

Company: Sol Infotech Pvt. Ltd.

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Date: 29/10/2025

CSJ Infrastructure Private Limited Vs

CP No.79/Chd/Chd/2023

Court: National Company Law Tribunal, Chandigarh Bench

Date of Decision: March 22, 2024

Acts Referred:

Companies Act, 2013 â€" Section 52, 66, 66(1), 66(5), 73, 102, 133#National Company Law Tribunal (Procedure for reduction of Share Capital of Company) Rules, 2016 â€" Rule 2(2)(c)

Citation: (2024) 03 NCLT CK 0051

Hon'ble Judges: Dr. PSN Prasad, Member (J); Umesh Kumar Shukla, Member (T)

Bench: Division Bench

Advocate: Anand Chibbar, Vivek Sethi

Final Decision: Dismissed

Judgement

SI

No", "Shareholderââ, ¬â, ¢s

funds", "Balance as on

31.03.2022

(Amount in Rs)", "Proposed

Utilization

(Amount in Rs)","Balance Post

Capital Reduction

(Amount in Rs)",,

1,Paid-up capital,"46,66,67,870",-,"46,66,67,870",,

2, Securities premium account, "1,44,55,52,130", "(41,22,40,000)", "1,03,33,12,130",,

3,Retained Earnings,"(41,22,40,000)","41,22,40,000",-,,

creditors duly certified by two directors of the company along with certificate from statutory auditors has been annexed as Annexure M of the petition.,,,,,

(xv) The net worth of the company as on 31.02.2022 is Rs.9,219.74 million (Rupees Nine thousand two hundred nineteen point seven four million) and it is a solvent",,,,,

company with sound financial position capable of meeting all its outstanding debts. The Net worth certificate issued by the practicing Chartered Accountant has,,,,,,

been annexed as Annexure N of the petition, which demonstrates that the company has sufficient liquidity to pay all its outstanding creditors as per commercial terms",,,,,

agreed with them.,,,,,

(xvi) The scheme envisages no pay-out in the proposed capital reduction of the company, and as such creditors will not be adversely affected by the said scheme.",,,,,

Therefore, the company sought for the order dispensing with the requirement of sending notices to the secured and unsecured creditors of the company and",,,,,,

publication of such notice in the newspaper considering the sound financial position of the company and also the fact that there is no cash pay-out in the proposed,,,,,

capital reduction of the company.,,,,,

(xvii) The company has also sought exemption from sending individual notices to the unsecured creditors of the petitioner company having debt value of less than to,,,,,

Rs.1,00,000/-, which constitutes a mere 0.03% of the total outstanding balance of the unsecured creditors and publication of such notice in Financial Express (English)",,,,,

and Jansatta (Hindi) newspapers.,,,,,

(xviii) The Form of Minutes to be registered under section 66(5) of the Act, List of Directors and copy of Master Data of the company have been annexed as",,,,,

Annexure O, Annexure P and Annexure S of the petition.",,,,,,

(xix) The company shall account for reduction of capital in accordance with Indian Accounting Standards notified under section 133 of the Act under the Companies,,,,,

(Indian Accounting standards) Rules 2015, as may be amended from time to time (Ind AS) and other accounting principles generally acceptable in India, in its books",,,,,

of accounts such that:,,,,,

a. The accumulated losses/ negative balance of retained earnings to the extent of Rs.41,22,40,000/- (Forty One Crore Twenty Two Lakh Forty Thousand only) shall be",,,,,,

adjusted against credit balances of securities premium account.,,,,,

- b. The company will pass appropriate adjustment entries in prudent and commercially acceptable manner......
- c. For accounting purpose, the reduction of capital of the company will be given effect on the date, when all substantial conditions for the reduction of capital are",,,,,

completed.,,,,,

A certificate issued by the statutory auditor of the company certifying that the accounting treatment given is in the compliance of Standards prescribed under,,,,,

Section 133 of the Companies Act, 2013 has been annexed as Annexure Q of the petition.",,,,,

(xx) A certificate, issued by the statutory auditor of the Company and declaration by a director of the Company that the company has not obtained any deposits as",,,,,

defined under section 73 of the Act read with the rules thereunder and therefore, the requirement under rule 2(2)(c) of the National Company Law Tribunal (Procedure",,,,,,

for reduction of Share Capital of Company) Rules, 2016 is not applicable to the company has annexed as Annexure R of the petition.",,,,,

COMPLIANCE AFFIDAVITS,,,,,

4. This Tribunal, vide its order dated 27.07.2023, directed that notice of this petition be issued to (i) Central government through Regional Director",,,,,

(Northern Region), Ministry of Corporate Affairs, New Delhi; (ii) The Registrar of Companies, Chandigarh and Punjab in form RSC-2; and (iii) The",,,,,

individual secured creditors and unsecured creditors of the petitioner company in form RSC-3 seeking representations/ objections, if any, to the",,,,,

proposed reduction in the share capital along with direction to publish notice in the newspapers in form RSC-4.,,,,,

5. In compliance of the above said order of this Tribunal, the company, vide diary no. 02246/3 dated 16.08.2023, has filed an Affidavit on dispatch and",,,,,

publication of notice for reduction of share capital in form RSC-5. The copies of notices to creditors via couriers in form RSC-3; copy of notice in,,,,,,

RSC-2 to the Office of RoC served via hand delivery & to the Office of Regional Director, Northern Region, Delhi via speed post; Form RSC-4",...,

published in $\tilde{A}\phi\hat{a},\neg \tilde{E}\omega$ Financial Express $\tilde{A}\phi\hat{a},\neg \hat{a},\phi$ and $\tilde{A}\phi\hat{a},\neg \hat{E}\omega$ Jansatta $\tilde{A}\phi\hat{a},\neg \hat{a},\phi$ have been attached as Annexure II, III & IV and V & VI respectively of the compliance",,,,,

affidavit.,,,,,

6. The Regional Director, Northern region, Ministry of Corporate Affairs, New Delhi has, vide diary no. 02246/5 dated 25.10.2023, filed",,,,,

Representation/ Affidavit attaching therewith the representation/ report of RoC dated 22.09.2023, vide which it has been submitted that the company",,,,,,

has filed its Balance Sheet and Annual Returns up to 31.03.2022, no prosecution has been filed against the company and no complaints are pending",,,,,,

and no inspection or investigation has been conducted in respect of the company.,,,,,,

7. The following observations has been made in the report of RoC dated 22. 09.2023 based on the records maintained and documents filed by the,,,,,,

company.,,,,,

Ã,· The shareholders have passed the special resolution in an extraordinary general meeting held on 08.07.2023.,,,,,

Ã,· The company has intangible assets of Rs.225.40 Crores as on 31.03.2023. The company has non-current assets (net) of Rs.27.91 Crores as,,,,,

on 31.03.2023.,,,,,

Ã,· The company has deferred tax liabilities of Rs.241.99 crores as on 31.03.2023.,,,,,

Ã,· As per Master Data, share capital is Rs.46,66,70,000, however, as per Balance Sheet, capital is Rs.46,66,67,870/- showing a difference of ",,,,,

Rs.2130 in both the figures.,,,,,

8. The company filed rejoinder affidavit vide diary no. 02246/6 dated 26.10.2023. It has been submitted that the master data of the company available,,,,,

at the portal of Ministry of Corporate Affairs, reflects the correct paid-up share capital of Rs.46,66,67,870/- as per copy of the master data attached",,,,,

as Annexure S of the Petition and despite that RoC has observed that there is a difference of Rs. 2,130/-between the paid-up share capital as per the",,,,,

balance sheet of the Company and as per the Master Data. In order to remove any ambiguity, the company have reattached the Master Data",,,,,,

downloaded from the portal of Ministry of Corporate Affairs as on date and attached as Annexure A to the affidavit. With regard to other,,,,,

observations of the RoC report, it has been stated that the observations in RoC report are correct and do not have any bearing on the capital reduction",,,,,

and hence are not required to be traversed.,,,,,

ANALYSIS AND FINDING,,,,,

9. As per Rule 4 of the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules 2016 (hereinafter referred to,,,,,,

as the $\tilde{A}\phi\hat{a},\neg\hat{A}$ "Rules $\tilde{A}\phi\hat{a},\neg$), the creditors of the company can make representation to the Tribunal within a period of three months from the date of receipt of",,,,,

notice and copy of such representation shall simultaneously be sent to the company. The company shall submit to the Tribunal, within seven days of",,,,,,

expiry of period, the representations or objections so received along with the responses of the company thereto. The company has not filed the status",,,,,

of receipt/ non-receipt of representations/ objections from the creditors.,,,,,

10. As per Rule 2(a) of the Rules, the application to confirm a reduction of share capital of a company shall be accompanied with the list of creditors,",,,,,

which is made as on a date not earlier than fifteen days prior to the date of filing of an application showing the details of the creditors of the company,",,,,,,

class-wise, indicating their names, addresses and amounts owned to them. It is noted from the petition that the company has filed the petition vide",,,,,

Diary No.02246 dated 18.07.2023 enclosing therewith the list of creditors of the company as on 26.06.2023.,,,,,

11. As per Rule 2 (b) of the Rules, the application shall also be accompanied with a certificate from the auditor of the company to the effect that the",,,,,

list of creditors is correct as per the records of the company verified by the auditor. It is noted from the petition that the company has attached the,,,,,,

certificate of Statutory Auditors of the company S R B C & Co LLP, Chartered Accountants (which has been signed on 06.07.2023 by Partner of the",,,,,,

Firm, Mr. Abhishek Agarwal, Chartered Accountants) certifying the list of creditors both secured and unsecured containing all liabilities excluding",,,,,

share capital, reserves and surplus, deferred tax liabilities, lease liability, deferred lease rental, statutory dues, advances from customers, deposit",,,,,

received from customers and provision for expenses made on estimated basis as at 26.06.2023. Further, in the list of creditors of the company as on",,,,,

26.06.2023, there appears to be mistakes. For example, Total of Inter Company Deposit is shown Rs.1,25,00,00,000/- in the list of creditors, while the",,,,,

,Rs. Million,,,,,

Particulars,"Capital
Reserve", "Debenture
Redemption
Reserve", "Securities
Premium","Retained
Earnings", "Compulsory
Convertible
Non-
cumulative
Debentures","Total
Other
Equity
Balance as at
01.04.2022",57.78,19.76,"1,445.55",-412.32,"7,700.00","8,810.77
Profit for the year,-,-,-,904.19,-,904.19
Transfer of
Debenture
Redemption
Reserve",-,-19.76,-,19.76,-,-
Other
Comprehensive
Income (net of tax)",-,-,-,-0.10,-,-0.10
Balance as at
31.03.2023",57.78,-,"1,445.55",511.53,"7,700.00","9,714.86