

THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

Company Petition No.61 of 2015

Dated 22nd June, 2015

Between:

M/s.Everest Organics Limited

...Petitioner

Counsel for the petitioner: Sri Prashanth A.S.

for Sri M.S.Srinivasa lyengar

The Court made the following:

ORDER:

This company petition is filed under Section 101 of the Companies Act, 1956 (for short 'the Act') for confirming reduction of share capital.

I have heard the learned counsel for the petitioner and perused the record.

The petitioner pleaded that it is incorporated as a limited company with its authorised share capital of Rs.10.00 crore divided into 1,00,00,000 equity shares of Rs.10/- each, out of which, 92,73,000 equity shares have been issued and fully paid up as on 31.03.2013, that it has accumulated losses to the tune of Rs.5,93,47,200/- and that to set off the accumulated losses, it has proposed to reduce its total paid up capital from Rs.9,27,30,000/- divided into 92,73,000 fully paid of Rs.10/- each to Rs.3,33,82,800/- divided into 33,38,280 paid up equity shares of Rs.10/- each.

That due notice, dated 31.05.2014, was issued for a General Meeting in order to pass a Special resolution in accordance with Section 189 of the Act to approve the proposed scheme of reduction of share capital and that the company in its General meeting held on 30.07.2014 has passed Special Resolution approving the proposed scheme. That the company has two secured creditors and 18 unsecured creditors and that all of them have given no objection certificates to the proposed scheme.

The petitioner further averred that reduction of share capital does not involve either diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid up share capital. That as it is a listed company and as per Clause 24(f) of the Listing Agreement, it has made an application to the Bombay Stock Exchange (BSE) vide its letter, dated 23.05.2015, seeking no objection certificate to the proposed scheme of reduction and that the BSE after receiving comments from the SEBI has issued letter, dated 23.05.2014, conveying its no objection and enabling the petitioner to approach this Court.

This Court by order, dated 31.03.2015, directed the petitioner to carry out publication in two newspapers, one in English and another in vernacular having circulation in the entire State of Telangana. On 21.04.2015, this Court has taken note of the fact that the petitioner has got notice published in Telugu newspaper having circulation only in the city of Hyderabad. Therefore, the case was adjourned to enable it to comply with the order, dated 31.03.2015 of this Court. Subsequently, the petitioner has filed memo along with proof of publication showing that the notice was published in 'Andhra Bhoomi' having circulation in the State of Telangana.

At the hearing, the learned counsel for the petitioner has submitted that no objections have been received in response to the newspaper publication.

In support of the petitioner's averments, it has filed notice, dated

31.03.2014, issued by the company for holding General Meeting for passing a Special resolution as document No.8 and Special resolution passed in the General Meeting of the company is filed as document No.2. The petitioner has also filed the list of secured and unsecured creditors and has also filed the individual no objection letters as document No.7. The no objection letter, dated 23.05.2014, issued by the BSE is filed as document No.4.

From these documents, this Court is satisfied that the proposed scheme of reduction of share capital is in consonance with the provisions of Section 101 of the Act and by such reduction, the interests of either the stakeholders or public would not suffer.

For the above-mentioned reasons, the proposed reduction of share capital is approved. The petitioner shall cause certified copy of this order delivered to the Registrar of Companies within 30 days from the date of receipt of a copy thereof.

The company petition accordingly stands allowed.

C.V.NAGARJUNA REDDY, J

22nd June, 2015
VGB