

IN THE HIGH COURT OF DELHI
COMPANY PETITION NO. 57/2015

Reserved on 25th March, 2015
Date of pronouncement: 26th March, 2015

In the matter of

The Companies Act, 1956 & the Companies Act, 2013 (to the extent applicable):

And

**Petition under Section 100(1) of the
Companies Act, 1956 read with Rules 46 &
47 of the Companies (Court) Rules, 1959**

And

Verico Technologies Private Limited

.. Petitioner Company

**Through Mr. Shobhan and Mr. Sanjay
Bharanwal, Advocates for the petitioner
Ms. Aparna Mudiam, Assistant Registrar
of Companies for the Regional Director**

SUDERSHAN KUMAR MISRA, J.

1. This petition under Section 100(1) of the Companies Act, 1956 read with Rules 46 and 47 of the Companies (Court) Rules, 1959 has been filed by Verico Technologies Private Limited (hereinafter referred to as the 'petitioner company') for confirming the reduction of its paid-up share capital.

2. The registered office of the petitioner company is situated at New Delhi, within the jurisdiction of this court.

3. The petitioner company was incorporated under the Companies Act, 2013 on 5th September, 2014 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The authorized share capital of the petitioner company is Rs.6,00,00,000/- divided into 60,00,000 equity shares of Rs.10/- each. The subscribed and paid-up share capital of the company is Rs.6,00,00,000/- divided into 60,00,000 equity shares of Rs.10/- each.

5. A copy of the Memorandum and Articles of Association of the petitioner company has been filed on record. It is submitted by the petitioner that the financial statements of the company have not been prepared and audited, since the first financial year of the company has not been completed.

6. It has been submitted that the petitioner company has not been able to commence its business operations as the minimum paid-up equity share capital has not been infused into it by the subscribers to the Memorandum of Association. It is further submitted that the paid-up equity share capital of the petitioner company is proposed to be reduced from Rs.6,00,00,000/- to Rs.60,00,000/-, since the majority shareholder and promoter of the company, Mr. Huei Chung Hsiao has decided to restrict the activities of the company to trading only. The plan to set up the manufacturing unit of the petitioner company in India is stated to have been postponed. It is submitted that for the purposes of trading activity, paid-up equity share capital of Rs.60,00,000/- would be sufficient, hence, the need for reduction in share capital.

7. It is pleaded that the petitioner company is authorized by virtue of Article 4(a) of its Articles of Association to reduce its share capital, as per the provisions of the Companies Act, 1956.

8. The Board of Directors of the petitioner company in their meeting held on 3rd November, 2014 have unanimously approved the proposed reduction of the paid-up share capital of the petitioner company. A copy of the resolution passed at the meeting of the Board of Directors of the petitioner company is placed on record.

9. A special resolution has been passed at the Extra Ordinary General Meeting of the shareholders of the petitioner company held on 8th December, 2014 confirming the proposed reduction of the paid-up equity share capital. A copy of the minutes of the special resolution passed at the Extra Ordinary General Meeting is placed on record. The petitioner company does not have any secured or unsecured creditor. A copy of the certificate of the Chartered Accountant dated 19th January, 2015 certifying the same has been placed on record.

10. Learned counsel for the petitioner company has submitted that the proposed reduction in capital neither involves in any financial outlay/outgo on the part of the petitioner company nor does it directly or indirectly involve in any outflow of the petitioner company's asset to its

shareholders. Further, the petitioner company has not carried on any business since the date of its incorporation and it does not have any creditors or any other stakeholders whose rights would be prejudice by the proposed reduction.

11. In the aforesaid background, this petition is filed seeking approval of the resolution passed at the Extra Ordinary General Meeting held on 8th December, 2014. The Form of Minutes proposed to be registered under Section 103(1)(b) of the Act and annexed with the petition as Annexure – G is reproduced as under:

“The paid-up equity share capital of Verico Technologies Private Limited is henceforth Rs.60,00,000/- comprising of 6,00,000 equity shares of Rs.10/- each reduced from Rs.6,00,00,000/- comprising of Rs.60,00,000 equity shares of Rs.10/- each.”

12. By order dated 5th February, 2015, notice of this petition was directed to be issued to the Regional Director, Northern Region. Since the petitioner company has not commenced its business operations and it does not have any creditor or stakeholders, therefore, the requirement to follow the procedure laid down under Section 101(2) of the Companies Act, 1956 is dispensed with.

13. In response to the notice issued, Mr. A. K. Chaturvedi, Regional Director, Northern Region, has filed his report dated 17th March, 2015 raising no objection to the proposed reduction of share capital of the petitioner company.

14. In view of the averments made in the petition and there being no creditor, the petition is hereby allowed. The resolution passed by the petitioner company in its Extra Ordinary General Meeting held on 8th December, 2014 for reduction of its share capital is approved. The 'Form of Minutes' proposed to be registered under Section 103(1)(b) and annexed to the petition as Annexure 'G', is also approved.

15. A certified copy of this order be delivered to the Registrar of Companies within thirty days from today. The Registrar of Companies, on receipt of the certified copy of this order and minutes approved by this Court, is directed to register the same and effect the necessary alteration with regard to the company.

16. The notice of registration of this order and the resolution of the company shall be published in the 'Financial Express' (English) and 'Jansatta' (Hindi) within 14 days of the registration aforesaid.

17. The petition stands allowed in the above terms.

Dasti.

SUDERSHAN KUMAR MISRA, J.

March 26, 2015