

BEFORE THE NATIONAL COMPANY LAW BOARD TRIBUNAL

BENCH AT MUMBAI

COMPANY APPLICATION NO. 02 OF 2017

In the matter of Section 66 of the  
Companies act 2013 and the Rules  
framed thereunder.

AND

In the matter of Reduction of Share  
Capital of Petronet India Limited

Petronet India Limited

..... Applicant Company

**Called for Hearing:**

Mr. Ameya Deosthale i/b M/s Hariani & Co. Advocates for the Applicant Company

**Coram: B.S.V. Prakash Kumar, Member  
(Judicial) V. Nallasenapathy, Member  
(Technical)**

**Date: 22<sup>nd</sup> June 2017**

**Order confirming Reduction of Share Capital and Approving Minutes**

1. Heard the learned counsel for the Applicant Company. No objector has come before the Tribunal to oppose the Application and nor has any party controverted any averments made in the Application.
2. The Counsel for the Applicant Company submits that no representation has been received from the Central Government through the Regional Director or the Registrar of Companies within the said period, it is therefore presumed that they have no objection to the reduction of share capital.
3. The Counsel for the Applicant Company submits that Article 9 of the Articles of Association of the Company empowers the Applicant Company to reduce its share capital.

4. The Counsel for the Applicant Company submits that the proposed reduction of share capital has become necessary because the Applicant Company was formed with a primary objective of carrying on the business of development of pipeline networks for transporting petroleum products to various consumption centers. The Applicant Company carried out the business through various joint ventures and subsidiary companies. However, pursuant to a notification dated 20<sup>th</sup> November 2002 issued by the Ministry of Petroleum and Natural Gas, Government of India, oil companies in India were permitted to establish their own pipeline networks for transporting petroleum products. In view of such development, the Applicant Company was facing challenges and it had therefore become difficult for the Applicant Company to run its business. Therefore, the Applicant Company obtained appropriate approvals from the Government of India and in view thereof proceeded to liquidate its investments in various joint ventures and subsidiaries. Post liquidation of the investments of the Company, the share capital of the Company is in excess of the requirements of the Company and such share capital needs to be returned to the shareholders. Thus, in view of this, the Board of Directors of the Applicant Company at their meeting held on 21<sup>st</sup> November, 2016 have deemed it appropriate to reduce the issued and paid-up share capital of Rs. 100,00,00,000 (Rupees One Hundred Crores only) divided into 10,00,00,000 (Ten Crores) equity shares of Rs. 10/- each, which is in excess of the wants of the Company to Rs. 1,00,00,000/- (Rupees One Crore only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 0.10/- Paise (Ten Paise Only) each in such manner that the paid-up share capital consisting of 10,00,00,000/- (Ten Crore) equity shares of Rs.10/- (Rupees Ten only) is reduced by paying off/ returning the paid up share capital held by the holders of the equity shares to the extent of Rs.9.90/- (Nine Rupees and Ninety Paise Only) per share.
5. The Counsel of the Applicant Company further submits that the Applicant Company has passed a Special Resolution with requisite majority at its Extra Ordinary General Meeting held on 1<sup>st</sup> December 2016, for the reduction of

issued and paid up share capital of the Applicant Company from Rs. 100,00,00,000/- (Rupees One hundred Crore only) divided into 10,00,00,000/- (Ten Crore) equity shares of Rs. 10/- (Rupees Ten Only) each, in excess of wants of the Company to Rs. 1,00,00,000/- (Rupees One crore Only), divided into 10,00,00,000/- (Ten Crore) equity shares of 0.10/- Paise (Ten Paise Only) each in such manner that the paid- up share capital consisting of 10,00,00,000/- (Ten Crore) equity shares of Rs.10/- (Rupees Ten Only) each of the Company be reduced by paying off/returning the paid up share capital held by the holders of the equity shares to the extent of Rs.9.90/- (Nine Rupees and Ninety Paise Only) per share.

6. The Counsel appearing on behalf of the Applicant Company further submits that the Applicant Company has complied with all the statutory requirements as per the directions of the Tribunal. Moreover, the Applicant Company also undertakes to comply with statutory requirements, if any under the Companies Act, 2013 and the Rules made thereunder, as maybe applicable.
7. Since the requisite statutory procedure has been fulfilled, the Company Application is made absolute in terms of the prayer clause 31 (a) to 31(c) of the Application.
8. The minutes set forth in the schedule hereto be and is hereby approved.
9. Applicant Company to publish the notices about registration of order and minutes of reduction by the Concerned Registrar of Companies, Maharashtra in two newspapers namely i.e. 'Free Press Journal' in English language and translation thereof in 'Navshakti', in Marathi language both having circulation in Mumbai within 30 days of registration.
10. All concerned regulatory authorities to act on certified copy of the order and the form of minutes forming part of the Application, duly certified by the Deputy Director, National Company Law Tribunal.

**Form of Minutes**

*“The Equity Share Capital of Petronet India Limited, the Applicant Company is henceforth Rs. 1,00,00,000/- (Rupees One Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs. 0.10/- (Rupees Ten Paise only) each, reduced from Rs.1,00,00,00,000/- (Rupees One Hundred Crores Only) divided into 10,00,00,000 (Ten Crore Only) Equity Shares of Rs.10/- (Rupees Ten Only) each ”*

Sd/-

**V. Nallasenapathy, Member (T)**

Sd/-

**B. S. V. Prakash Kumar, Member (J)**