

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH

CSA NO. 108 OF 2017

In the matter of Section 66 of the Companies Act
2013 and the Rules framed thereunder

AND

In the matter of Reduction of Share Capital of
Thomson Reuters International Services Private
Limited

Thomson Reuters International Services Private Limited

.....Applicant Company

Judgment/Order delivered on 9th August, 2017

Coram:

Hon'ble **B.S.V. Prakash Kumar**, Member (J)

Hon'ble **V . Nallasenapathy Hon'ble**, Member (T)

For the Petitioner(s): Mr. Hemant Sethi i/b Hemant Sethi & Co
Mr. Ramakantha, Jt. Director in the office of Regional
Director

Mr Pola Raghunath, Deputy Registrar of Companies

Per: **B.S.V. Prakash Kumar, Member(J)**

Order confirming Reduction of Share Capital and Approving Minutes

1. Heard the learned counsel for the Applicant Company and submissions made by Deputy Registrar of Companies.

2. On the objections raised by the Registrar of Companies side stating that unless reduction of share capital and payment of consideration to the respective shareholders is stamped, such transaction being covered by the definition of "Instrument" as stated under section 2(I) of Maharashtra Stamp Act, the order of reduction of share capital shall be sent for stamping.
3. To which, the Petitioner Counsel has vehemently objected saying that since the reduction of share capital has not been described anywhere in the Articles of Maharashtra Stamp Act, 1958, it cannot be put to Stamp Duty unless specifically mentioned in the said Stamp Act.
4. On examination of the submissions of either side, since Maharashtra Stamp Act 1958 being a fiscal statute for generating revenue to the State, unless a specific provision is made in the Articles enunciated in the said Act, a party cannot be fastened it stamp duty without being explicitly mentioned in the Articles of said Act, here there being no explicit Article to put the reduction of share capital to stamp duty, this Bench is of the view that by seeing a definition for "Instrument" in the said Stamp Act, it cannot be said that reduction of shares is levyable by Stamp Duty, therefore we are of the view that this Bench is not warranted to

give any direction to the party to send this order to the Collector for levying Stamp Duty upon this transaction.

5. The Counsel for the Applicant Company further submits that Article 6 of the Articles of Association of the Applicant Company empowers the Applicant Company to reduce its share capital.
6. The Counsel for the Applicant Company submits that the application was filed for the confirmation of the special resolution for the proposed reduction of share capital which will result in return of capital in excess of the requirements of the Applicant Company and will result in restructuring of its Balance Sheet. The Board of Directors of the Applicant Company at their meeting held on 22nd March, 2017 have deemed it appropriate to reduce its equity share capital from ₹70,956,910 (Rupees Seven Crores Nine Lakhs Fifty Six Thousand Nine Hundred and Ten only) comprising of 7,095,691 (Seventy Lakhs Ninety Five Thousand Six Hundred and Ninety One) Equity shares of ₹10 (Rupees Ten) each fully paid up to ₹21,533,270/- (Rupees Two Crores Fifteen Lakhs Thirty Three Thousand Two Hundred and Seventy only) comprising of 2,153,327 (Twenty One Lakhs Fifty Three Thousand Three Hundred and Twenty Seven) Equity shares of ₹10 (Rupees Ten) each fully paid up. Further, there will be reduction in the securities premium account amounting to

₹3,197,709,508/- (Rupees Three Hundred and Nineteen Crores Seventy-Seven Lakhs Nine Thousand Five Hundred and Eight) on reduction of equity share capital. Thus, pursuant to capital reduction, there would be payment of cash amounting to ₹3,247,133,148/- (Rupees Three Hundred and Twenty-Four Crores Seventy-One Lakhs Thirty-Three Thousand One Hundred and Forty-Eight only) to the shareholders of the Company.

7. The learned Counsel appearing on behalf of the Applicant Company further submits that the Applicant Company has complied with all the statutory requirements as per the directions of the Tribunal and they have filed necessary affidavit of service. None of the parties have come forward to oppose the proposed reduction.
8. The Counsel for the Applicant further submits that out of the total creditors/payables as on 14 March, 2017 amounting to ₹8,651,164,858/-, as per the list of creditors/payables submitted with the Tribunal, the Applicant has obtained consent from group companies representing 96.37% of the total creditors/payables aggregating ₹8,337,115,000/-. Further, out of the total amount due as on 14th March, 2017, third party creditors constituted only 2.85% of the total amount due, aggregating ₹246,842,035/- and only balance amount of ₹101,025,966/- representing 1.19% of total creditors are

outstanding to be paid as on 31st July, 2017. None of the creditors/payables have opposed the proposed reduction. Since the requisite statutory procedure has been fulfilled the application is made absolute accordingly. The Special Resolution as approved by the shareholders in their Extraordinary General Meeting held on 23rd March 2017 is confirmed.

9. The minutes set forth hereto be and is hereby approved.
10. Applicant Company to publish the notices about registration of order and minutes of reduction by the Concerned Registrar of Companies, Maharashtra in two newspapers namely i.e. 'Free Press' in English language and translation thereof in 'Navshakti', in Marathi language both having circulation in Mumbai within 30 days of registration.
11. All concerned regulatory authorities to act on certified copy of the order duly certified by the Deputy Director, National Company Law Tribunal.

Form of Minutes

"The capital of Thomson Reuters International Services Private Limited is henceforth ₹21,533,270/- divided into 2,153,327 shares of ₹10 reduced from ₹70,956,910/- divided into 7,095,691 shares of ₹10 each and the Securities Premium account of Thomson Reuters International Services Private Limited is henceforth

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₹3,822,174,881/- reduced from ₹7,019,884,389/-. At the date of the registration of this minute 2,153,327 shares have been issued and deemed to be fully paid."

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kumar, Member (J)