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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ CO.PET. 531/2014

IN THE MATTER OF ORIENT HOME ACCENTS PRIVATE LIMITED ..... Petitioner

Through: Mr. Awnish Kumar and Mr. Gaurav Kumar, Advs.
Mr. Atma Sah, Assistant RoC

CORAM:
HON'BLE MR. JUSTICE SANJEEV SACHDEVA

O R D E R

% 26.08.2014

Co. Appl. 1903/2014

1. This is an application accompanying the petition under Section 100 to 104 of the Companies Act, 1956 read with Rule 46 of the Companies (Court) Rules, 1959 for confirming reduction of capital of petitioner company. The applicant has prayed for dispensation of the procedure prescribed under Section 101(2) of the Companies Act, 1956.

2. It is submitted that the company has long term Loans and Advances of Rs. 85,01,800/-, Non current investments of Rs. 28,80,058/-, current assets of Rs. 11,12,926/- and reserves of Rs. 75,94,784/- as on 31.10.2013. The company intends to distribute the assets of the companies to the shareholders amounting of Rs.96,14,726/- by utilizing the reserves and

surplus and reducing the capital as the same are considered in excess of the wants of the company so as to give true and fair view of the financial statements of the company.

3. It is submitted that Article 4 (inadvertently mentioned as Article 6A) of the Articles of Association of the petitioner company authorizes petitioner company to reduce its capital either with or without extinguishing or reducing the liability of its shares.

4. It is submitted that the board of directors has approved the reduction of under Section 78 read with Section 100 to 104 of the Companies Act by a resolution passed on 25.11.2013.

5. The equity shareholders have also passed a Special Resolution at the Extra-Ordinary General Meeting held on 19.12.2013 approving the reduction of capital, as under:

> "RESOLVED THAT pursuant to the provisions of Sections 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956, read with Article 6A of the Articles of Association of the Company and pursuant to the relevant provisions of the Companies (Court) Rules, 1959 and subject to the confirmation of the Hon'ble High Court of Judicature at New Delhi (High Court) and other appropriate authorities, if any, in this regard, the Issued and Paid up Capital of the Company as on October 31, 2013 be reduced from Rs. 49,00,000/- (Rupees Forty Nine Lac only) to Rs. 11,28,528 (Rupees Eleven Lac Twenty Eight Thousand Five Hundred Twenty Eight only).

> And that such reduction to be utilized for distribution of assets of the Company which is in excess of the wants of the Company as on October 31,2013 of Rs. 96,14,726/- (Rupees Ninety Six Lac Fourteen Thousand Seven Hundred and Twenty Six only).
>
> ...."

6. There were three equity shareholders of the company on 31st October 2013. All the equity shareholders of the company have given written approval to the capital reduction under Sections 100 to 104 of the Companies Act, 1956.

7. The Petitioner submits that the proposed reduction of capital which is in excess of the wants of the company amounts to a reduction of capital of the Petitioner Company under Sections 100 to 104 of the Companies Act, 1956.

8. Learned counsel for the petitioner submits that the scheme of reduction of share capital has been approved by the shareholders of the petitioner and there are no secured and unsecured creditors of the petitioner company. Copy of the Special Resolution passed at the Extra-Ordinary General Meeting held on 19.12.2013 by the Shareholders has been annexed as Annexure G of the petition.

9. Keeping in view the aforesaid averments, the procedure laid down under Section 101(2) of the Companies Act, 1956 is dispensed with.

10. The application is accordingly allowed and disposed of.

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Issue notice to the Regional Director (Northern Region), Ministry of Corporate Affairs. Mr. Atma Sah, Assistant Registrar of Companies accepts notice on behalf of Regional Director.

Let a copy of the petition be also served on the Registrar of Companies within one week from today.

Publication be carried out in Indian Express (English) and Veer Arjun (Hindi).

Renotify on 21st November, 2014.

SANJEEV SACHDEVA, J

AUGUST 26, 2014
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