

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH  
HYDERABAD**

**CA No.15/66/HDB/2017**

**U/s 66 of the Companies Act, 2013**

**In the matter of**

Saven Technologies Limited  
No.302, My Home Sarovar Plaza,  
5-9-22, Secretariat Road,  
Hyderabad – 500 063. Telangana.

... Applicant Company

**Versus**

1. The Registrar of Companies  
Andhra Pradesh and Telangana,  
2<sup>nd</sup> Floor, Corporate Bhawan,  
GSI Post, Tattiannaram, Nagole,  
Badlaguda, Hyderabad – 500 068.

2. Regional Director (South East Region),  
3<sup>rd</sup> Floor, Corporate Bhawan,  
GSI Post, Tattiannaram, Nagole,  
Badlaguda, Hyderabad – 500 068.

Securities and Exchange Board of India,  
Plot No.C4-A, 'G' Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051,  
Maharashtra.

... Respondents

**Date of pronouncement of Order: 08.01.2018**

**CORAM:**

Hon'ble Mr. Rajeswara Rao Vittalana, Member (Judicial)

Hon'ble Mr. Ravikumar Duraisamy, Member (Technical)

**Parties Present:**

For Applicant Company : Mr. Naresh Kumar Sangam, Advocate

For 2<sup>nd</sup> Respondent : Mrs. S. Meenakshi, Joint Director, Office of  
the Regional Director (SER), Ministry of  
Corporate Affairs.

For 1<sup>st</sup> & 3<sup>rd</sup> Respondents : None appeared



**Per: Ravikumar Duraisamy, Member (Technical)**

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

1. Upon the Company Application of Saven Technologies Limited presented on 17.03.2017 and upon hearing Shri Naresh Kumar Sangam, learned Counsel for the Applicant Company, and upon reading the said application and upon perusing publication in Business Standard and Namaste Telangana, Vernacular Language containing the notice of the date of hearing of this Application, and considering that no objector has come before the Tribunal to oppose the Application and nor has any party controverted any averments made in the Application.
2. Heard, Shri Naresh Kumar Sangam, Learned Counsel appeared on behalf of the Applicant Company on various dated viz. 31.03.2017, 19.04.2017, 07.06.2017, 05.07.2017, 20.07.2017, 23.10.2017, 14.11.2017, 28.11.2017 and finally on 04.12.2017.

The Learned Counsel for the Applicant Company submitted that the Company in the month of May, 2014, disinvested its entire holdings in its subsidiary i.e. Saven Technologies Inc. US, for a consideration of Rs.4,85,08,638/- and the Company also received a total Dividend of Rs.4,57,32,031/-. After the sale of the Investments and receipt of above dividend the Company is having surplus funds, which are not being utilized for the business of the Company. The Board of Directors of the Applicant Company was of the opinion that the Company had paid-up capital which is in excess of its requirements of funds as the Company has surplus funds which is in excess of the needs of the Company. The Board of Directors at their meeting held on 18.10.2016 had decided to remit back the excess share capital by reducing 90% of the paid up share capital of the Company by cancelling and extinguishing 90% of the paid up value of the shares by returning Rs.9/- per share to the shareholders. He further submitted that the reduction of capital would not in any way





have any adverse effect on the Company's ability to honour its commitments or meet its obligations in the ordinary course of business. The benefits arising out of the Scheme of Reduction of Capital will enable the Company to return the excess capital lying idle and unused by the Company to the Shareholders in the proportion of their shareholding. He further submitted that Article 38 of the Articles of Association of the Company empowers the Applicant Company to reduce the share capital.

4. It is further submitted that the Applicant seeks to reduce its share capital from Rs.10,87,87,480/- divided into 1,08,78,748 equity shares of Rs.10/- each to Rs.1,08,78,748/- divided into 1,08,78,748 equity shares of Rs.1/- each. Upon reduction, the issued, subscribed and paid-up capital of the Applicant Company would be Rs.1,08,78,748/- consisting of 1,08,78,748 Equity Shares of Rs.1/- each.
5. The Shareholders of the Company, by passing a Special Resolution through Postal Ballot on 02.03.2017 has approved the scheme of Reduction of Share Capital i.e. the Issued, Subscribed and Paid-up Equity Share Capital of the Company from Rs.10,87,87,480/- to Rs.1,08,78,748/-.
6. As per the directions of this Bench, the Applicant Company had issued a public notice in Form No.RSC-4 in pursuant to Rule 3(3) of NCLT (Procedure for Reduction of Share Capital of the Company) Rules, 2016. The Applicant Company also submitted an Affidavit dated 23.07.2017 for publication of notice, duly notarized along with newspaper publication issued on 22.07.2017 in Business Standard in English edition, Namaste Telangana in Vernacular Language.
7. The Applicant Company has dispatched a copy of the notice to Securities and Exchange Board of India (SEBI), Registrar of Companies and Regional Director (SER), Ministry of Corporate Affairs. The Applicant Company filed another Affidavit dated 21.11.2017 stating that pursuant



to the issue of newspaper publications, individual notice to the creditor and notice to regulatory authorities, the Company has not received any objections from authorities/any person with regard to reduction of Capital of the Company.

8. The Registrar of Companies, Hyderabad vide Report dated 10.11.2017 by inter-alia confirming averments of Applicant Company in Company Application and stated that the Hon'ble Tribunal can consider the case on merits.
9. The Regional Director (South East Region), Ministry of Corporate Affairs vide Affidavit dated 13.11.2017 submitted that the Company Application for the Reduction of Share Capital has been examined and this Directorate has no observations to make and the Hon'ble Tribunal can consider the case on merits.



10. Since Regional Director has not provided any specific comments with reference to Reduction of Capital by the Application Company, during the hearing held on 14.11.2017, this Bench observed that it would be difficult for the Bench to pass an order without the comments of RD on the issue in question i.e. Capital Reduction and therefore directed the Regional Director to furnish his report within two weeks by providing specific comments on issue in question.
11. BSE Limited vide its letter dated 20.12.2016 addressed to the Applicant Company stated that as required under SEBI Circular No. CIR/CFD/CMD/16/2015, dated November 30, 2015; SEBI vide its letter dated December 20, 2016 has inter-alia communicated that the Company shall duly comply with various provisions of the Circulars. Accordingly, based on aforesaid comment offered by SEBI, the Company is hereby advised to duly comply with various provisions of the circulars. It is further stated that in light of the above, the BSE Limited advised that it has no adverse observations with regard to the Scheme of Reduction of Share Capital.



12. We have carefully gone through all the pleadings, Report of the Registrar of Companies, Report of the Regional Director (SER), Ministry of Corporate Affairs, Letter of BSE Limited and various Affidavits filed by the Applicant Company and also relevant provisions of Companies Act, 2013, Rules and we are of the considered view that the Company Application deserves to be allowed as prayed for.
13. In the result, the Company Application bearing CA.No.15/66/HDB/2017 is allowed with the following directions:-

- a) The Minutes set forth in the schedule hereto be and is hereby approved.
- b) Applicant Company to publish about registration of order and minutes of reduction by the Registrar of Companies, Hyderabad in the same newspapers in which previous publications were issued to disseminate complete information with respect to approval granted to the scheme of reduction within 30 days of registration.
- c) All concerned regulatory authorities to act on certified copy of the order and form of minutes forming part of the Application.

#### Form of Minutes

“The Equity Share Capital of Saven Technologies Limited is henceforth Rs.1,08,78,748/- (Rupees One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight only) divided into 1,08,78,748 equity shares of Rs.1/- (Rupees One only) each, reduced from Rs.10,87,87,480/- (Rupees Ten Crores Eighty Seven Lakhs Eighty Seven Thousand Four Hundred and Eighty only) comprising of 1,08,78,748 equity shares of Rs.10/- each”.

*Sd/-*  
RAVIKUMAR DURAISAMY  
MEMBER (TECHNICAL)

*Sd/-*  
RAJESWARA RAO VITTANALA  
MEMBER (JUDICIAL)

*G. Anantha Lakshmi*  
For Dy. Regr./Asst. Regr./Court Officer/  
National Company Law Tribunal, Hyderabad Bench



प्रमाणित प्रति  
CERTIFIED TRUE COPY  
दस्तावेज संख्या  
CASE NUMBER...CA.No.15/66/HDB/2017  
निर्णय का तारीख  
DATE OF JUDGEMENT...8.1.2018  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON...20.1.2018