

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI BENCH**

NEW DELHI

Company Application. No.142 (ND)/2017

Present: SHRI R.VARADHARAJAN, MEMBER (JUDICIAL)

In the matter of:

TARASPAN SOLUTIONS PRIVATE LIMITED

Registered Office at:

**4th Floor, Rectangle No.1, behind Marriot Hotel Saket,
Commercial Complex, D-4, Saket,
New Delhi-110017**

.....Applicant/Petitioner

**For the Applicant: Mr. Hitender Mehta, Advocate
Mr. Abhijeet Das, Advocate
Mr. Navdeep Biadwan, Advocate**



ORDER

Order Delivered on:

1. The instant application has been filed by the applicant Taraspan Solutions Private Limited under the provisions of Section 66 of Companies Act, 2013 seeking reliefs, inter alia for confirmation of the reduction of capital on the basis of a special resolution set out in paragraph 14 of the Petition and that the proposed minute be approved and for such further or other orders be made by the Tribunal as it deems fit.

2. In respect of the prayers above, the applicant has made an averment to the effect that on 29th May, 2017 a Special Resolution was passed by the shareholders of the applicant company at the Extraordinary General Meeting held at the registered office of the Company under Section 66 of the Companies Act, 2013 whereby the share capital of the applicant company has been consented to be reduced from Rs.27,89,45,950/- (Rupees Twenty Seven Crore Eighty Nine Lakh Forty Five Thousand Nine Hundred and Fifty only) divided into 2,78,94,595 (Two Crore



Seventy Eight Lakh Ninety Four Thousand Five Hundred and Ninety Five) equity shares of Rs.10/- each to Rs.11,00,63,020- (Rupees Eleven Crore Sixty Three Thousand and Twenty only) divided into 1,10,06,302 (One Crore Ten Lakh Six Thousand Three Hundred and Two) equity shares of Rs. 10 each/- each .

3. It is further averred in the para 10 of the application as follows:

“That the Hon’ble High Court in 2012 had approved a scheme of Amalgamation in which the applicant company allotted 5.83 equity shares of Rs. 10 each credited as fully paid up in lieu of each equity share held by the shareholders of the Transferor Company. Hence, the net difference between the value of assets and liabilities including reserve vested from transferor company under the scheme of Amalgamation and the aggregate value of shares allotted, i.e. Rs.16,88,82,930 was disclosed as “Amalgamation Reserve (Debit Balance)” under the head Reserve and Surplus in the audited financial statement of the company”.

4. It is further averred in the application that Amalgamation Reserve (Debit Balance), is unrepresented by the available assets of the company and that the debit balance under the head Amalgamation



Reserves (under Reserve and Surplus) is in negative reserves, resulting in unduly excessive capitalization/ high capital base, having constant adverse effect on the crucial financial ratios and overall financial position of the Applicant Company. In view thereof, it is proposed by the applicant company to undertake the reduction of its capital in the manner envisaged.

5. It is pertinent to mention that applicant company has resolved to reduce its share capital by writing off the debit balance of Amalgamation reserve aggregating Rs. 16,88,82,930 (Rupees Sixteen Crore Eighty Eight Lakh Eighty Two Thousand Ninety Three) equity shares of Rs. 10 each from the existing paid-up share capital of the company aggregating 27,89,45,950/- (Rupees Twenty Seven Crore Eighty Nine Lakh Forty Five Thousand Nine Hundred and Fifty only) divided into 2,78,94,595 (Two Crore Seventy Eight Lakh Ninety Four Thousand Five Hundred and Ninety Five) equity shares of Rs.10/- each.
6. At the time of hearing it is further represented by the Learned Counsel for the petitioner that as on 27.06.2017, the applicant



Company does not have any secured creditor and is having 8 unsecured creditors and in proof of which the Learned Counsel for the applicant Company has adduced certificates from the Managing Director of the Company as well as its Statutory Auditor as Annexures A-H dated 27.06.2017 and dated 29.06.2017 respectively. It is also further represented that the applicant has no deposits and that the applicant Company is not in arrears in the repayment of deposits or interest thereon as on date of filing of the petition, as is evident from Annexures A-dated 27.06.2017 and dated 29.06.2017.

7. We have perused the application filed by the applicant along with annexures wherein the reduction of capital from Rs.27,89,45,950/- divided into 2,78,94,595 equity shares of Rs.10 each is sought to be reduced to Rs.11,00,63,020 divided into 1,10,06,302 equity shares of Rs.10 each. A perusal of the Articles of Association, more particularly clause 10, discloses that the applicant Company has the power by way of Special Resolution to reduce its capital, any Capital Redemption Reserve Account or Premium Account and in the manner thought fit and authorized by it. It is also seen on a perusal of Notifications issued by Ministry of Corporate Affairs that this Tribunal is presently vested



with the power to confirm reduction of share capital of a company and that the provision of Section 66 and the Corresponding Rules have been notified on 15.12.2016 which provides inter alia the forms which are required to be adopted by the applicant as well as the procedure to be followed by this Tribunal. In consonance with the provisions of the Act as well as the rules framed there under, the company amongst other documents, have also filed a certificate dated 29.06.2017 from the Auditor of the Company issued to the effect that accounting treatment for the reduction of share capital of the company is in conformity with the accounting standards specified under Section 133 or other provisions, as applicable, of the Companies Act, 2013. The certificate dated 29.06.2017 is annexed as A-I.

8. Taking into consideration, the application as well as the documents filed along with it, and also the representation made by the Learned Counsel for the applicant Company, we order as follows:

- i. The applicant is directed to give notice of the instant application within a period of 7 days from the date of receipt of this order to the Central Government, the Registrar of Companies having jurisdiction



over the files of the applicant Company as well as to the creditors, if any of the applicant Company.

- ii. The applicant Company is further directed to cause the publication of notice in the prescribed form in English Daily 'Business Standard' and in the Hindi daily 'Business Standard' in the edition in which the registered office of the applicant Company is situated.
 - iii. The applicant Company is also directed to upload on the website of the Applicant Company, if any, intimating about the factum of the petition and notice of the date of hearing which is fixed as 10.11.2017.
9. The applicant company shall file an affidavit confirming the dispatch and publication of notice not later than seven days from the date of issue of such notices. The notices directed to be issued herein by the applicant shall be given by the applicant company whereby the authorities to whom such notices are issued shall have at least three months from the date on which the notice is served on them to file their report/objections, if any.



10. The application/petition shall come up for hearing on 10.11.2017 by which date the authorities to whom notice of the petition is directed to be given shall file their objections, if any, failing which it will be presumed that there is no objection to the confirmation of reduction of share capital of the Applicant Company as contemplated in the Application.

To come up for hearing and further orders on 10.11.2017.


(R.VARADHARAJAN)
MEMBER (JUDICIAL)

U.D. Mehta