that the proposed reduction of capital of the petitioner-Company does not violate any of the provisions of the Companies Act 1956 or the Companies Act 2013 or any rules and regulations made thereunder; and that there are no winding up proceedings pending or initiated against the petitioner-Company.

This Court by order, dated 02.11.2015 ordered publication of advertisement of this Company Petition in two newspapers, *viz*., 'Business Standard' (English) and 'Andhra Bhoomi' (Telugu) of Hyderabad editions having circulation in the State of Telangana. In pursuance thereof, the petitioner has carried out the publications and filed proof of publications, vide memo USR No.6428 of 2015, dated 15.12.2015.

Sri V.S. Raju, learned counsel for the petitioner submits that he has not received any claims or objections in response to the paper publications.

In the light of the above facts and in the absence of any claims or objections received by the learned counsel for the petitioner in response to the publications, this Court does not find any legally sustainable objections for confirming the proposed scheme of arrangement for reduction of share capital of the petitioner.

Accordingly, the Company Petition is allowed by approving the proposed scheme of arrangement for reduction of share capital of the petitioner-company as per the form of Minute proposed to be registered under Section 103(1) (b) of the Act. The petitioner shall, within 30 days of receipt of a certified copy of this order, cause the same to be delivered to the Registrar of Companies for the State of Telangana and Andhra Pradesh, Hyderabad, and publish the notice of registration of the form of Minute by the Registrar of Companies, in the same newspapers in which notice of this Company Petition was published within 14 days of the registration.

JUSTICE CHALLA KODANDA RAM

23rd December, 2015

Js.