IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.03.2016

CORAM

THE HON'BLE MR. JUSTICE K.RAVICHANDRABAABU

C.P. No. 1 of 2016

Samalpatti Power Company Private Limited
Registered Office:
"Shreyas Virat" No. 14, First Floor,
3rd Cross Road, Raja Annamalai Puram, Chennai.
Rep by Director
Mr.K.Venkata Rao.

...Petitioner Company

Prayer in petition: Petition under Sections 101 to 104 of the Companies Act, 1956 and Section 66 of the Companies Act, 2013 and read with Rules 46 and 47 of the Companies (Court) Rules, 1959 for confirming Reduction of Share Capital.

For Petitioner : Ms.K.Ramasamy
For Regional Director: Mr.G.Venkatesan,
Senior Central Govt. Standing Counsel

ORDER

This petition is filed under Sections 100 to 104 of the Companies Act, 1956, read with Rules 46 and 47 of the Companies (Court) Rules, 1959, for confirming the reduction of Equity Share Capital of the petitioner Company duly approved by the equity shareholders of the petitioner Company at an Extra-ordinary General Meeting thereof held on 04.12.2015 at the registered office of the petitioner Company be confirmed by this Court so as to be binding on all shareholders and creditors of the petitioner Company and the petitioner company seeks for the following prayers:

(a) that the reduction of share capital as approved by the Petitioner Company in terms of the Special Resolution passed at the Extraordinary General Meeting held on 04th day of December 2015 be and is hereby confirmed.

(b) that the Minutes relating to the reduction of the share capital of the petitioner as provided under Clause 27 and set forth in Annexure "10" of this petition is approved under Section 103(1) of the Companies Act, 1956 and the reduction be and is hereby made effective.

(c) Dispense with the words "And Reduced" pursuant to the proposed reduction being ordered.

2. Heard Ms.K.Ramasamy, learned counsel appearing for the petitioner and Mr.G.Venkatesan, learned Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai.

3. According to the petitioner Company, it is presently engaged on the business of power generation and to generate, receive, purchase, use

and distribute electric power and transmit, distribute and supply such power through transmission lines and facilities and generally to develop, generate and accumulate power at any place or places and to transmit , distribute, sell and supply such power. The Board of Directors of the petitioner Company thought it fit to reduce some portion of paid up Share Capital by way of canceling 12,000,000 equity shares of Rs. 10 each out of the total paid up 233,012,193 equity shares of Rs. 10 each. Section 100 of the Companies Act, 1956, provides for reduction of Equity Share Capital. Article 4(c) of the Articles of Association of the petitioner Company permits the petitioner Company from time to time to reduce its Share Capital in any manner permitted by law. Accordingly, the petitioner Company is proposing to reduce the existing issued, subscribed and paid up equity share capital of the Company from Rs.2,330,121,930/- divided into 233,012,193 equity shares of Rs. 10/- each fully paid up to Rs. 2,210,121,930 divided into 221,012,193 equity share of Rs.10/- each fully paid-up. The nature of business carrying on is detailed in the Memorandum & Articles of Association and the same is marked as Annexure-1. The Authorized Share Capital of the petitioner Company as on 31.03.2015 is Rs.3,35,00,00,000/- (Rupees Three Hundred and Thirty Five Crore only) divided into 33,50,00,000 (Thirty Three Crore Fifty Lakh Only) Equity Shares of Rs.10/ each. A copy of the Resolution passed by the Board of Directors of the petitioner Company on 03.12.2015 is marked as Annexure-4. A copy of the audited Balance Sheet of the petitioner Company as on 31.03.2015 is marked as Annexure-2. A copy of the Special Resolution passed by the Board of Directors of the petitioner Company at its Extra Ordinary General Meeting held on 4th December, 2015, is marked as Annexure-6. A copy of the Form of Minute is marked as Annexure-10. A Certificate showing Three Secured Creditors from a Chartered Accountant is marked as Annexure-8. According to the petitioner Company, the reduction of the Paid-up equity share capital of the petitioner Company will not in any way compromise the interests of or cause any prejudice to the creditors of the petitioner Company.

4. At this juncture, it is relevant to extract the Special Resolution passed by the petitioner Company in accordance with Section 189 of the Companies Act, 1956, at the Extra Ordinary General Meeting held at Mumbai on 4th December, 2015, wherein, it was resolved as follows:-

> “RESOLVED THAT pursuant to the provisions of Sections 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013, Rules 46 to 65 of the Companies (Court) Rules, 1959 and/or any modification(s) or re-enactment thereof and other applicable provisions, for time being in force, if any, and subject to provisions of Memorandum of Association and Articles of Association of the Company, subject to the sanction of the Hon'ble High Court of Judicature at Madras/national Company Law Tribunal and any other statutory authorities, as the case may be, the consent of the equity shareholder by and is hereby accorded for reducing the existing issued, subscribed and paid up equity share capital of the Company from Rs. 2,330,121,930/-

(Two Hundred Thirty Three crores one lakh twenty one thousand nine hundred and thirty only) divided into 233,012,193 equity shares of Rs. 10/- each fully paid up to Rs. 2,210,121,930/- (Two hundred Twenty one crores one lakh twenty one thousand nine hundred and thirty only) divided into 221,012,193 equity shares of Rs.10/- each fully paid-up; such reduction is effected by canceling and extinguishing 12,000,000 equity shares of Rs. 10/- each fully paid up, and shareholders shall be those whose names appear in the register of members of the Company as on the date on which the said reduction sis made effective.

RESOLVED FURTHER THAT Mr.Suresh Dhawan, Managing Director on Mr.K.Venkata Rao, President, CEO & Director or Ms. Swapna Ravi, Authorised Signatory of the Company be and are hereby authorised to apply to the Hon'ble High Court of Judicature at Madras/National Company Law Tribunal and any other statutory authorities, as the case may be seeking its sanction to the above reduction of capital in terms of Sections 100 to 104 of the Companies Act, 1956 read with Section 52 of Companies Act, 2013 and other applicable provisions and to appoint advocates and do all such act, deeds and things as may be necessary for obtaining the order of the Hon'ble High Court of Judicature at Madras/National Company Law Tribunal and any other statutory authorities, as the case may be to the reduction of capital in terms of this resolution.

RESOLVED FURTHER THAT any Director of the Company and/or Mr.Rajesh Bhathija and/or Mr.Ritesh Dedhia and/or Ms. Swapna Ravi, are hereby jointly and severally authorised to make such applications to the High Court as may be required and agree to any modifications or conditions that may be suggested, imposed or stipulated by the High Court or any other authority or effect such modifications as may be considered in the best of interest of the Company and it Members and to give such directions or instructions as they, from time to time, may think fit or proper (including direction for settling any question, doubt or difficulty which may arise in this regard) and to do all such acts, deeds, matters and things as the Board, in its absolute discretion, may consider necessary, expedient, usual or proper.

RESOLVED FURTHER THAT Mr.Suresh Dhwan, Managing Director or Mr.K.Venkata Rao, President, CEO & Director or Ms.Swapna Ravi, Authorised Signator of the Company, be and are hereby authorised to severally, sign, submit and execute all applications, petitions, forms, returns, deeds and documents for and on behalf of the Company in relation to the reduction of equity share capital under Section 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 before the Hon'ble High Court of Judicature at Madras/National Company Law Tribunal and any other statutory authorities, as the case may be."

5. It is also relevant to refer to the Form of the Minute proposed to be registered under Section 103(1)(b), which reads as follows:-

"The issued, subscribed and paid up equity share capital of the Company is hereforth Rs. 2,210,121,930 (Rupees Two hundred twenty one crores one lakh twenty one thousand nine hundred and thirty only) divided into 221,012,193 (Twenty tow crores ten lakhs twelve thousand one hundred and ninety three only) Equity Shares of Rs. 10 each fully paid-up reduced from Rs. 2,3301210930 (Rupees Two Hundred thirty three crores one lakh twenty one thousand nine hundred and thirty only) divided into 233,012,193 (Twenty three crores thirty lakhs twelve thousand one hundred and ninety three only) Equity Shares of Rs. 10 each fully paid-up. At the date of registration of this minutes, the issued Subscribed and paid up equity share capital of the Company is Rs. 2,210,121,930 (Rupees Two hundred twenty one crores one lakh twenty one thousand nine hundred and thirty only) divided into 221,012,193 (Twenty two crores then lakhs twelve thousand one hundred and ninety three only) equity shares of Rs. 10 each and are fully paid up and the remaining share capital of Rs. 1,139,878,070/- divided into 113,987,807 equity share of Rs. 10/- each are unissued."

6. Publication containing the advertisement of the petitioner Company effected in one issue of English Daily Newspaper viz., "Business Standard" and in one issue of Tamil Daily Newspaper viz., "Malai Malar", Chennai Edition fixing the date of hearing on 09.02.2016.

7.The Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, has filed an affidavit dated 04.03.2016, stating no objection to the proposal made by the petitioner Company for reduction of the Paid-up Equity Share Capital.

8. In view of the above, this Company Petition is ordered,

(i)confirming the reduction of the paid-up equity share capital of the petitioner Company duly approved in terms of the Special Resolution passed by the equity shareholders at the Extra Ordinary General Meeting held at Mumbai on 4th December, 2015 ;

(ii) approving the proposed Minute marked as Annexure-10; and

(iii) not requiring the petitioner Company to add the words "and reduced" to its name as the last words thereof.

9. A certified copy of the order including the minutes as approved be delivered to the Registrar of Companies within twenty one days and the notice of the registration order by the Registrar of Companies and of the said minutes as approved by this Court be published in one issue of English Daily Newspaper viz., “Business Standard” and in one issue of Tamil Daily Newspaper viz., “Malai Malar” within four weeks from the date of receipt of copy of the order.

10. The petitioner Company is hereby directed to pay a sum of Rs.5,000/- (Rupees Five Thousand only) towards fee to the Central Government Standing Counsel.

10.03.2016

rms

K.RAVICHANDRABAABU,J.

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