



**NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 28.05.2025 AT
10.30 A.M. THROUGH VIDEO CONFERENCING:**

**PRESENT: SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)**

APPLICATION NUMBER : --
PETITION NUMBER : CP/48/(CHE)2025
NAME OF THE PETITIONER : Roots Multi Clean Ltd
NAME OF THE RESPONDENT(S) : --
**UNDER SECTION : Sec 66 of CA, 2013 r/w Rule 2 of National
Company Law Tribunal Rules, 2016**

ORDER

Ld. Counsel Ms. Manjula Devi is present for the Petitioner.

Ld. Counsel Mr. Kaushik Chatterjee is present for the shareholders.

1. This Application has been filed by the Roots Multi Clean Limited under the provisions of Section 66 read with Section 52 of the Companies Act, 2013, NCLT (Procedure for Reduction of Share Capital of Company) Rules, 2016 and the applicable Provisions of the NCLT Rules, 2016 , seeking reliefs as follows;

"a) That the reduction of share capital resolved by the shareholders of the Applicant Company vide special resolution, dated 27th March, 2025, as set out in Para No. 12 above, be confirmed by this Hon'ble Tribunal,

b) That the words 'and reduced' may please be dispensed with taking into account the solvency and financial position of the Applicant Company:

c) That to this end all directions necessary and proper be made and given;

d) That the proposed form of the minute at paragraph 19 above, be approved, and



e) That the Applicant Company may please be granted liberty to file the form of minute reflecting the exact numbers of shares held by 'Identified Shareholders', as on the date the Hon'ble Tribunal passes orders for such filing, taking into account transfer of shares, in the interregnum."

2. It is stated that on 27th March 2025, a Special Resolution was passed by the Shareholders of the petitioner company in the Extra Ordinary General Meeting (EoGM) held at the Registered Office of the Petitioner Company for the Reduction of Share Capital of the Company under Section 66 of the Companies Act, 2013. The Special Resolution is extracted hereunder:

"RESOLVED THAT pursuant to the provisions of Section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules, circulars, notifications, if any made there under, and pursuant to the relevant provisions of the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and subject to the confirmation by the Hon'ble National Company Law Tribunal, (NCLT). Chennai Bench and subject to such other consents, approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such terms, conditions or modifications as may be prescribed or imposed by the Hon'ble NCLT or by any statutory or regulatory authorities, while granting such approvals and agreed by the Board of Directors of the Company (the "Board"), the consent of the members of the Company be and is hereby accorded to selectively reduce the Company's issued, subscribed and paid-up equity share capital from INR 2,00,00,000 (Rupees Two Crores Only) comprising of 20,00,000 (Twenty Lakhs) fully paid up equity shares of INR 10/- (Rupees Ten Only) each to INR 1,71,73,600 (Rupees One Crore Seventy One Lakhs Seventy Three Thousand and Six Hundred Only), comprising of 17,17,360 (Seventeen Lakhs Seventeen Thousand Three Hundred and Sixty Only) fully paid up equity shares of INR 10/- (Rupees Ten Only) each by cancelling and extinguishing 14.13% of the total issued, subscribed and paid-up equity share capital of the Company (the "Capital Reduction") comprising of 2,82,640 (Two Lakh Eighty-Two Thousand Six Hundred and Forty Only) issued, subscribed and fully paid up equity shares of INR 10/- (Rupees Ten Only) each (the "Identified Shares") held by the Identified Shareholders, as on date, in the Company as per the list attached to the Explanatory Statement to this resolution;

"RESOLVED FURTHER THAT subject to the confirmation of the Capital Reduction by the Hon'ble NCLT and such Capital Reduction becoming effective and operative and/or the receipt of such other approvals or confirmations as may be required, the Identified Shareholders of the Company as on the Record Date, as determined by the Board, post the said confirmation by the Hon'ble NCLT, shall be paid, for the equity shares held by them and which are cancelled and extinguished, a sum of INR 2,000 per equity share being the fair value of the equity shares of the Company based on the valuation by the registered valuer."

"RESOLVED FURTHER THAT if there be any transfer of shares, after the date of this Notice, by any of the Identified Shareholders, such persons who hold shares as on the Record Date (excluding the Remaining Shareholders), shall be deemed to be included in



the list of Identified Shareholders whose Identified Shares are sought to be cancelled and extinguished and who shall be paid a sum of INR 2,000/- per equity share so held by them, as on the Record Date, as consideration against such cancellation and extinguishment."

"RESOLVED FURTHER THAT *subject to the confirmation of the Capital Reduction by the Hon'ble NCLT and such Capital Reduction becoming effective and operative, without any further act or deed by the Identified Shareholders, all the Identified Shares shall stand cancelled, extinguished and rendered invalid and as a result thereof the issued, subscribed and paid-up share capital of the Company shall also stand reduced to the extent of the face value of the equity shares so extinguished."*

"RESOLVED FURTHER THAT *the payment of the said consideration to the Identified Shareholders referred to above shall be made within such number of days of the Record Date, as the case may be, as shall be decided by the Board and subject to such approvals, if any, as may be required under the applicable law or as may be directed by the Hon'ble NCLT, on the Capital Reduction becoming effective. All such payments will be made by cheque, demand draft, NEFT or RTGS as the case may be after deduction/withholding of applicable taxes (if any) by the Company."*

"RESOLVED FURTHER THAT *Mr. Ramaswamy Varun Karthikeyan, Vice Chairman and Managing Director (DIN. 00585158) and/or Mr. K.Ramasamy, Executive Chairman (DIN: 00034360) be and are hereby authorised severally to take all necessary steps and do all such acts, deeds, matters and things, as they may, in their absolute discretion, deem necessary, expedient, usual or proper in the best interest of the Company and its members in connection with and relating to the Capital Reduction, including any directions for settling any question or doubt or difficulty whatsoever that may arise for the purpose of giving effect to the Capital Reduction, or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, including but not limited to:*

- 1. engage advocates/lawyers/practising company secretaries or such other eligible professionals in order to file and represent the Company before the Hon'ble NCLT and/or such other courts/tribunals/authorities and to file the necessary applications, petitions, affidavits, pleadings for and on behalf of the Company and to apply and obtain certified copies of the orders, decrees, directions etc., that may be passed by the Hon'ble NCLT and/or such other tribunals/authorities and all other documents that may be required by the Company in this regard;*
- 2. obtain approval/consent from such other regulatory / statutory authorities and parties (including creditors) as may be considered necessary, for the Capital Reduction;*
- 3. obtain necessary certificates from the statutory auditors for the completion of the Capital Reduction process;*
- 4. make, prepare, file and submit any applications, petitions, affidavits, declarations, appeals, summons and any other documents as may be required or necessary, in connection with and relating to the Capital Reduction, before the*



Hon'ble NCLT and any other court, tribunal or relevant authorities including the Registrar of Companies and Regional Director;

5. verify, sign, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and prepare all deeds, declarations, instruments, affidavits, applications, petitions, observations, consents, notices and writings, as may be usual, necessary or proper for undertaking and giving effect to the Capital Reduction;

6. make such alterations, modifications or amendments in all applications, petitions and other documents as may be required or necessary for complying with the requirements or conditions imposed by the Hon'ble NCLT, courts, tribunals and/or any other appropriate authorities and to do such matters connected therewith;

7. withdraw the application/petition filed before the Hon'ble NCLT for the Capital reduction at any stage, in case any changes and/or modifications suggested or required to be made in the application/petition or any condition imposed, whether by the NCLT and/or any other regulatory authority are, in their view, not in the interest of the Company and/or if the application/petition cannot be implemented otherwise, and to do all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto;

8. open a bank account in the name of the Company and deposit the amount to be paid to the Identified Shareholders in lieu of the cancellation and extinguishment of the Identified Shares pursuant to the Capital Reduction in such account;

9. call for the bank account details of the Identified Shareholders of the Company for paying the consideration amount;

10. discharge payment due to the Identified Shareholders of the Company in lieu of the cancellation and extinguishment of the Identified Shares in accordance with applicable law by cheque, demand draft, NEFT or RTGS after deduction/withholding of appropriate taxes (if any) by the Company.

11. pass such accounting entries and/or making such other adjustments in the books of accounts of the Company, as are considered necessary to give effect to the above resolution, in accordance with applicable accounting standards;

12. comply with all necessary formalities, compliances and disclosures in this regard and file necessary forms or documents with the relevant authorities (including but not limited to the Registrar of Companies);

13. do all such other acts, matters, deeds and things as may be considered necessary and expedient in connection with or incidental to giving effect to the above resolution or to settle any question or difficulty that may arise;

14. To delegate any or all of the powers conferred upon them by this resolution to any committee of the Board, any other director(s), and/or officer(s)/ executives of the company."



3. It is stated that the Statutory Auditors of the Petitioner Company by their certificate dated 23.04.2025 annexed as ***Annexure “11”*** to the petition have confirmed that the Accounting Treatment proposed by the Company is in conformity with the Accounting Standards specified by the Central Government under Section 133 of the Act, 2013.

4. We have heard and perused the petition filed by the Petitioner along with the annexures.

5. The Authorized capital of the company as on 31.03.2024 is Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up capital of the Company as on 31.03.2024 is Rs. 2,00,00,000 (Rupees Two Crores only) comprising of 20,00,000 Equity Shares of Rs.10 each.

6. The Statutory Auditors of the Petitioner Company have filed a Certificate which is appended as ***“Annexure 9”*** to the effect that the Petitioner Company as on 23.04.2025 has 4 Secured Creditors with an outstanding due of Rs.36,10,52,853/-, 160 Unsecured Creditors (Domestic) with an outstanding due of Rs.22,75,12,063/- and 24 Unsecured Creditors (Imports) with an outstanding due of Rs.2,60,57,639/-

7. A Perusal of the Articles of Association as amended on 27.03.2025, more particularly, Article 4, discloses that the Petitioner Company by way of a special resolution can reduce the shares of the company. **(Page no. 38)**

8. It is averred in the petition that the company has not accepted any deposits and therefore there are no arrears in repayment of any deposit or interest thereon as on the date of petition. A declaration to that effect has been filed by the Directors of the company which is placed at ***Annexure-12*** of the typed set of the petition. The Statutory Auditors have verified and certified that the company



has no arrears in repayment of deposit or interest and the same is placed at ***Annexure-10*** of the typed set of the petition.

9. In consonance with the provisions of this Act as well as the rules framed thereunder, the company amongst other documents, have also filed a certificate dated 23.04.2025 from the Auditor of the company issued to the effect that the accounting treatment for the Reduction of Share Capital is in conformity with the Accounting Standards specified by the Central Government under Section 133 of the Act, 2013.

10. Taking into consideration, the petition as well as the documents filed along with it, and also the representation made by the Learned Counsel for the Petitioner Company, we order as follows;

- i. The Petitioner 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, Ministry of Corporate Affairs, represented by the Registrar of Companies and Registrar Director having jurisdiction over the files of the Petitioner Company as well as to the Creditors and Dissenting Shareholders of the Petitioner Company.
- ii. The Petitioner Company is further directed to cause publication of notice in the prescribed form in English "Indian Express" and Tamil "Dinamalar", where the registered office of the Petitioner company is situated.
- iii. The Petitioner Company is also directed to upload in their website, if any, intimating the factum of the petition and notice of the date of hearing, which is fixed as **10.09.2025**.



11. The Petitioner 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 Petitioner shall be given by the Petitioner 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. Further, the Petitioner is directed to file a comparison table detailing Authorized Share capital, Issued Share Capital and Paid up Share capital of the Petitioner Company before Reduction and after Reduction, by way of an Affidavit within a period of 2 weeks from the date of this order.

13. The petition shall come up for hearing on **10.09.2025** by which date the authorities to whom the notice of the petition 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 petitioner company as contemplated in the petition.

14. Reply within 3 weeks for other parties and for the statutory authorities within the timeline prescribed under the Section 66(2) of Companies Act. Rejoinder, if any, be filed within 2 weeks thereafter.

15. To come up for further hearing and orders on **10.09.2025**.

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

Sd/-
JYOTI KUMAR TRIPATHI
Member (Judicial)

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