

◉ INFO EDGE ◉
INFO EDGE (INDIA) LTD.

Date: September 20, 2019

1. The Manager- Listing
National Stock Exchange of India Limited
(Scrip Code: NAUKRI)
2. The Manager- Listing
BSE Limited
(Scrip Code: 532777)

Sub.: Receipt of copy of the order of the Hon'ble National Company Law Tribunal, New Delhi ("NCLT") approving the reduction of the Cumulative Redeemable Preference Share capital of Naukri Internet Services Limited ("NISL"), a wholly owned subsidiary of Info Edge (India) Limited ("IEIL")

Ref.: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

Please refer to our intimation dated 29th January 2019, regarding the reduction of the issued, subscribed and paid-up 0.0001% Cumulative Redeemable Preference Share ("CRPS") capital of NISL, from Rs. 343,24,00,000 divided into 3,43,24,000 fully paid-up CRPS of Rs. 100 each held by IEIL, to Rs. 3,24,00,000 divided into 3,24,000 fully paid-up CRPS of Rs. 100 each, by cancelling and extinguishing, in aggregate, Rs. 340,00,00,000 divided into 3,40,00,000 CRPS of Rs. 100 each (the "Capital Reduction") pursuant to Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("Reduction Rules"), and other applicable provisions of the Companies Act 2013.

Pursuant to Regulation 30 of the Listing Regulations, we would like to inform you that the petition for sanction of the Capital Reduction has been approved by the Hon'ble NCLT. We have received a copy of the NCLT order on 19th September, 2019, enclosed as Annex A, for your reference.

The certified true copy of the final order issued by the Hon'ble NCLT shall be filed with the Registrar of Companies, Delhi and Haryana, upon receipt of the same.

We request you to kindly take the same on record.

Thanking You,

Yours faithfully,
For Info Edge (India) Ltd.


MM Jain
SVP-Secretarial
& Company Secretary

Encl.: Annex A - Copy of NCLT order.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

AT NEW DELHI

CORAM: MS. INA MALHOTRA, MEMBER (JUDICIAL)

&

MR. V.K SUBBURAJ, MEMBER (TECHNICAL)

COMPANY PETITION NO. 28/66/ND/2019

IN THE MATTER OF SECTIONS 66 OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF:

NAUKRI INTERNET SERVICES LIMITED,

Having its Registered office at

GF-12A, 94, Meghdoot Building

New Delhi- 110019.

.....PETITIONER COMPANY

FOR THE PETITIONER: Mr. Rajeev Kumar, Advocate

ORDER DELIVERED ON: 11.09.2019

ORDER

As Per Ms. Ina Malhotra, Member (Judicial)

1. The present petition has been filed by the company for reduction of its share capital. The petitioner is a public limited company and was incorporated on 09.12.1999 under the provisions of Companies Act, 1956 and has its registered office at GF-12A, 94, Meghdoot Building, New

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For Info Edge (India) Limited

Company Secretary

Delhi- 110019, which falls within the territorial jurisdiction of this Bench. It is engaged in the business of all types of internet, computer, electronic data processing and electronic and related services. The petitioner is the wholly owned subsidiary of Info Edge (India) Limited ("IE"). The share capital of the petitioner company as on 31st December, 2018 was as under:

Particulars	Amount
Authorized Capital	
<u>Equity Shares</u>	
50,000 Equity Shares of Rupees 10/- each	5,00,000
<u>Preference Shares</u>	
3,50,00,000/- Preference Shares of Rs.100/- each	350,00,00,000
Total	350,05,00,000
Issued, Subscribed and Paid Up Share Capital	
<u>Equity Shares</u>	
10,000 Equity Shares of Rupees 10/- each, fully paid up	1,00,000
<u>Preference Shares</u>	
3,43,24,000-0.0001% Cumulative Redeemable Preference Shares of Rs.100/- each, fully paid up	343,24,00,000
Total	343,25,00,000

The Equity as well as the preference share holding is detailed as under:-

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S.No	Name	Address	No. of equity shares held (Rs. 10/- each)
1	Info Edge (India) Limited (IEIL)	GF-12A, 94, Meghdoot Building, Nehru Place, New-Delhi-110019	9,994
2.	Sanjeev Bikhchandani (as a nominee of IEIL)	N-42, Ground Floor, Panchsheel Park Malviya Nagar, Delhi-110017	1
3.	Surabhi Bikhchandani (as a nominee of IEIL)	N-42, Ground Floor, Panchsheel Park Malviya Nagar, Delhi-110017	1
4.	Sudhir Bhargava (as a nominee of IEIL)	21-C, Shatabi Vihar, Sector-61, Noida-201307	1
5.	Rajesh Kheterpal (as a nominee of IEIL)	C-1035, Gaur Green Avenue Abhay Khand-II, Indirapuram,	1

		Ghaziabad, U.P	
6.	Chintan Thakkar (as a nominee of IEIL)	C-377, 3 rd Floor, Defence Colony, New Delhi-110024	1
7.	Murlee Manohar Jain (as a nominee of IEIL)	C-26A, Anand Vihar, Main Najafgarh Road, Uttam Nagar, New- Delhi-110059	1
	Total		10,000

**A. Preference Share- 0.0001% Cumulative Redeemable
Preference Shares("CRPS")**

S.No	Name	Address	No. of CRPS held (Rs. 100/- each)
1.	Info Edge (India) Limited (IEIL)	GF-12A, 94, Meghdoot Building, Nehru Place, New-Delhi- 110019	3,43,24,000
	Total		3,43,24,000

2. The petitioner has filed this application under section 66 of the Companies Act, 2013 for obtaining sanction for extinguishing, cancelling and reducing the 0.0001% Cumulative Redeemable

Preference Shares ("CRPS") capital appearing in their books of accounts. It is submitted that the petitioner company has surplus funds and therefore has decided to extinguish, cancel and reduce its CRPS capital in the following manner ("Proposed Capital Reduction"):-

- A. Extinguishment and Cancellation of 3,40,00,000 fully paid up CRPS of Rs.100/- each held by Info Edge (India) Limited (IE);
 - B. In lieu of the reduction, extinguishment and cancellation of the fully paid up CRPS held by IE, Rs. 340,00,00,000 consideration shall be payable by the petitioner company to IE;
 - C. Accordingly, the issued, subscribed and paid up CRPS capital of the petitioner company as on 31st December, 2018 shall be reduced from 343,24,00,000 divided into 3,43,24,000 shares of Rs. 100/- each to 3,24,00,000 divided into 3,24,000 CRPS of 100/-
 - D. The issued, subscribed and paid up equity share capital of the Petitioner company shall remain the same.
3. The Board of Directors has passed the resolution on 28.01.2019 in which they have accorded approval for reducing the issued, subscribed and paid up share capital of the Company. Notices along with the Explanatory Statement for convening the Extraordinary General

Meeting of all the Equity and Preference shareholders on 29.01.2019 were sent.

- ❖ At the extraordinary General Meeting held on January 29, 2019 at 02:30 p.m, the Equity shareholders of the petitioner Company have unanimously approved the proposed Capital Reduction by passing a special resolution.
- ❖ Certified true copy of the Notice along with the Explanatory Statement sent to the Equity shareholders of the Petitioner Company have been filed on record.
- ❖ At the Extraordinary General Meeting held on January, 29, 2019 at 3:00 p.m, the Preference shareholders of the Petitioner Company have unanimously approved the Proposed Capital Reduction by passing special resolutions.
- ❖ Certified true copy of the Notice along with the explanatory statement sent to the Preference shareholders of the Petitioner company has been filed on record.

4. A Perusal of the Petition shows that the Scheme does not involve:

- i. Extinction or reduction of any liability in respect of unpaid share capital;
- ii. Cancellation of unpaid share capital which is lost or is unrepresented by available assets; or
- iii. the payment to any shareholder of any paid-up share capital.

5. The Articles of Association of the applicant company, which is public limited company provides for reduction of the share capital. It is therefore, competent to undertake the reduction of share capital as approved by the Board and its shareholders.
6. The Petitioner Company has produced a Certificate issued by the Statutory Auditor of the Company, a perusal of which discloses that the company does not have any Secured or Unsecured Creditors as on 28th January, 2019.
7. An affidavit dated 09.03.2019 has been filed by the Petitioner Company confirming that service has been duly effected on the Registrar of Companies and Regional Director, Northern Region.
8. The Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, after receiving the report from the Registrar of Companies has filed his report on 26.03.2018. A perusal of the above representation of the Regional Director, as also at the time of oral hearing by the representative of the Regional Director, two observations have been made by them:
- *As per the report of ROC, Delhi & Haryana, the Petitioner company has filed its GNL-1 vide SRN No. H50013036 (Procedure for reduction of share capital of the company)*

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For *Naukri Internet Services Limited*

[Signature]
Company Secretary

- *No prosecution has been filed against the petitioner and no complaints are pending and no inspection or investigation has been conducted in respect of the petitioner company.*

9. A short query raised by this Bench with respect to whether reduction of the share capital with respect to Cumulative Redeemable Reference Shares should be considered under the provisions of Sec 66 of the Companies Act or under the specific provisions of Sec 55, Ld. Counsel for the applicant has argued that resort to the provision of sec 66 for the purpose of reduction of shares is an alternative remedy. The resort to the provisions of Sec 55 by the Act can only be undertaken from:

- A.) Profits which would otherwise be available for dividend;
- B.) Proceeds of fresh issue of shares made for the purpose of such redemption

The Reduction of shares u/s 66 envisages confirmation by the Tribunal and is reproduced as under:

"66(1) Subject to confirmation by the Tribunal on a application by the company, a company limited by shares or limited by guarantee and having a share capital may, by a special resolution, reduce the share capital in any manner and in, particular, may-

- a.) Extinguish or reduce the liability on any of its shares in respect of the share capital not paid- up; or
- b.) Either with or without extinguishing or reducing liability on any of its shares-

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- ❖ Cancel any paid-up share capital which is lost or is unrepresented by available assets; or
- ❖ Pay off any paid-up share capital which is in excess of the wants of the company, alter its memorandum by reducing the amount of its share capital and of its shares accordingly

Provided that no such reduction shall be made if the company is in arrears in the repayment of any deposits accepted by it, either before or after the commencement of this Act, or in the interest payable thereon”

10. The submission of the Ld. Counsel for the petitioner is that for the purpose of reduction of Share Capital, either of the provision can be resorted to. This is sought to be elucidated by relying on the decision of the Hon'ble Bombay High Court in the matter of Birla Global Finance Limited (2004) 58 CLA 154 (Bombay)/(2004) 50 SCL 387 (Bombay)/(2005) 126 COMP CASE 647 (Bombay), which is as follows:-

“A company having a share capital, if so authorized by its articles, by a special resolution and subject to confirmation by the court is entitled to redeem the share capital in any way. The three methods mentioned in clause (a), (b) and (c) of sub-section (1) of section 100 are only illustrative and not exhaustive. A company may seek to redeem the share capital in any way and even in a manner not covered by clause (a), (b) and (c) of sub-section (1) of section 100. Clause (a), (b) and (c) of sub-section (1) of section

100 are only illustrative of the modes of reduction. The redemption of preference shares is nothing but, repayment of the preference capital and amounts reduction of share capital. The word "pay off any paid up capital" appearing in clause (c) of sub-section (1) of section 100 indicate that even the preference share capital can be paid off subject to the conditions laid down in section 100 of the Act.

Para 12- Two independent procedures are available to a company for redemption of preference shares. It may redeem the shares by following the procedure laid down under section 80 of the Act which is a special provision meant for redemption of preference shares or it may take recourse to the general provisions under section 100 of the Act which is applicable for reduction of any capital, including preference capital, in any manner."

11. Taking into consideration the above and since there is no objection from any quarter in respect of prayer made for reduction of capital as contemplated by the petitioner Company, this Tribunal directs :

i) That the reduction of the share capital of the above company as resolved by the special resolution passed at a general meeting held on the 29.01.2019 as follows is allowed:

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For Info Edge (India) Limited**

Company Secretary

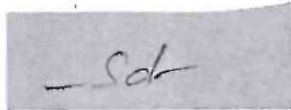
"Resolved that pursuant to Sections 66 of the Companies Act, 2013 and other applicable provisions , if any, of Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with article 39 of the Articles of Association of the Company, subject to the confirmation of the National Company Law Tribunal ("NCLT"), the approval of the shareholders of the Company be and is hereby accorded for reducing the issued, subscribed and paid up share capital of the Company, which shall be effected by way of the reduction of share capital and shall take place in the following manner:

- That the company will reduce its paid-up capital from Rs.343,24,00,000 /- which are divided into 3,43,24,000/- equity shares of Rs. 100/- each, to Rs 3,24,00,000/- divided into 3,24,000 CRPS of Rs. 100/- each and the issued, subscribed and paid up equity share capital remain the same to give true and fair value of the financial condition of the company as per the terms and conditions stated in the scheme of Capital Reduction.

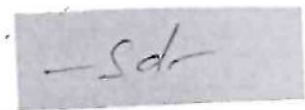
ii) the undertaking given in the affidavit dated 31.05.2019 and noted in para 14 shall remain binding; the approval shall remain subject to fulfillment of any law if otherwise applicable.

(13) That the form of minute under section 66(5) of the Companies Act, 2013 as set out in the petition hereto, be and is hereby approved.

(14) That a certified copy of this order including the minute as approved be delivered to the Registrar of Companies within thirty days of receipt of the order and paper publication confirming the reduction by this Tribunal of the Equity share capital shall also be issued in the same newspapers as published earlier in the prescribed format within a period of thirty days from the date of this order.



(V.K Subburaj)
Member Technical



(Ina Malhotra)
Member Judicial)

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For (India) Limited
Company Secretary

