

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH C-IV**

C.P. 57/MB/2024

*In the matter of
Under Section 66 of the
Companies Act, 2013 and the
Rules framed thereunder;*

AND

*In the matter of
Reduction of Equity Share
Capital
Of
Wella India Private Limited
("The Petitioner Company")*

..... Petitioner Company

Wella India Private Limited
[CIN: U52100MH2015FTC270642]

Order Pronounced on : **05.06.2024**

Coram:

Ms. Anu Jagmohan Singh
Hon'ble Member (Technical)

Shri Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Petitioner Company:

Mr. Hemant Sethi, a/w
Ms. Devanshi Sethi, Ms.
Tanaya Sethi i/b Hemant
Sethi & Co., Advocates.

ORDER

1. Head the Counsel. The Captioned Company Petition is admitted.
2. Petition fixed for hearing on **01.10.2024**.
3. Ld. Counsel for the Applicant Company submits that this present Company Petition is for confirmation of a **Special Resolution** passed by Equity Shareholders for reduction of the Subscribed and Paid-Up Equity Share Capital from INR 79,12,72,920 (Rupees Seventy-Nine Crores Twelve Lakhs Seventy-Two Thousand Nine Hundred and Twenty only) divided into 7,91,27,292 (Seven Crores Ninety-One Lakhs Twenty-Seven Thousand Two Hundred and Ninety-Two) equity shares having face value of INR 10 each fully paid-up, by cancelling the issued, subscribed and paid-up share capital up to a maximum of INR 79,11,72,910 (Rupees Seventy-Nine Crores Eleven Lakhs Seventy-Two Thousand Nine Hundred and Ten only) divided into 7,91,17,291 (Seven Crores Ninety-one Lakhs Seventeen Thousand Two Hundred and Ninety-One) equity shares of face value INR 10/- each held by Waves UK Divestco Limited and payment not exceeding INR 74,37,02,535 (Rupees Seventy-Four Crores Thirty-Seven Lakhs Two Thousand Five Hundred and Thirty-Five only) shall be made to Waves UK Divestco Limited in lieu of reduction of the equity share capital.
4. Ld. Counsel for the Applicant submits that the afore-mentioned Special Resolution was approved unanimously by all the Shareholders of the Petitioner Company in Extra-Ordinary General Meeting held on **3rd April, 2024**. The Special

Resolution was approved unanimously by all the Shareholders of the Petitioner Company to reduce the Subscribed and Paid-Up Share Capital in the following manner:

	Paid Up Capital	No. Of Shares	Amount per Share in INR
Existing Paid-Up Equity Share Capital	79,12,72,920	7,91,27,292	10
Maximum to be cancelled	79,11,72,910	7,91,17,291	10
Minimum Remaining	1,00,010	10,001	10
Amount to be paid to shareholders	Max. amount of INR 74,37,02,535/- i.e., INR 9.6 per share as per valuation report dated 26 February 2024 issued by registered valuer, APT & Co. LLP, Chartered Accountants.		

5. Ld. Counsel for the Petitioner further submit that **Rationale** for Capital Reduction is that:

The Petitioner Company is engaged in the business activity of dealing in salon professional products and consumer beauty products. Considering the profits earned in the past and expected to be earned in the future and predictable nature of cash flows, the Petitioner company would like to make its capital structure lighter/ streamlined by reducing its share capital.

Further, the Petitioner Company, currently has no plans for significant expansion or acquisition of any other business in India which will substantially utilize the accumulated funds and Waves UK Divestco Limited/ Wella group has identified favourable markets/ growth prospects outside India and

reducing capital in India will free up funds for international expansion.

6. Ld. Counsel for the Petitioner further submits that as per the Articles of Association of the Petitioner Company, the petitioner company is authorized to reduce the share capital of the company in the manner provided in section 66 of the Companies Act, 2013. **Clause 25 at Article IX of the Article of Association of the company**, provides that the company may, in general meeting from time to time, reduce its share capital in a manner with and subject to the authorization and consent required by law. Clause 25 at Article IX of the Article of Association of the Company is read as under:

25. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -

i. Its share capital;

ii. any capital redemption reserve account; or

iii. any share premium account.

7. Within seven (7) days from the date of this order, the Petitioner Company is directed to serve notices in Form No. RSC-2 of the hearing of the Petition along with copy of Petition upon:- (i) the concerned Registrar of Companies (ii) Central Government through the concerned Regional Director (iii) the Reserve Bank of India with a direction that they may submit their representations to the Tribunal, if any, within a period of three months from the date of receipt of such notice and copy of such representations shall simultaneously be served upon the

Petitioner Company, failing which, it shall be presumed that the authorities have no objection to the proposed capital reduction.

8. Within 7 days from the date of this Order, the Petitioner Company to publish notice in Form No. RSC-4 of the date of hearing of Petition in '**Business Standard**' in English language and translation thereof in '**Navshakti**' in Marathi language both having circulation in the State of Maharashtra. The notice shall state the proposed reduction in equity shares and that the objections, if any, shall be filed within three months from the date of publication of the notice with a copy served on the Petitioner Company.
9. Within seven (7) days from the date of this order, the Petitioner Company is directed to serve a notice in Form No. RSC-3 of the hearing of the Petition upon **Secured/ Unsecured Creditors** of the Petitioner Company by R.P.A.D./ Speed Post and through Email pursuant to Section 66(2) of the Companies Act, 2013 with a statement that they may submit their representations and objections, if any, to this Tribunal, within a period of three months from the date of the receipt of the said notice and a copy of such representations/ objections shall simultaneously be served upon the Petitioner Company, failing which it shall be presumed that such creditors of the Petitioner Company have no objection to the proposed capital reduction.
10. The Petitioner Company shall submit to the Tribunal, within seven days of expiry of period upto which representations or objections were sought, the representations or objections so

received along with responses of the Petitioner Company thereto.

11. The Petitioner Company shall, as soon as may be, but not later than seven days from the date of issue of such notices, file Compliance Report confirming the dispatch and publication of the notice.
12. Ordered accordingly.

Sd/-

Anu Jagmohan Singh
Member (Technical)

/Dubey/

Sd/-

Kishore Vemulapalli
Member (Judicial)