

**THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH**

**CP. NO. 160 OF 2023**

*In the matter of*  
*Under Section 66 read with Section 52*  
*of*  
*The Companies Act, 2013*  
*and all other applicable provisions, if any.*

***And***  
*In the matter of*  
*The Reduction of Share Capital of*

**Servicomatic Services Private Limited**  
**CIN: U70200MH2016FTC288882** ...Petitioner Company

***Order delivered on 23.04.2024***

***Coram:***

<b>Shri Prabhat Kumar</b>	<b>Justice V.G. Bisht (Retd.)</b>
Hon'ble Member (Technical)	Hon'ble Member (Judicial)

***Appearances (through)***

For the Applicant(s)	:	Mr. Siddharth Ranade a/w Ms. Kaazvin Kapadia, Advocate
For the Regional Director	:	Mr. Tushar Wagh, Deputy Director

**ORDER**

**THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH**

**CP. NO. 160 OF 2023**

1. Heard Learned Counsel for Petitioner Company and the representative from the Regional Director, Western Region. No objector has come before this Tribunal to oppose the Petition nor has any party contravened any averments made in the Petition.
2. This Petition is for confirmation of a special resolution for reduction of the issued, subscribed and paid up share capital of the Petitioner Company from INR 3,37,69,560/- (Indian Rupees Three Crores Thirty Seven Lakhs Sixty Nine Thousand Five Hundred Sixty only) consisting of 33,76,956 (Thirty Three Lakhs Seventy Six Thousand Nine Hundred Fifty Six) equity shares of Rs. 10 (Indian Rupees Ten only) each fully paid up to INR 1,00,000 (Indian Rupees One Lakh only) consisting of 10,000 (Ten Thousand) equity shares of Rs. 10/- each fully paid up to INR 1,00,000.
3. The Petitioner Company was incorporated on 23 December 2016 with the name “Lone Star India Asset Reconstruction Private Limited” under the provisions of the Companies Act, 2013. The name of the Applicant Company was subsequently changed to “Servicomatic Services Private Limited” on 8 May 2023.
4. The Petitioner Company is engaged in the business of providing services in relation to business consultancy, management consultancy, general administrative services and acting as business of management consultant. The Petitioner Company

**THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH**

**CP. NO. 160 OF 2023**

also acts as advisors to any entity providing services and consultancy by identifying, screening and investigating sectors of the Indian and global economies. The Petitioner Company does not provide any financial services.

5. It is submitted that the Articles of Association of the Applicant Company adopt the regulations contained in Table “F” in the First Schedule to the Companies Act, 2013.
6. The Counsel for the Applicant Company submits that the reduction of share capital will involve:
  - a. Reduction of INR 3,36,69,560 (Rupees Three Crores Thirty-Seven Lakhs Sixty-Nine Thousand Five Hundred Sixty only) consisting of 33,66,956 (Thirty-Three Lakhs Sixty-Six Thousand Nine Hundred Fifty-Six) equity shares of Rs. 10 (Rupees Ten only) each.
  - b. Reduction of balance of securities premium account of INR 94,27,47,680 (Rupees Ninety-Four Crores Twenty-Seven Lakhs Forty-Seven Thousand Six Hundred Eighty Only; and
  - c. The payment of cash of an aggregate sum of INR 97,64,17,240 (Rupees Ninety-Seven Crores Sixty-Four Lakhs Seventeen Thousand Two Hundred Forty Only) to their shareholders upon the reduction becoming effective.

**THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH**

**CP. NO. 160 OF 2023**

d. Set off debit balance of INR 4,33,98,345 (Rupees Four Crores Thirty-Three Lakhs Ninety-Eight Thousand Three Hundred Forty-Five Only) against the securities premium account.

7. The present and proposed share capital (after reduction) is as follows:

<b>Name of Shareholder</b>	<b>No. of shares currently held</b>	<b>Face Value per share</b>	<b>Current %</b>	<b>Securities Premium Account utilized (INR)</b>	<b>Amount proposed to paid off</b>	<b>No. of Shares after reduction</b>	<b>% post reduction</b>
Lone Star India Holdings S.a.r.l	33,76,955	10	99.99	98,61,46,025	94,27,47,680	9999	99.99
LSF India S.a.r.l	1	10	0.01	0	0	1	0.01

8. The Special Resolution to reduce the Applicant Company's share capital was passed by its Board of Directors in its Extraordinary General Meeting held on 08 February 2023, to reduce the share capital of the Applicant Company and return to its shareholders the amount, upon the paid-up capital being cancelled/extinguished as stated in the table above.

9. The rationale for the reduction of share capital is that the Applicant Company has surrendered its registration as an asset reconstruction company (**ARC**), and the Reserve Bank of India has accepted such application. The Applicant Company thus is

**THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH**

**CP. NO. 160 OF 2023**

desirous to undertake an exercise of reduction of capital of the Applicant Company. The same has also been set out in the explanatory statement under Section 102(1) of the Companies Act, 2013.

10. The Regional Director has filed his Report dated 16.01.2024 making certain observations and the Petitioner Companies have undertaken/made following submission that :
  - i. The Applicant Company has no secured creditors, and only has three unsecured creditors (with outstanding unsecured debt amounting to Rs. 5840/-), who have not objected to the proposed scheme of capital reduction. The Applicant Company undertakes that the interest of the unsecured creditors, all stakeholders and the Government Revenue will be protected pursuant to the proposed reduction of share capital of the Applicant Company;
  - ii. Any tax proceeding arising out of the proposed reduction of share capital is subject to the final decision of the Income Tax Authorities;
  - iii. The proposed reduction of share capital is not in the nature of a buy-back of shares as provided under Section 68 of the Companies Act, 2013 and hence the said provisions are not applicable in the present case;
  - iv. The valuation report dated 17 March 2023 for the equity shares of the Applicant Company was undertaken by the registered valuers of the Applicant Company, who

**THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH**

**CP. NO. 160 OF 2023**

- determined the fair value of the equity shares of the Applicant Company as on 31 December 2022;
- v. The approval of the Company Petition by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the Company after giving effect to the proposed reduction'
- a. Applicant shall undertake to serve notice to RBI as shareholders of the company are foreign entity and shall ensure compliance of FEMA/RBI guidelines thereof.
11. The office of the Regional Director of Western Region also filed a supplementary report dated 8 February 2024, clarifying the observations raised by the Registrar of Companies-Mumbai.
12. Mr. Tushar Wagh, Deputy Director, Office of Regional Director (WR), Mumbai appeared on the date of hearing and submits that the explanations and clarifications given by the Petitioner Companies in rejoinder are satisfactory and they have no further objection to the Scheme.
13. From the material on record, the Petition for reduction appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled and is made absolute in terms of the prayer clauses thereof. The Petition is hereby allowed.

**THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH**

**CP. NO. 160 OF 2023**

14. The Petitioner Company undertakes to file the certified copy of the order and form of minutes duly certified by the Deputy Registrar / Assistant Registrar of this Tribunal with the Registrar of Companies within 30 days from the date of receipt of the certified Order from the Registry of this Tribunal.
15. The Petitioner Company to publish notices about registration of order and minutes by the concerned Registrar of Companies, Mumbai, Maharashtra in two newspapers namely “Business Standard” in English language and translation thereof in “Navshakti” in Marathi language both having circulation in the State of Maharashtra within 30 days of registration.
16. The Petitioner company shall file appropriate application with the Registrar of Companies for deletion of words “assets reconstruction” in view of it ceasing to pursue this business and alter its name clause in accordance with the proposed objects of the company after reduction of share capital.
17. All concerned regulatory authorities to act on production of certified copy of the order duly signed by designated Registrar of this Tribunal.
18. The minutes set forth hereto be and is hereby approved.

*Form of Minutes*

*“The capital of Servicomatic Services Private Limited is henceforth INR 1,00,000 (Rupees One Lakh only) divided into 10,000 (Ten Thousand) Equity Shares of Rs 10/- (Rupees Ten Only) each, reduced from INR*

**THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH**

**CP. NO. 160 OF 2023**

*3,37,69,560/- (Rupees Three Crores Thirty Seven Lakhs Sixty Nine Thousand Five Hundred Sixty Only) divided into 33,76,956 (Thirty Three Lakhs Seventy Six Thousand Nine Hundred Fifty Six) equity shares of Rs.10/- (Rupees ten only) each fully paid up. At the date of the registration of this minute, 10,000 (Ten Thousand) equity shares numbered 1 to 10000 have been issued and are deemed to be fully paid up (and the remaining shares are unissued). The debit balance in the profit and loss account of INR 4,33,98,345 (Rupees Four Crores Thirty Three Lakhs Ninety Eight Thousand Three Forty Five Only) to be set off against the securities premium account and the securities premium account stands reduced from INR 102,96,00,000 (Rupees One Hundred Two Crores Ninety Six Lakhs Only) to 4,34,53,975 (Rupees Four Crores Thirty Four Lakhs Fifty Three Thousand Nine Hundred Seventy Five Only).”*

Sd/-

**Prabhat Kumar**  
Member (Technical)

Sd/-

**Justice V.G. Bisht**  
Member (Judicial)