

NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH – II  
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH, CHENNAI  
NATIONAL COMPANY LAW TRIBUNAL, HELD ON 20-04-2022 AT 10.30 A.M THROUGH  
VIDEO CONFERENCING:

PRESENT: JUSTICE (RETD.) SMT. S. RAMATHILAGAM, MEMBER (JUDICIAL)  
SHRI B. ANIL KUMAR, MEMBER (TECHNICAL))

APPLICATION NUMBER :  
PETITION NUMBER : CP(CA)/28/CHE/2022  
NAME OF THE PETITIONER : Dugar Housing Developments Ltd  
NAME OF THE RESPONDENTS :  
UNDER SECTION : Sec 66 of CA, 2013

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**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH - II, CHENNAI  
CP/28(CHE)/2022**

Under Section 66 of the Companies Act, 2013 for confirming the Reduction of  
Share Capital

In the matter of ***M/s. Dugar Housing Developments Limited***

***M/s. Dugar Housing Developments Limited***

A Company registered under the  
Companies Act, 1956

Represented by its Whole time Director, Lakshmaiah Devarajulu

Reg. Off:-

Dugar Towers, 7<sup>th</sup> Floor, 34(123) Marshalls Road,  
Egmore, Chennai - 08

... *Applicant Company*

*Order Pronounced on 20<sup>th</sup> April 2022*

CORAM:

**JUSTICE (RETD.) S. RAMATHILAGAM, MEMBER (JUDICIAL)  
ANIL KUMAR B, MEMBER (TECHNICAL)**

For Petitioner: Mr. Lakshmi Subramanian, *PCS*

ORDER

***Per: ANIL KUMAR B, MEMBER (TECHNICAL)***

This Application has been filed by M/s. Dugar Housing Developments Limited (hereinafter "Applicant Company") under the provisions of Section 66 of the Companies Act, 2013, seeking the following reliefs:

- a) *That the reduction of selective distinctive number of Equity Share Capital of the Applicant duly approved by the equity shareholders of the Applicant at an Extra-Ordinary General Meeting thereof held on 10<sup>th</sup> January, 2022 at Chennai be confirmed by this Hon'ble Tribunal so as to be binding on all shareholders and creditors of the Applicant;*

- b) *That notices may be ordered to the Regional Director, Minister of Corporate Affairs and the Registrar of Companies, Chennai as per Rule 3(1) (i) of the National Company Law Tribunal (Procedure for reduction of share capital of the Company) rules, 2016;*
- c) *That notices may be ordered to all the creditors as provided for in Rule 3(1) (i) of the National Company Law Tribunal (Procedure for reduction of share capital of the Company) rules, 2016;*
- d) *That directions may be given for the publication of advertisements as provided for under Rule 3(3) of the National Company Tribunal (Procedure for reduction of share capital of the Company) Rules, 2016 in an English and Tamil newspaper having State-wide circulation;*
- e) *That to this end all inquiries and directions necessary and proper be made and given;*
- f) *That the proposed minute be approved by this Hon'ble Tribunal;*
- g) *That the Applicant be not required to add the words "and reduced" to its name as the last words thereof; and*
- h) *That this Hon'ble Tribunal may pass such further orders as it may deem fit and proper in the facts and in the facts and circumstances of the case.*

2. In respect of the above prayers, the Applicant has made an averment to the effect that on 10<sup>th</sup> January 2022, a Special Resolution was passed by the Shareholders of the Applicant Company at the Extra Ordinary General Meeting (hereinafter the "EoGM") held at the Registered Office of the Applicant Company

under Section 66 of the Companies Act, 2013 whereby the paid-up equity share capital of the Applicant Company is reduced from ₹ 3,00,00,000 (Indian Rupees Three Crore Only) divided into 30,00,000 (Thirty Lakh) Equity Shares of ₹ 10/- each to ₹ 30,00,000/- (Thirty Lakh Only) consisting of 3,00,000 (Three Lakh) Equity Shares of ₹ 10/- each by cancelling and extinguishing up to 2,70,00,000 (Two Crore Seventy Lakh) issued, paid up and subscribed Equity Shares.

3. It was further resolved in the EoGM, that, upon reduction being approved by this Tribunal, the Profit & Loss A/c (Dr) of the company will be as follows:

<b>Particulars</b>	<b>Before Reduction (Amt in Rs.)</b>	<b>After Reduction (Amt in Rs.)</b>
Profit and Loss Account (Debit Balance) / Accumulated Losses	3,47,94,761/-	77,94,761/-

4. The Ld. Authorized Representative for the Applicant Company submitted that there are **One Crore (1,00,00,000) Equity Shareholders** as on 31.05.2021 and the shareholding structure of the Applicant Company prior and post reduction is given in page 127 of the typed set along with the Application.

5. The Directors of the Applicant Company have given an affidavit confirming that the Applicant Company has **NIL** Secured Creditors and Three Unsecured Creditors aggregating to **Rs.1,03,33,064 (Rupees One Crore Three Lakh Thirty Three Thousand and Sixty Four Only)** and the list of the same have been annexed in page 11of the Application. The Certificate issued by the Statutory Auditor confirming the status of NIL Secured and Three Unsecured Creditors aggregating to **Rs.1,03,33,064 (Rupees One Crore Three Lakh Thirty Three Thousand and Sixty Four Only)**of the Applicant Company has been annexed between 110-111 of the Application.

6. The Directors of the Applicant Company have given their declaration in affidavit confirming that there are **NO** arrears of repayment of deposits and the same is placed at page 116 of the Application. The Certificate issued by the Statutory Auditor confirming that the Applicant Company has no default in arrears of repaying deposits is placed at page 116 of the Application.

7. The Statutory Auditor of the Applicant Company vide certificate dated 05.02.2022, which is placed at page 117 of the Application, has confirmed that the Accounting Treatment proposed by the Company as specified in Clause 16 of the Draft Scheme of Reduction of Share Capital is in conformity with the Accounting

Standards pertaining to reduction of share capital as specified by the Central Government read with Section 133 of the Companies Act, 2013.

8. We have perused the Application filed by the Applicant Company along with the annexures. The authorized share capital of the Applicant Company as on 31.03.2021 is ₹ 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore) Equity Share of ₹ 10/- each. The issued, subscribed and paid – up share capital of the Applicant Company as on 31.03.2021 is ₹ 3,00,00,000/- (Rupees Three Crore only) divided into 30,00,000 (Thirty Lakh Only) Equity shares of ₹ 10/- each.

9. A perusal of the Articles of Association, more particularly, Article 41 discloses that the Applicant Company by way of a Special Resolution can reduce the share capital of the company. It is also seen on a perusal of notification issued by the 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 provisions 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 Company as well as the procedure to be followed by this Tribunal. In consonance with the provisions of this Act as well as the rules framed thereunder, the Applicant Company amongst other documents, have also filed a

certificate dated 05.02.2022 from the Statutory Auditor issued to the effect that the accounting treatment for the Reduction of Share Capital is in conformity with the Accounting Standards with respect to the same as specified by the Central Government read with Section 133 of the Companies Act, 2013.

10. Taking into consideration the Application as well as the documents filed along with it, and the representation made by the Ld. Authorised Representative for the Applicant Company, we order as follows:

- a) The Applicant Company 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.
- b) The Applicant Company is further directed to cause publication of notice in the prescribed form in English "Business Standard" (All India Edition) and in Tamil, "Makkal Kural" (Tamil Nadu Edition), where the registered office of the Applicant Company is situated.
- c) The Applicant Company is also directed to upload in their website, if any, intimating the factum of the Application and notice of the date of hearing, which is fixed as 25.08.2022.

11. 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 Company 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/objection, if any.

12. The Application shall come up for hearing on 25.08.2022 by which date the authorities to whom the notice of the Application 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 **25.08.2022**

-Sd-  
**B. ANIL KUMAR**  
MEMBER (TECHNICAL)

-Sd-  
**Justice (Retd.) S. RAMATHILAGAM**  
MEMBER (JUDICIAL)

*phk*