

( 580 ) 1953514  
Karan Joseph.

**IN THE HIGH COURT OF KARNATAKA AT BANGALORE**

**DATED THIS THE 7<sup>TH</sup> DAY OF AUGUST 2014**

**BEFORE**

**THE HON'BLE MR. JUSTICE A S BOPANNA**

**COMPANY PETITION NO.132/2014**

**BETWEEN :**

M/S. KHODAY INDIA LIMITED  
'BREWERY HOUSE' 7<sup>TH</sup> MILE  
KANAKAPURA ROAD  
BANGALORE-560 062  
REP. BY ITS EXECUTIVE DIRECTOR  
MR. K L SWAMY

**... PETITIONER**

(BY SRI ADITYA SONDHI, SR.COUNSEL FOR  
SRI KARAN JOSEPH)

**AND :**

NIL

**... RESPONDENT**

THIS PETITION IS FILED UNDER SECTION 101 TO  
104 OF THE COMPANIES ACT, 1956, PRAYING TO THAT  
THE REDUCTION OF CAPITAL RESOLVED ON BY THE  
SPECIAL RESOLUTION SET OUT.

THIS PETITION COMING ON FOR ORDERS, THIS  
DAY, THE COURT MADE THE FOLLOWING:



**ORDER**

The petitioner-company is before this Court in this petition filed under Sections 101-104 of the Companies Act seeking for confirmation of reduction of the share capital.

2. The authorized share capital of the petitioner-company is Rs.45,00,00,000/- divided into 4,50,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up equity share capital of the Company is Rs.37,59,12,370/- divided into 3,75,91,237 equity shares of Rs.10/- each which is fully paid up. The Board in order to mitigate the hardship faced by the public shareholders who had not received any dividend earnings and make investible funds available to them had resolved to propose to reduce the share capital of the company from Rs.37,59,12,370/- to Rs.33,66,01,950/- by paying all the paid up capital of Rs.3,93,10,420/- to its public shareholders. On consideration of the same, the Board through its minutes recorded on 30.12.2013 had approved the



same and the General Body had also considered the same and resolutions were passed in this regard. The Scrutinizer's Report at Annexure-H to the petition has referred regarding the manner in which the consideration had been made.

3. On filing the instant petition before this Court, this Court by the order dated 12.06.2014 had allowed the application filed herein and the settlement of the list of creditors was dispensed with. Similarly, this Court had also directed that the petition be advertised in the newspapers, which has been carried out. There is no objection raised to the petition by any shareholders of the company.

4. However, to be fair to the learned senior counsel appearing on behalf of the petitioner, it is necessary to notice that though a letter was addressed by an unconcerned person, the learned senior counsel has brought the same on record of this Court, which is appreciated. However, since the said person has



neither appeared before this Court nor is concerned to the matter in issue, it is unnecessary for this Court to take note of such objection.

5. As already noticed, no other shareholders has objected to the same and as such resolution of the Annual General Meeting is to be accepted. The reason for which the Board has decided and it has been ultimately resolved is for the benefit of the public shareholders. In that view, the prayer made in the petition is to be granted.

6. In the result, the following:

### ORDER

(i) The petition is **allowed** and reduction of capital as resolved at the 47<sup>th</sup> Annual General Meeting held on 30.12.2013 which reads as hereunder is confirmed.

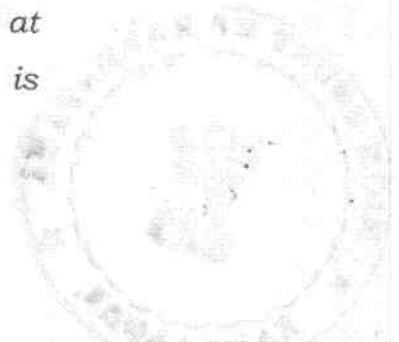
*"RESOLVED that pursuant to Section 100 read with Sections 101 to 105 and other applicable provisions of the Companies Act, 1956 and*



subject to confirmation of the Hon'ble High Court of Karnataka at Bangalore and other appropriate authorities, if applicable, the paid-up equity share capital of the Company be and is hereby reduced from the existing amount of Rs.37,59,12,370/- (Rupees Thirty Seven Crores Fifty Nine Lakhs Twelve Thousand Three Hundred and Seventy only) consisting of 3,75,91,237 equity shares of Rs.10/- each fully paid-up to Rs.33, 66,01,950/- (Rupees Thirty Three Crores Sixty Six Lakhs One Thousand Nine Hundred and Fifty only) consisting of 3,36,60,195 equity shares of Rs.10/- each fully paid-up, by paying off the equity share capital of Rs.3,93,10,420/- (Rupees Three Crores Ninety Three Lakhs Ten Thousand Four Hundred and Twenty only) and by consequential cancellation of 39,31,042 equity shares of Rs.10/- each fully paid-up, held by shareholders/persons other than those belonging to promoters/promoter group of the Company.

RESOLVED FURTHER that the procedure for Reduction of Share Capital formulated by the Company for the purpose as aforesaid, be and is hereby approved.

RESOLVED FURTHER that subject to confirmation of the Hon'ble High Court of Karnataka at Bangalore as aforesaid, consent be and is



accorded for the Company to apply to Bombay, Madras and Bangalore Stock Exchanges for the consequential delisting of equity shares, where they are listed at present.

*RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board of Directors, any Committee appointed by the Board of Directors or any other person authorized by the Board of Directors, be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to settle any question, difficulty or doubt that may arise in regard to the subject matter of the above Resolution as it may in its absolute discretion deem fit and proper."*

(ii) Certified copy of the order including minutes is ordered to be delivered by the petitioner company to the Registrar of Companies within 21 days from the date of receipt of the certified copy of this order.

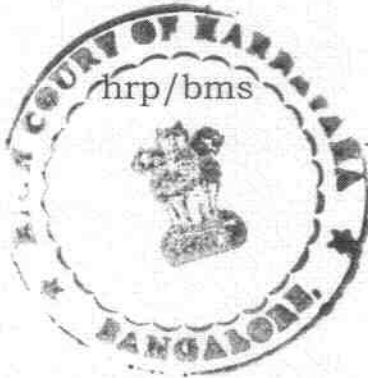
(iii) The notices of reduction of share capital and the scheduled minutes be published in 'The Hindu' English daily and 'Udayavan' Kannada daily within 14 days from the date of registration of the order and the minutes of the Registrar of Companies and a copy of the



said publication shall be filed in this petition in the Registry.

(iv) Registry is directed to draft the proceedings as per the Company (Court) Rules, 1959.

SD/-  
JUDGE



'TRUE COPY'

*W. Rupam* 31/9/14  
Section Officer,  
High Court of Karnataka  
Bangalore - 560 001

- a) The date on which the application was made ..... 2/9/14
- b) The date on which charges and additional Charges if any, are called for .....
- c) The date on which charges and additional Charges, if any are deposited/Paid ..... 2/9/14
- d) The date on which the copy is ready ..... 2/9/14
- e) The date of notifying that the copy is ready for delivery ..... 2/9/14
- f) The date on which the applicant is required to appear on or before ..... 6/9/14
- g) The date on which the copy is delivered to the Applicant ..... 4/9/14
- h) Examined by .....