THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY PETITION No.319 of 2015

ORDER:

This company petition is filed under Section 100 to 103 of the Companies Act, 1956 for confirming the proposed scheme of arrangement for reduction of share capital of the petitioner-company.

The petitioner-company pleaded that it was incorporated as a private limited company under the Act on 23.07.2010 with its registered office situated at Plot No.30A, Road No.1, Film Nagar, Jubilee Hills, Hyderabad-500 033; that its authorized share capital as on 31.03.2015 is Rs.2,021,000,000/- divided into 20,21,00,000 equity shares of Rs.10/- each; the issued, subscribed and paid up share capital is Rs.2,020,100,000/- divided into 20,20,10,000 fully paid up equity shares of Rs.10/- each; and that the Board of Directors in the annual general meeting held on 17.11.2015, after due notice to the shareholders, passed a special resolution for reduction of equity share capital. It is further averred that it has no Secured or Unsecured creditors.

It is further averred that Article 9 of the Articles of Association of the petitioner provides reduction of capital. It is further averred that the petitioner deemed it appropriate to reduce and cancel the issued subscribed and paid up share capital to an extent of 20,20,00,000 equity shares of Rs.10/- each, aggregating to Rs.202,00,00,000/-, which is in excess of the wants of the petitioner company and is held by SEIL by returning a sum of Rs.16.55 per share. The above sum per equity share determined by the Board is the fair value per share of the Company.

It is further averred that reduction of share capital does not involve diminution of any liability in respect of unpaid capital; that the proposed reduction of capital will not prejudicially affect the petitioner-Company or its shareholders; and that it would not in any way adversely affect the ordinary operations of the company or the ability of the company to honour its commitments or to pay its debts.

It is further averred that the proposed reduction of capital of the petitioner-Company does not violate any of the provisions of the Companies Act 1956 or the Companies Act 2013 or any rules and regulations made thereunder; and that there are no winding up proceedings pending or initiated against the petitioner-Company.

Therefore, this Court by order, dated 25.11.2015 dispensed with the requirement of following the procedure laid down under Section 101(2) of the Companies Act, 1956.

Learned counsel for the petitioner-company submitted that the petitioner had given an advertisement of this company petition in two daily newspapers, viz., Financial Express (English) and Andhra Prabha (Telugu) both from Hyderabad Editions on 16.12.2015 indicating the date of hearing of the Company Petition as 17.01.2016 and filed proof of publication vide USR No.6600 of 2015 dated 22.12.2015.

In the light of the above, this Court does not find any legally sustainable objection for confirming the proposed scheme of arrangement for reduction of share capital of the petitioner-company.

Accordingly, the Company Petition is allowed by approving the proposed scheme of arrangement for reduction of share capital of the petitioner-company as per the form of Minute proposed to be registered under Section 103(1) (b) of the Act. The petitioner shall, within 30 days of receipt of a certified copy of this order, cause the same to be delivered to the Registrar of Companies for the State of Telangana and Andhra Pradesh, Hyderabad, and publish the notice of registration of the form of Minute by the Registrar of Companies in the same newspapers in which notice of this Company Petition was published, within 14 days of the said registration.

JUSTICE CHALLA KODANDA RAM

27th January, 2016
Js.