Total Issued, subscribed and paid-up share capital	A	**21,196.85**	**896.85**
Add: Reserves & Surplus			
General Reserve		0.06	0.06
Retained Earnings		1,867.99	1,867.99
Capital Redemption Reserve (CRR)		1,103.15	1,103.15
Total Reserves & Surplus	B	**2,971.20**	**2,971.20**
Net-worth (A) + (B)		**24,168.05**	**3,868.05**

13. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed its Report dated 25.07.2025 *inter-alia* making the following representations in Paragraph 6 (a) to (c) and Paragraph 7(A) to (D) to which the Petitioner Company has filed an Affidavit-in-Reply dated 31.07.2025 to the representations of the Regional Director, Western Region. The representations by the Regional Director (Western Region) and the responses of the Petitioner Company to the same are reproduced hereunder:

Sr. No.	Observation by the Regional Director	Reply from the Petitioner Company
6(a)	*As reported at Sr. No. 7, no proof of services of notices sent to Creditors as per the provisions of Rule 3(2) of the Rules are provided. The Directorate may call for proof of notices and may also put up the Company to strict proof thereof.*	The Petitioner Company submits that it has sent notices to all creditors whose names were appearing in the list of Creditors as on 28 February 2025. The copy of the postal receipts and email delivery report, wherever available, evidencing serving of notices upon Creditors was annexed to Form No. RSC-5 filed before the Hon'ble NCLT Bench on 9 May 2025. The Petitioner Company crave leave to rely on the same and shall submit a copy of Form No. RSC-5, if specifically called for by the ROC/ RD.
6(b)	*Further, the Petitioner Company has stated in its Petition (Exhibit-D)*	The Petitioner Company submits the details of cash and cash equivalent available with it, as per the unaudited

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<td>that the reduction of the share capital shall be effected by crediting the cash and bank account. However, on perusal of the Company's unaudited financial statements as on 31.01.2025., it is observed that the cash and bank account balance is Rs. 183,17,90,000/-. However, the amount of Share Capital proposed to be reduced and paid back to shareholders is Rs. 203,00,00,000. Thus, it appears that the Petitioner Company does not have enough balance in its cash and bank account to pay the proposed amount.</td>
<td>financial statements as on 31.01.2025:
<table>
<tr><th>Particulars</th><th>Note of financial statements</th><th>Rs. in lakhs</th></tr>
<tr><td>Cash balance</td><td>10a</td><td>15,771.48</td></tr>
<tr><td>Bank balance</td><td>10b</td><td>2,546.41</td></tr>
<tr><td>Deferred proceeds of disinvestment receivables</td><td>6</td><td>4,119.62</td></tr>
<tr><td>Total</td><td></td><td>22,437.51</td></tr>
</table>
The Petitioner Company submits that it has received the amount pertaining to the deferred proceeds of disinvestment receivables of Rs. 4,100.79 lakhs during the month of July 2025, cash escrow account statement demonstrating receipt of the proceeds is enclosed as <u>Exhibit 'B'</u>.
Further, the Petitioner Company submits the details of cash and cash equivalent available with it, as on 30.07.2025, as below:
<table>
<tr><th>Particulars</th><th>Bank</th><th>Account Number</th><th>Rs. in lakhs</th></tr>
<tr><td>Bank balance</td><td>ICICI Bank</td><td>000405007175</td><td>1,321.89</td></tr>
<tr><td>Bank balance</td><td>ICICI Bank</td><td>000405118201</td><td>1.24</td></tr>
<tr><td>Bank balance</td><td>ICICI Bank</td><td>000405118203</td><td>4.72</td></tr>
<tr><td>Bank balance</td><td>ICICI Bank</td><td>000405118204</td><td>3.07</td></tr>
<tr><td>Bank balance</td><td>ICICI Bank</td><td>000405125553</td><td>0.83</td></tr>
<tr><td>Bank balance</td><td>IDBI Bank</td><td>039102000002363</td><td>228.17</td></tr>
<tr><td>Fixed Deposits</td><td>IDBI Bank</td><td>NA</td><td>2,800.76</td></tr>
<tr><td>Fixed Deposits</td><td>Canara Bank</td><td>NA</td><td>77.90</td></tr>
<tr><td>Fixed</td><td>Axis</td><td>NA</td><td>16.28</td></tr>
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</tr>
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<tr><td></td><td></td><td>
<table>
<tr><td>Deposits</td><td>Bank</td><td></td><td></td></tr>
<tr><td>Escrow - Bank</td><td>ICICI Bank</td><td>000405162507</td><td>-</td></tr>
<tr><td>Escrow - FD</td><td>ICICI Bank</td><td>NA</td><td>18,314.38</td></tr>
<tr><td colspan="3">Total</td><td>22,769.23</td></tr>
</table>
The same is sufficient for payment to preference shareholders upon reduction of preference share capital upto Rs. 20,300 lakhs.
</td></tr>
<tr><td>6(C)</td><td>The matter may be decided by the Hon’ble NCLT on merits as deemed fit.</td><td>The Petitioner Company affirms that the present reduction of share capital does not envisage any compromise or arrangement with creditors, as no sacrifice is called for from the creditors. The rights of the creditors are not affected as all the creditors would be paid off in the ordinary course of business. Hence, I affirm that the interest of creditors is duly protected. The Petitioner Company has served notices to all its creditors in compliance with directions of the Hon’ble Tribunal. Without prejudice to the above, the Petitioner Company undertakes to protect the interest of its shareholders and creditors.</td></tr>
<tr><td>7(A)</td><td>Applicant to submit an Affidavit to the effect that the interest of the creditors and all stakeholders and Government Revenue are protected as well as statutory dues are paid off.</td><td>So far as the observation in paragraph 7(A) of the Report of the Regional Director is concerned, the Petitioner Company submits that the proposed reduction is for the benefit of the Petitioner Company and its shareholders and the interest of the creditors of the Petitioner Company is not adversely affected by the present Company Petition. Further, there is no compromise or arrangement with the creditors of the Petitioner Company and there is no reduction in amount payable to any of the creditors of the Petitioner Company, as their respective dues will be paid in the ordinary course of business. Further, the Petitioner Company further submits that, pursuant to the instant Company Petition:
(i) there are no minority shareholders in the Petitioner</td></tr>
</table>

		Company; and (ii) statutory dues will be paid by the Petitioner Company in the ordinary course, as per law. The Petitioner Company by way of this Affidavit undertakes to protect the interest of its creditors, all stakeholders and Government Revenue and pay all the statutory dues in ordinary course in accordance with the provisions of the law, subject to appropriate rights and remedies available to the Petitioner Company.
7(B)	*The tax implication if any arising out of the proposal for reduction is subject to final decision of Income Tax Authorities. The approval of the Company Petition by this Hon'ble Court may not deter the Income Tax Authority from scrutinize the tax return filed by the Company after giving effect to the proposed reduction. The decision of the Income Tax Authority is binding on the petitioner Company.*	So far as the observation in paragraph 7(B) of the Report of the Regional Director is concerned, the Petitioner Company submits that it shall comply with all the applicable provisions of the Income-tax Act, 1961. The Petitioner Company states that approval of this Company Petition by the Hon'ble Tribunal shall not deter the Income Tax Authorities from scrutinizing the income tax return filed by the Petitioner Company after giving effect to the proposed capital reduction. It is further submitted that the Petitioner Company will be subject to the applicable tax implications, *if any*, arising out of the Company Petition which will be dealt with in accordance with the provisions of the Income-tax Act, 1961. It is further submitted that the applicable tax, *if any,* or any other tax implications arising out of the Company Petition in the hands of the shareholders or the Petitioner Company shall be paid / complied by them in accordance with the provisions of the Income-tax Act, 1961. Further, if applicable, the decision of the Income Tax Authority shall be binding on the Petitioner Company, subject to appropriate remedies and right to appeal available to the Petitioner Company under the provisions of the Income-tax Act, 1961 or any other applicable law in this regard.

7(C)	***The subject applications is falling under following provisions of Companies Act, 2013 and Company's application must satisfy the requirements of Law:-*** ***Provisions of Section 55(2)(a) & (c) provided that;*** *"no such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption; where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this Section, apply as if the Capital Redemption*	So far as the observation in paragraph 7(C)(i) of the Report of the Regional Director is concerned, the Petitioner Company submits that the present Petition has been filed under Section 66 of Companies Act, 2013 read with relevant rules for reduction of its share capital and that the petition has not been filed under Section 55 of the Act. Section 55 and Section 66 of the Act are two independent Sections, which permit for redemption of preference share capital and reduction of preference share capital respectively. Section 55(2)(a) & 55(2)(c) of the Act, provide for redemption of preference shares of the company out of profits available for dividend or proceeds of fresh issue of shares without requiring any approval of the National Company Law Tribunal, which is not the instant case. Section 55(3) of the Act provides for redemption of preference shares by further issue of preference shares by a company. Section 66 of the Act provides for reduction of share capital in any manner by extinguishing any liability on any of its shares and payoff its capital, with the approval of the Hon'ble National Company Law Tribunal. It is a well settled position under the law that a company has freedom to choose amongst the procedures laid down in the law as it deems fit. The instant petition has been filed by the Petitioner Company under Section 66 of the Act which involves reduction of the preference share capital of the Petitioner Company and all the provisions applicable thereto have been complied with. The subject application does not fall within the purview of Section 55 of the Act and thus, conditions prescribed therein are not applicable in the instant case. In support of above contention, the Petitioner Company relies upon the following judicial pronouncements of the Hon'ble National Company Law Tribunal / Jurisdictional

	Reserve Account were paid-up share capital of the company; and" ***Section 55(3) provided that;*** *Where a company is not in a position to redeem any preference shares or to pay dividend, if any, on such shares in accordance with the terms of issue (such shares hereinafter referred to as unredeemed preference shares), it may, with the consent of the holders of three-fourths in value of such preference shares and with the approval of the Tribunal on a petition made by it in this behalf, issue further redeemable preference shares equal to the amount due, including the dividend thereon, in respect of the unredeemed preference shares, and on the issue of such further redeemable preference shares, the unredeemed preference shares shall be deemed to have been redeemed: and* ***Provisions of Section 66(1) provided that;***	High Court, which are summarised as under:- *i.* **Hon'ble Bombay High Court** in case of **Birla Global Finance Ltd. (2004) 58 CLA 154 (Bom),** annexed as **<u>Exhibit-'C'</u>,** has held vide para 14 that "*Under Clause (c) of Sub-Section (1) of Section 100 (corresponding to Section 66 of the Companies Act, 2013), a company can pay back to the shareholders any paid-up share capital which is in excess of wants of the company. Redemption of the preference shares is nothing but paying back to the shareholders their preference share capital. This can be done subject to confirmation by the court if the capital is in excess of the wants of the company and the company is so authorised by its Articles and the company passes a special resolution to that effect. In my opinion, therefore preference shares can be redeemed not only in accordance with Section 80* ***(corresponding to Section 55 of the Companies Act, 2013)*** *but, also in accordance with the provisions of Section 100 of the Act* ***(corresponding to Section 66 of the Companies Act, 2013)****. If the shares are to be redeemed not out of the fresh issue of shares made for that purpose nor out of the profits which would otherwise be available for dividend as required under Section 80* ***(corresponding to Section 55 of the Companies Act, 2013)****, provisions of Section 100 of the Act* ***(corresponding to Section 66 of the Companies Act, 2013)*** *would have to be complied. Two independent procedures are available to a company for redemption of preference shares. It may redeem the shares by following the procedure laid down under Section 80 of the Act* ***(corresponding to Section 55 of the***

	Subject to confirmation by the Tribunal on an application by the company, a company limited by shares or limited by guarantee and having a share capital may, by a special resolution, reduce the share capital in any manner and in, particular, may – *(a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or* *(b) either with or without extinguishing or reducing liability on any of its shares,—* *(i) cancel any paid-up share capital which is lost or is unrepresented by available assets; or* *(ii) pay off any paid-up share capital which is in excess of the wants of the company,* *In this regard, it is respectfully submitted that the Petitioner Company is repaying 2,03,00,00,000/- for 7%, Seven years, cumulative Redeemable Preference Shares and Series 'A' 7& Seven years, Cumulative Optionally Convertible,*	***Companies Act, 2013)*** *which is a special provision meant for redemption of preference shares or it may take recourse to the general provision under Section 100 of the Act* ***(corresponding to Section 66 of the Companies Act, 2013)*** *which is applicable for reduction of any capital, including preference capital, in any manner."* ii. **Hon'ble National Company Law Tribunal, Mumbai Bench** in the matter of **Panama Wind Energy Godawari Private Limited**, C.P. 144 (MB)/C-III/2023 (Order dated 18.01.2024), annexed as **Exhibit-'D',** *vide* para 14 to 20 of the Order (similar to the instant case) has considered observations and replies thereto made by the Petitioner Company regarding applicability of Section 55 of the Act where a petition has been filed under Section 66 of the Act and has approved the reduction of Preference Share Capital by the Petitioner Company. ***iii.*** **Hon'ble National Company Law Tribunal, Mumbai Bench** in the matter of **Sarjan Realities Private Limited** in C.P.303/(MB)/C-III/2023 Order dated 07.10.2024, annexed as **Exhibit-'E',** have mentioned that *"The Facts in this case are similar to the facts of* ***Panama Wind Energy (Supra)****. Accordingly, the submission given by the Petitioner Company in respect of the reduction of share under Section 66 is found to be acceptable in the view of the above and also in the view of the various decisions cited by the coordinate benches of the NCLT".* So far as the observation in paragraph 7(C)(ii) of the Report of the Regional Director is concerned, the

	Redeemable Preference Shares by way of reduction of share capital, in this connection it is submitted that, the Petitioner Company shall satisfy following:- *(i) The Petitioner Company shall satisfy the condition u/s 55(2)(a) for redemption of Preference Shares as reduction is being made only out of profit of the Company which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of such redemption" as the Company has General Reserve/Returned Earnings balance as on 31.03.2024 was Rs. 195.12 lakh only.* *(ii) (ii) The Scheme proposes to reduce/cancel 2,03,00,000 Preference shares of Rs. 100/- each at an aggregate amount of Rs.*	Petitioner Company submits as under: a. As per the Section 66 of the Act, a company having a share capital can reduce its share capital in any manner as it so desires, by passing a board resolution, special resolution and subject to confirmation by the National Company Law Tribunal. b. As per the Act, Section 68 empowers the Company to purchase its own securities i.e. Buyback of securities, upto certain limits and with the approval of Board and Shareholders of the Company. The process under Section 68 of the Act does not require any intimation to or approval of the Hon'ble National Company Law Tribunal. c. The process, approvals and mechanism prescribed u/s 66 and 68 are mutually exclusive, independent and are not applicable for a same transaction. Section 66(6) of the Act explicitly provides for non-applicability of provisions of Section 66 of the Act in case of a buy-back of own securities by any Company under Section 68 of the Act. d. The instant petition is filed by the Company for the approval under Section 66 of the Act. Section 66 of the Act provides for a detailed procedure to reduce the share capital of the Company with or without consideration, with the approval of Board, Shareholders and the Hon'ble National Company Law Tribunal, which has been duly followed in the instant case. e. The Company is permitted and has an option to undertake corporate action either under Section 66 of the Act or under Section 68 of the Act and accordingly is required to comply provisions of the applicable section under which such corporate action is

	2,03,00,00,000/-. It appears that the present scheme will lead to circumvent the provisions of Section 68- the buyback of Shares. The Petitioner Company be directed to place on record as to how the present Scheme is not to circumvent the provisions of the Section 68.	undertaken, which in the instant case is Section 66 of the Act. Hence, provisions of Section 68 of the Act are not applicable to the proposed reduction of Capital and thus, the present scheme does not circumvent the provisions of Section 68 of the Act. f. In this regard, reliance is placed on the following rulings where similar observations were raised by the Regional Director and the Hon'ble National Company Law Tribunal has allowed reduction of share capital as a procedure under Section 66 of the Act holding that reduction of capital under Section 66 of the Act does not circumvent the provisions of Section 68 of the Act: **i. Hon'ble National Company Law Tribunal, Mumbai Bench** in case of **Max India Limited** in CP No. 344 of 2021 (Order dated 08.06.2022), annexed as **Exhibit-'F',**. **ii. Hon'ble National Company Law Tribunal, Mumbai Bench** in case of **Supreme Petrochemical Limited** in C.P. No. 330 of 2021 (Order dated 10.03.2022), annexed as **Exhibit-'G',**. **iii. Hon'ble National Company Law Tribunal, Mumbai Bench** in case of **Fairfield Atlas Limited** in CP No. 207 of 2021 (Order dated 09.03.2022), annexed as **Exhibit-'H',**. **iv. Hon'ble National Company Law Tribunal,** Mumbai **Bench** in case of **Sai Service Private Limited** in CP No. 195 of 2022 (Order dated 31.07.2023), annexed as **Exhibit-'I'.** In view of the above, the Petitioner Company submits that present scheme does not circumvent the provisions

		of Section 68 of the Act and the provisions of Section 68 are not applicable to the instant petition filed and compliant under Section 66 of the Act.
(D)	*Further, the petitioner company has major shareholders namely* ***NSE Investment Limited*** *holding 100% shares mentioned in the Financial statements as at 31.03.2024 and 31.01.2025, but Company has not filed Form BEN-2 declaring name of the Beneficial Owner of the Shareholding as its shareholders on 31.03.2024 & 31.01.2025 in compliance with section 90 of the CA, 2013,thus the Petitioner Company shall undertake to comply with the requirements of Section 90 of the CA, 2013 and Companies (Significant Beneficial owners) Rules, 2018.*	So far as the observation in paragraph 7(D) of the Report of the Regional Director is concerned, the Petitioner Company submits that NSE Investments Limited ("NSE Investments") was the parent company, holding 100% shares of the Petitioner Company as on 31.03.2024 and 31.01.2025. Pursuant to a share purchase agreement dated 31 January 2025, executed among CL Educate Limited ("CLEL"), NSE Investments and the Petitioner Company, NSE Investments transferred 100% of the equity and preference share capital of the Petitioner Company to CLEL on 20 February 2025. In view of this, none of the individual shareholders, acting alone or together, or through one or more persons or trust, held indirectly, or together with any direct holdings, 10% or more of the shares or voting rights of the Petitioner Company as on 31.03.2024 as well as 31.01.2025. Hence, filing of Form BEN-2 is not applicable to the Petitioner Company. The Petitioner Company further submits that it would comply with the provisions of Section 90 of the Companies Act, 2013 read with the Companies (Significant Beneficial Owners) Rules, 2018 amended from time to time and make necessary filings with the Registrar of Companies, if required and applicable under the provisions of law. In case the Petitioner Company has not complied with the aforesaid provisions, if applicable, liberty is given to the concerned Registrar of Companies to take appropriate remedies against the Petitioner Company in accordance with law with respect to the above issue, subject to availability of reliefs and remedies to the Petitioner

		Company under the applicable provisions of the Companies Act, 2013. Without prejudice to the above, the Petitioner Company shall continue to remain in existence, post the reduction of share capital becoming effective and sanction of this Company Petition shall not have any prejudicial impact on the powers and rights of the concerned Registrar of Companies in accordance with the applicable provisions of the Act.

14. The representations made by the Regional Director, Western Region on behalf of the Central Government are enlisted herein in the aforesaid paragraph along with the response of the Petitioner Company on the representations of the Regional Director,Western Region which was e-filed *vide* Affidavit of the Petitioner Company with this Hon'ble Tribunal on 31.07.2025 and physical copy was filed with the office of the Regional Director, Western Region on 01.08.2025. The clarifications and undertakings given by the Petitioner Company in Paragraph 13 are accepted by this Tribunal.
15. Considering the entire facts and circumstances of the case along with perusal of the documents and materials placed on record, the Company Petition is allowed.
16. In light of the aforesaid, this Bench is of the considered view that reduction of share capital is just and equitable in terms of Section 66 of the Act and does not violate any provisions of law and is not contrary to public policy. However, it is clarified that this order should not be construed as an order granting exemption from payment of stamp duty, taxes including any withholding tax or any other charges arising out of the proposed reduction of share capital