IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 907 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 103 of the Companies Act, 1956;

AND

In the matter of Reduction of Share Capital (Securities Premium Account) of Samalkot Power Limited

**SAMALKOT POWER LIMITED,** a Company incorporated under the Companies Act, 1956 and having its Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai, Mumbai 400710. ) … Applicant Company

**Called Summons for Direction for hearing**

Mr. Janak Dwarkadas, Senior Counsel along with Mr. Rajesh Shah i/b Rajesh Shah & Co, Advocates for the Applicant Company.

CORAM: A. K. Menon, J

DATE: 27th October, 2016

**MINUTES OF ORDER**

1. UPON THE APPLICATION of the above named Applicant Company by a Company Summons for Direction AND UPON

HEARING Mr. Rajesh Shah, instructed by M/s. Rajesh Shah & Co., Advocates for the Applicant Company AND UPON READING the Affidavit of Mr. Ashwin Purohit, Authorised Signatory of the Applicant Company dated 6th day of October, 2016 in support of Company Summons for Direction AND Article 1, Article 2 of the Articles of Association of the Applicant Company read with Article 46 of Table A of the Companies Act, 1956 empowers the Applicant Company to reduce its Share Capital (Securities Premium Account) from time to time by passing a Special Resolution in any manner for the time being authorised by law AND the Applicant Company having passed Special Resolution with requisite majority at its Extraordinary General Meeting held on 3rd October, 2016 being Exhibit-D2 to the Affidavit in Support of Company Summons for Direction, approving the reduction of securities premium account of the Applicant Company for an amount not exceeding Rs.2,700 Crores (Rupees Two Thousand Seven Hundred Crores Only) and that such reduction to be utilised for writing off the value of Capital work-in-progress as per its Books of Account as on 30th September 2016 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 there are Secured Creditors in the Applicant Company and the said reduction does not in any manner, alter or vary the rights of the creditors of the Company and further the proposed adjustment would not in any way adversely affect the ordinary operations of the Company, nor will it affect the ability of the Company to honour its commitment or pay its debts, if any in the ordinary course of business and as far as Unsecured Creditors are concerned the proposed reduction in capital neither involves any financial outlay/outgo on the part of the Applicant Company nor does it directly or indirectly involves any outflow of the Applicant Company's assets to its shareholders and is only in the nature of a book entry and consequently, such reduction will not cause any prejudice to the creditors of the Applicant Company. It is specified that 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 Applicant Company or the ability of the Applicant Company to honour its commitments or to pay its debts in the ordinary course of business and that the restructuring will not cause any prejudice to the creditors of the Applicant Company and that the Creditors of the Applicant 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. It is further submitted that the proposed reduction of Share Capital (Securities Premium Account) does not involve either the diminution of any liability in respect of unpaid share capital or the payout of capital to the shareholders of the Applicant Company. In view of the above, the procedure prescribed under Section 101(2) of the Companies Act, 1956 is dispensed with.

(A. K. Menon, J.)

CERTIFICATE

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

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