

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH C-IV

C.P. 271/MB/2021

In the matter of

*Under Section 66 of the Companies Act,
2013 and the Rules framed thereunder;*

AND

In the matter of

Reduction of Equity Share Capital of

Diamond India Limited (“*The
Petitioner Company*”)

Diamond India Limited

[CIN: U36911MH2002PLC138275]

.....Petitioner Company

Order Pronounced on : 29.09.2022

Coram:

Shri Manoj Kumar Dubey

Hon'ble Member (Technical)

Shri Kishore Vemulapalli

Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Petitioner Company:

Mr. Aurup Dasgupta a/w Ms. Sonam
Ghiya & Ms. Priyanka Pandey i/b
Jhangiani, Narula & Associates.

Per: Kishore Vemulapalli, Member (J)

ORDER

1. The Court was convened by video conference.

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2. Petition admitted.
 3. Petition is fixed for hearing on 2nd January, 2023.
 4. The Ld. Counsel for the Petitioner Company submits that this petition is for restructuring of the shares by extinguishing the liability of its shares in respect of the share capital not paid-up in accordance with Section 66 1 (a) of the Companies Act, 2013. The special resolution in accordance with Section 66 (1) of the Companies Act 2013, has been passed in the Extraordinary General Meeting dated 15th July 2021 by the Petitioner Company. All the members present and voting have voted in favour of the resolution. The Petitioner Company has filed this petition for the restructuring of the Issued, Subscribed And Partly Paid-Up equity share capital of the Company from INR 22,71,13,070/- (Indian Rupees Twenty-two crore Seventy-one lakh Thirteen thousand Seventy only) consisting of 2,27,11,307 (Two crore Twenty-seven lakh Eleven thousand Three hundred seven) **partly paid-up equity share of INR 10/- (Indian Rupees Ten only) each (being INR 5/- paid up)** to INR 11,35,56,535/- (Indian Rupees Eleven crore Thirty-five lakh Fifty-six thousand Five hundred Thirty-five only) consisting of 2,27,11,307 (Two crore Twenty-seven lakh Eleven thousand Three hundred Seven) equity shares of INR 5/- (Indian Rupees Five only) each **fully paid up** by cancelling and extinguishing the liability in aggregate of INR 11,35,56,535/- (Indian Rupees Eleven crore Thirty-five lakh Fifty-six thousand Five hundred Thirty-five only) comprising 2,27,11,307 (Two crore Twenty-seven lakh Eleven thousand Three hundred Seven) partly paid up equity shares of INR 5/- (Indian Rupees Five only) each and premium of INR 5/- (Indian Rupees Five only) each. Subsequent to the approval of the scheme, the amount of Authorised Share Capital of the Company shall stand revised from INR 25,00,00,000/- (Indian Rupees Twenty-five crores) consisting of 2,50,00,000/- (Two crore Fifty lakh)

equity shares of INR 10/- (Indian Rupees Ten only) each to INR 25,00,00,000/- (Indian Rupees Twenty-five crores) consisting of 1,36,44,345 (One crore Thirty-six lakh Forty-four thousand Three hundred Forty-five) equity shares of INR 10/- (Indian Rupees Ten only) each fully paid-up, 2,27,11,310 (Two crore Twenty-seven lakh Eleven thousand Three hundred Ten) equity shares of Rs. 5/- (Indian Rupees Five only) each fully paid-up shares, 1,35,89,765 equity shares of Rs. 10/- (ten) each and 3 equity shares of Rs. 5/- (five) each unissued and unsubscribed equity shares.

5. The Petitioner Company submits that the proposed cancellation of the Uncalled Share Capital will not result in the cancellation of any shares already issued by the Company and will cause no prejudice to the Members and will in fact be beneficial to the Company in the long run as the Issued Share Capital of the Company will be fully paid up, as on the Effective date of this Scheme and will increase the earnings per share of the Applicant Company as the shares will be fully paid up. The proposed cancellation of the Uncalled Share Capital will result in Unsubscribed Share Capital being available with the Applicant Company and the Applicant Company will be entitled to issue further Share Capital to infuse capital into the Applicant Company should the same be required.
6. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on date is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<i>Equity Shares</i>	
25,000,000 Equity Shares of Rs. 10/- each	25,00,00,000

Total	25,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
<i>Equity Shares</i>	
54,580 Equity Shares of Rs. 10/- each fully paid up	54,5800/-
2,27,11,307 Equity Shares of Rs. 5/- each partly paid up	11,35,56,535/-
Total	11,41,02,335/-

On the sanction of the proposed scheme, the authorized, issued, subscribed and paid up share capital of the Petitioner Company shall be as follows:-

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<i>Equity Shares</i>	
1,36,44,345 Equity Shares of Rs. 10/- each	13,64,43,450/-
2,27,11,310 Equity Shares of Rs. 5/- each	11,35,56,550/-
Total	25,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
<i>Equity Shares</i>	
54,580 Equity Shares of Rs. 10/- each fully paid up	54,5800/-
2,27,11,307 Equity Shares of Rs. 5/- each fully paid up	11,35,56,535/-
Total	11,41,02,335/-

7. The Scrutinizer of the meeting has submitted his report dated 17th July 2021 which is submitted alongwith the Petition.
8. Learned Counsel for the Petitioner submits that the Petitioner Company has no secured Creditors and has 3 unsecured creditors as of 30th June 2021. Consent has been given by all 3 unsecured creditors and the same has been

submitted alongwith the Petition. The certificate from the Auditor of the Petitioner Company, certifying that the list of unsecured creditors is as per the records of the Petitioner Company is submitted alongwith the Petition.

9. Within seven (7) days from the date of this order, the Petitioner Company is directed to serve notice in Form No. RSC-3 of the hearing of the Petition upon all its Unsecured Creditors, by R.P.A.D./Speed Post and Email (to the creditors whose email addresses are duly registered with the Petitioner Company for the purposes of receiving such notices), pursuant to Section 66(2) of the Companies Act, 2013 with a statement that they may submit their representations and objections, if any, to this Tribunal, within a period of three (3) months from the date of receipt of the said notice and a copy of such representations/ objections shall simultaneously be served upon the Petitioner Company, failing which it shall be presumed that such Creditors of the Petitioner Company have no objection to the proposed reduction of equity share capital.
10. Within seven (7) days from the date of this order, the Petitioner Company is directed to serve notices in Form No. RSC-2 of the hearing of the Petition along with copy of Petition upon:-
 - (i) The Ministry of Corporate Affairs;
 - (ii) The concerned Registrar of Companies;
 - (iii) Central Government through the concerned Regional Director;
 - (iv) The concerned Income Tax Authority and
 - (v) Goods and Service Tax Authority

by R.P.A.D./ Speed Post and Hand Delivery and email with a direction that they may submit their representations to the Tribunal, if any, within a period of three (3) months from the date of receipt of such notice and copy

of such representations shall simultaneously be served upon the Petitioner Company, failing which, it shall be presumed that the authorities have no objection to the proposed reduction of equity share capital.

11. Within seven (7) days from the date of this Order, the Petitioner Company to publish notice in Form No. RSC-4 of the date of hearing of Petition in 'Business Standard' in English language and translation thereof in 'Navshakti' in Marathi language both having circulation in the State of Maharashtra and to also upload the same on the website, if any, of the Petitioner Company. The notice shall state the amount of proposed reduction of equity share capital and that the objections, if any, shall be filed within three (3) months from the date of publication of the notice with a copy served on the Petitioner Company.
12. The Petitioner Company shall submit to the Tribunal, within seven (7) days of expiry of period up to which representations or objections were sought, the representations or objections so received along with responses of the Petitioner Company thereto. If no representations or objections has been received by the Petitioner Company, then in such case it shall be presumed that there are no objections to the proposed capital reduction.
13. The Petitioner Company shall, as soon as may be, but not later than seven (7) days from the date of issue of such notices, file an Affidavit of Service in Form No. RSC-5 confirming the dispatch and publication of the notices.
14. Accordingly, this petition is admitted.

Sd/-

Manoj Kumar Dubey
Member (Technical)
29.09.2022

Sd/-

Kishore Vemulapalli
Member (Judicial)