(2012) 01 KAR CK 0302

In the Karnataka High Court

Case No : Company Petition No. 58 of 2011

Nordson India Private Limited APPELLANT

Vs

NIL RESPONDENT

Date of Decision : 06-01-2012

Acts Referred:
Companies Act, 1956 — Section 101 (3), 104

Citation : (2012) 01 KAR CK 0302

Hon'ble Judges : B.V. Pinto, J

Bench : Single Bench

Advocate : Harish Kumar M.S. and Sri M. Muniraju, for the Appellant;

Final Decision : Allowed

Judgement

B.V. Pinto, J.—This petition is filed u/s 101 (3) to 104 of the Companies Act, 1956 seeking to reduce the share capital of the Company. It is stated that the Company was originally incorporated on 5.1.1995 under the provisions of the Companies Act, 1956 and its registered office situated 099. The authorised share capital of the Company is at 143-A, Bommasandra Industrial Area, Bangalore-56015,00,00,000/- divided into 1,50,00,000/- equity sharesof 10/- each. The Subscribed and Paid up share capital of the Company is 12,64,10,930/- and the liability of the members is limited. It is submitted that the objectives of the Company are as follows: to design, develop, assemble, manufacture, market, distribute, buy, sell, advertise, provide, lease, import, export, operate, repair, alter, service, maintain and deal in all types of capital equipment required for applying adhesives, sealants and coatings and to manufacture and produce, process, convert, commercialize, formulate, compound, develop, derive, discover, grade, manipulate, prepare, promote, pack, repack, extract, mix, supply, import, export, buy, sell, who lesele or retail, turn to account and to act as agent- broker, concessionaire, c&f agent, stockiest, distributor, collaborator, transporter, consultant, job worker or otherwise to deal in all varieties, mixtures, descriptions, specifications, coverage, characteristics and applications of adhesives, sealants and coatings to be applied to a broad range of consumer and industrial products and to do all incidental acts and things necessary for the attainment of the above objects.

It is stated that the above said petitioner-Company is the subsidiary Company of Nor son Corporation, USA having a concept to set up manufacturing facilities of its products investing In Manufacturing Sector in India. The holding USA Company practically owns 100% shares of its subsidiary Indian Company. It is further stated in the petition that the Company proposes to reduce its share capital from 12,64,10,930/- divided into 1,26,41,093/-equity shares of 10/- each to 9,14,10,930/- It is further stated that on 28.1.2011, an Extra Ordinary General Meeting was held and it was resolved to reduce the said share capital. The said resolution of the Company has been filed before the Registrar of Companies, Bangalore, Karnataka. For reduction of the share capital, Board has been invested with powers in Articles of Association of the Company.

It is further submitted by the petitioner that due to the recessionary conditions especially in Manufacturing Sector which has a direct bearing on the proposed business of above said Company, the Board has decided to postpone the expansion of the Company till the economic scene improves. Hence, it is decided to reduce the share capital and to take the amount to USA., for better use. The Company has been exempted from sending the explanatory statement along with the notice for Extra Ordinary General Meeting, which was held on 28.1.2011. It is submitted in the petition that the reduction of share capital does not involve the diminution of any liability in respect of the unpaid capital. Further, it is stated that there are no creditors to this Company. The Company has produced Annexures ''H'' & ''J'' issued by the auditors staring thereby that there are no creditors of whatsoever nature as on the date of passing of the Special Resolution. Summons calling upon to any persons effected, filing their objections has been notified in the Deccan Herald, daily newspaper dated 21.11.2011, a copy of which has been produced before this Court. Inspite of lapse of the statutory period, no objections has been received from any other party for reduction of paid up share capital. Further, this Court has also dispensed with the notice to the Creditors vide order dated 4.11.2011 in COA 721/2011. Having regard to the aforesaid facts, I am of the opinion that the Company may be permitted to reduce the share capital to 9,14,10,930/- made up of 91,41,093 equity shares of 10/- each. 2. Accordingly, this petition is allowed. The Special Resolution resolving to reduce the share capital is hereby confirmed and the proposed minutes are hereby approved.