IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 146 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 199 OF 2016

In the matter of Companies Act, 1956 (1 of 1956) and Companies Act, 2013;

AND

In the matter of Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956;

AND

In the matter of Reduction of Share Capital (Securities Premium Account) of Reliance Cement Company Private Limited.

Reliance Cement Company Private Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowlwdge City, Kopar Khairne, Navi Mumbai 400710.	)))))	…Petitioner Company

Called For Hearing

Mr. Rajesh Shah i/b Rajesh Shah & Co, Advocates for the Petitioner.

CORAM: B. P. Colabawalla J

DATE: 22nd April, 2016

1. Heard counsel for the Petitioner. No objector has come before the court to oppose the Reduction and nor any party has controverted any averments made in the Petition.

2. The sanction of the Court has been sought for the Reduction of Share Capital (Securities Premium Account) of the Petitioner Company, under Section 52 of the Companies Act, 2013 and Section 100 to 104 of the Companies Act, 1956, as approved in the Special Resolution passed by its members at the Extra Ordinary General Meeting held on 9th February, 2016.

3. Learned Counsel for the Petitioner states that the reasons for Reduction of Share Capital (Securities Premium Account) has been stated in paragraph 8 of the Petition.

4. Learned Counsel for the Petitioner submits that Article 1 and Article 2 of the Articles of Association of the Petitioner Company and Article 46 of Table A of the Companies Act, 1956 and Articles of Association, Para 4(ii) empowers and permits the Petitioner Company to reduce its Share Capital from time to time by passing a Special Resolution in any manner for the time being authorized by law and the Petitioner Company having passed Special Resolution with requisite majority at its Extraordinary General Meeting held on 9th February, 2016 being Exhibit-'D2' to the Company Scheme Petition, approving the reduction of securities premium account of the Petitioner Company from Rs. 2078,51,70,000 (Rupees Two Thousand Seventy Eight Crores Fifty One Lakhs and Seventy Thousand Only) to Rs. 675,49,70,000 (Rupees Six Hundred Seventy Five Crores Forty Nine Lakhs and Seventy Thousand Only) and that such reduction to be utilized for writing of the deficit in Profit and Loss Account to the extent of Rs. 1403,02,00,000 (Rupees One Thousand Four Hundred Three Crore and Two Lakhs Only) AND in view of the averment made in Paragraph 13 of the Affidavit in support of Summons for Direction it is stated that the rights of the secured creditors are not affected as there is no dilution of securities provided to the Secured Lenders who will continue to hold charge over the respective assets post reduction of Share Capital

(Securities Premium Account) AND in view of the averment made in Paragraph 14 to 16 of the Affidavit in support of Summons for Direction it is further stated that the proposed reduction neither involves any financial outlay/outgo on the part of the Petitioner Company nor does it directly or indirectly involves any outflow of the Petitioner Company's assets to its shareholders and is only in the nature of a book entry. Consequently, such reduction will not cause any prejudice to the creditors of the Petitioner Company. The reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. The proposed adjustment would not in any way adversely affect the ordinary operations of the Petitioner Company or the ability of the Petitioner Company to honour its commitments or to pay its debts in the ordinary course of business. The Creditors of the Petitioner Company would not be affected in any way by the proposed restructuring as there is no reduction in the amount payable to any of the creditors and also no compromise or arrangement is contemplated to be made with the creditors. In view of the above, the procedure prescribed under Section 101(2) of the Companies Act, 1956 was dispensed with vide order dated 1st day of April, 2016 passed in Company Summons for Direction No. 199 of 2016.

5. Counsel appearing on behalf of the Petitioner states that they have complied with all the statutory requirements as per the directions of this Court and they have filed necessary affidavit of compliance in the Court. Moreover, Petitioner Company undertakes to comply with statutory requirements, if any, as required under the Companies Act, 1956/ 2013 and the Rules made thereunder. The Undertaking is accepted.

6. None of the parties concerned have come forward to oppose the proposed Reduction of Share capital (Securities Premium Account). Since the requisite statutory procedure has been fulfilled, the Petition is made absolute in terms of prayer clauses (a), (b) and (c).

7. Petitioner is directed to file a copy of this order alongwith a copy of the Form of Minutes with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per the relevant provisions of the Act.

8. All concerned regulatory authorities to act on a copy of this order and the Form of Minutes annexed as Exhibit- 'G' to the Petition, duly authenticated by the Company Registrar, High Court, Bombay.

9. Publication of notice in Maharashtra Government Gazette is dispensed with.

10. The Petitioner to publish notices of registration of the Order and form of minutes of Reduction of Share Capital (Securities Premium Account) with the concerned Registrar of Companies, one each in the two local newspapers viz. "Free Press Journal", in English language and translation thereof in "Navshakti", in Marathi language, both having circulation in Mumbai within 14 days of registration.

11. Filing and issuance of the drawn up order is dispensed with.

(B. P. Colabawalla J.)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed order.

Uploaded by : Shankar Gawde, Stenographer.