(2015) 03 KAR CK 0044

In the Karnataka High Court

Case No : Company Petition No. 17/2015

In Re: Wipro Enterprises Limited

Date of Decision : 12-03-2015

Acts Referred:
Companies Act, 1956 — Section 100, 101, 102, 103, 104

Citation : (2015) 03 KAR CK 0044

Hon'ble Judges : A.S. Bopanna, J.

Bench : Single Bench

Advocate : Saji P. John and B. Rajashree, for the Appellant; A.D. Sangeetha, Advocate for S.R. Shivaprakash, Objectors, Advocates for the Respondent

Judgement

A.S. Bopanna, J.—The petitioner-company is before this court seeking that the petition be allowed and they be permitted to reduce the capital and the Securities Premium Account as resolved by the Extraordinary General Meeting held on 13.01.2015 and in terms of the modified resolution passed by the Board of Directors through resolution dated 24.02.2015.

2. This court at the first instance had considered the Company application No. 70/2015 and the settling of the list of creditors was dispensed by the order dated 23.01.2015 as the reduction of share capital would not have affected the interest of the creditors. Simultaneously this court had directed that the petition be published in ''Hindu''-English Daily and ''Udayavani'' - Kannada Daily newspapers. The publication has accordingly been made. Pursuant thereto, the objectors have approached this court objecting for reduction of the share capital insofar as returning the share amount of the objectors, who are 3 in numbers. During the pendency of consideration of their objections by this court, the petitioner company has taken note of the objections and addressed their grievances and in addition, the case of 186 other objectors were also considered and the company has agreed to retain the share money of the said 189 public shareholders including the objectors herein. It is in that view, a modified resolution was passed by the Board of Directors and in order to incorporate the same, an application in C.A. No. 159/2015 was filed before this Court. This court on

considering the said application has allowed the same by order dated 05.03.2015. Pursuant to the same, amended petition has been filed by the petitioner. Since the petitioner company has addressed the grievances of the objectors herein, the learned counsel appearing for the objectors would submit that at this juncture they have no objection for this court to consider the petition and accord sanction for reduction in the share capital as has been presently sought in the modified resolution.

3. It is to be noticed that at the first instance, the share capital of Rs. 492,32,89,808/- was proposed to be reduced to Rs. 476,14,24,110/- In the said reduction, the share money of 189 public shareholders, who have now objected to the same, was also included. However, in view of addressing their grievances and the petitioner company having agreed to retain their share money, reduction in the proposed capital comes to Rs. 48,36,62,163/-. In that regard, a perusal of the resolution would indicate that the excess money is sought to be paid since the shares of the petitioner company is not listed and there would be no market to buy and sell the shares of the petitioner company and investments made by the public minority shareholders would be locked-up, and it would be difficult for them to dispose of their shareholdings.

4. Presently, in view of the decision to reduce the share holdings such of those public minority share holders who have not objected to receiving their share money would be paid and such of public minority shareholders who have opted to retain their holdings shall be continued as shareholders of the petitioner company. Hence, the object of the reduction of share holding is achieved by the decision taken by the petitioner company. In such situation, having taken note of the averments made in the amended petition and considering the fact that the Extraordinary General Meeting at the first instance approved the decision through their resolution and it also authorized by the Board of Directors to make any amends or modifications to the same and on taking note of the objections of the minority share holders who wanted to retain their shares in the petitioner company, the Board of Directors have resolved as hereunder:--

"Resolved that, pursuant to the Articles of Association of the Company, Section 100 to 104 and such other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and subject to the confirmation by the Hon''ble High Court of Karnataka and subject to the sanctions and approvals of the appropriate authorities as may be required, and such other terms, conditions or modifications if any, as may be prescribed by such authorities while granting such approvals, consents or permission and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as '' the Board'' which expression shall be deemed to include any Committee of Directors constituted by the Board), the issued, subscribed and paid up equity share capital of the Company be reduced from Rs. 492,32,89,880/- (Rupees Four Hundred and Ninety Two Crores Thirty Two Lakhs Eighty Nine Thousand Eight Hundred and Eighty only), consisting of 49,23,28,988 (Forty Nine Crores Twenty Three Lakhs Twenty Eight Thousand

Nine Hundred and Eighty Eight) Equity Shares of Rs. 10/- (Rupees Ten only) each, fully paid up to Rs. 483,66,21,630/- (Rupees Four Hundred and Eighty Three Crores Sixty Six Lakhs Twenty One Thousand Six Hundred and Thirty only) consisting of 48,36,62,163 (Forty Eight Crores Thirty Six Lakhs Sixty Two Thousand One Hundred and Sixty Three) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid-up by canceling and extinguishing 86,66,825 (Eighty Six Lakhs Sixty Six Thousand Eight Hundred and Twenty Five), fully paid Equity Shares of Rs. 10/- (Rupees Ten only) each held by non-promoter Shareholders excluding non-promoter Shareholders who have expressed their intention to continue to hold the shares of the Company in writing or as per such orders the Hon''ble High Court at Karnataka may direct in this regard and Rs. 309,40,56,525/- (Rupees Three Hundred and Nine Crores Forty Lakhs Fifty Six Thousand Five Hundred and Twenty Five only) be reduced from Securities Premium Account." In that light, the prayer made in the petition is to be granted.

5. In the result, the following order:--

"(i) The petition is allowed and reduction of capital as resolved at the Extraordinary General Meeting held on 13.01.2015 which reads as under, is confirmed.

The paid-up share capital of Wipro Enterprises Limited is henceforth Rs. 483,66,21,630/- (Rupees Four Hundred and Eighty Three Crores Sixty Six Lakhs Twenty One Thousand Six Hundred and Thirty only) consisting of 48,36,62,163 (Forty Eight Crores Thirty Six Lakhs Sixty Two Thousand One Hundred and Sixty Three) Equity Shares of Rs. 10/- (Rupees Ten only) each, fully paid up, reduced from Rs. 492,32,89,880/- (Rupees Four Hundred and Ninety Two Crores Thirty Two lakhs Eighty Nine Thousand Eight Hundred and Eighty only), consisting of 49,23,28,988 (Forty Nine Crores Twenty Three Lakhs Twenty Eight Thousand Nine Hundred and Eighty Eight) Equity Shares of Rs. 10/- (Rupees Ten only) each, fully paid up".

The Securities Premium account of Wipro Enterprises Limited is henceforth Rs. 1684,89,09,653/- (Rupees One Thousand Six Hundred and Eighty Four Crores Eighty Nine Lakhs Nine Thousand Six Hundred and Fifty Three only) reduced from Rs. 1994,29,66,178/- (Rupees One Thousand Nine Hundred Ninety Four Crores Twenty Nine Lakhs Sixty Six Thousand One Hundred and Seventy Eight Only).

(ii) Certified copy of the order including minutes is ordered to be delivered by the petitioner company to the Registrar of Companies within 30 days from the date of receipt of the certified copy of this order.

(iii) The notices of reduction of share capital and the scheduled minutes be published in ''Hindu'' English daily and ''Udayavani''-Kannada daily within 14 days from the date of registration of the order and the minutes of the Registrar of Companies and a copy of the said publication shall be filed in this petition in the registry.

