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IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.29
CP. No. 33/BB/2025

IN THE MATTER OF:

M/s. Vijaykant Dairy & food Products Ltd. ... Applicant

Petition under Section 66 of CA, 2013

Order delivered on: 28.11.2025

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner : Shri Pradeep B Kulkarni
 For the ROC : Ms. Teju for Hemanth Rao

ORDER

The C.P is allowed vide separate order.

File be consigned to Record Room.

-Sd-

RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-

SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

BL





IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

C.P No.33/BB/2025

Under Section 66 of the Companies Act, 2013

IN THE MATTER OF:

VIJAYKANT DAIRY AND FOOD PRODUCTS LIMITED,

Vijaynand Road Line,
CTS No.4883, Fort Road,
Belgaum City,
Karnataka - 590001

Petitioner Company

Order delivered on: 28.11.2025

CORAM: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

PRESENT:

For Petitioner : Shri Pradeep .B.Kulkarni PCS
For ROC : Shri Hemanth Rao

ORDER

1. This is an petition filed on 25.11.2024 by **Vijaykant Dairy And Food Products Limited** (hereinafter referred as 'Petitioner Company') Under section 66 of the Companies Act, 2013 seeking for reduction of issued, subscribed and paid-up equity share capital of the Petitioner Company approved by the special resolution at the 20th Annual General Meeting set out in Para 10 of the petition.
2. The Petitioner Company was incorporated on 16.09.2004, under the Companies Act, 1956 and later w.e.f March 22, 2010 the Company was converted into public limited company having Corporate Identification Number U51201KA2004PLC034702. A copy of Memorandum of Association and Articles of Association has been placed on record as **Annexure-A** to the Petition The main objects of the Petitioner Company inter alia are as under





'To carry on the business of manufacturers of milk, milk powder cream, butter milk, ghee, cheese, soft cheese, paneer, sweet curd, channa, khoova, rabri etc., and act as consultant engineers for dairy plant in India and abroad.

3. It is stated that Article No.9 of the Articles of Association empowers the Petitioner Company to reduce its Capital. The extracts of the said Article is given hereunder:

"9. The Company may, from time to time by special resolution reduce its shares capital in the manner authorised by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may if and so far as its necessary, alter its Memorandum by reducing the amount of its share capital and its shares accordingly"

4. The Present authorised, issued and paid-up Share Capital of the Petitioner Company, is as follows;

Authorized Capital	Amount (INR)
1,50,00,000 equity shares of Rs.10/- each	15,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
80,10,000 equity shares of Rs.10/- each	8,01,00,000

5. The Board of Directors of the Company in its board meeting held on 16.08.2024 proposed to reduce its equity share capital proportionately from each of the existing non-promoter public shareholder's share capital in the company, pursuant to Section 66 of Companies Act, 2013 based on the recommendation of the Audit Committee and pursuant to Article 9 of the Article of Association of the Petitioner Company.
6. Pursuant to the Board Meeting dated 16.08.2024, the Extraordinary General Meeting was held on 23.09.2024, wherein, the Members of the Petitioner Company vide Special Resolution, with 99.99% approved the proposed reduction, which inter alia reads as follows;

"RESOLVED THAT pursuant to the provisions of Section 66 of the Companies Act, 2013 including any statutory amendment or re-enactments thereof read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016 (NCLT RSC Procedure Rules) and other applicable provisions of the National Company Law Tribunal 2016 (NCLT Rules) and pursuant to Article 9 of the Articles of Association of the company subject to confirmation of the National Company Law Tribunal ('Hon'ble Tribunal' or 'NCLT'), the consent of the members of the company be and is hereby accorded by way of a special resolution to reduce the present issued, subscribed and paid-up value of the share capital



from Rs.8,01,00,000 divided into 80,10,000 equity shares of Rs.10/- to Rs.7,83,37,290/- divided into 78,33,729 equity shares of Rs.10/- by cancelling the paid-up share capital to the extent of Rs.17,62,710 divided into 1,76,271 equity shares of Rs.10/- each which shall be paid off to such non-promoter shareholders who are identified shareholders for a consideration of Rs.225 per share, being the value, which is 14.79% over and above the fair value (i.e., Rs.196) as determined in the valuation report dated August 16, 2014 by Mr. C.S Venkata Subbarao Kalva, Registered Valuer, (IBBI/RV/04/2019/11140) whereby the total consideration will amount to Rs.3,96,60,975/- which shall be paid out of the free reserves of the company as per the latest audited financial statements as on 31st March 2024."

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 or their nominees (including surrendering of share certificates with transfer forms and/or sending appropriate instructions to the depository participants), the equity shared held by the identified shareholders shall stand cancelled and rendered invalid."

7. The reduction of share capital does not involve extinction or reduction or any liability in respect of unpaid share capital or cancellation or any paid-up share capital which is lost or is unrepresented by available assets. However, the reduction of share capital involves the payment to the shareholders of paid-up equity share capital which is in excess of the wants of the company.
8. The Petitioner company has not obtained/accepted any deposit as defined under Section 73 of the Act, read with rules thereunder and therefore, the requirement under Rule 2 (2) (c) of NCLT RSC Procedure is not applicable to the Petitioner Company. Also there are no inspection/investigation and inquiry pending or initiated against the company or its Directors or officers under companies Act, 2013 as on date.
9. A certificate issued by M.Rajesh Kini and Co., statutory auditors of the Petitioner Company that the reduction of the share capital is in conformity with the accounting standards specified under Section 133 of the Act same is attached as Annexure-N to the Petition.
10. When the C.P was listed on 03.03.2025, following order was passed:
 - "2. Issue notice to the Regional Director (SER), Hyderabad, the ROC, Karnataka and Creditor (s) of the Petitioner Company. Registry is directed to prepare notice and Counsel for the Petitioner is permitted to collect the notice from the Registry and serve it on the Respondents along with a copy of petition and other material documents through email as well as by speed post and to file an affidavit of service





along with tracking report in the Registry within a period of three weeks. Petitioner is also permitted to cause paper publication in 'Business Standard', English daily and translation thereof in 'Kannada Prabha' Kannada Daily in Bengaluru Edition and file proof of publication, within a period of three weeks. The respective statutory authorities may file its report well before the next date of hearing, after duly serving the copy on the otherside.

3. List the case on 24.04.2025.

11. In compliance to the said order, the Petitioner Company has filed Compliance Affidavit vide Diary No. 1519 dated 21.03.2025. Along with the Affidavit the Petitioner Company has also attached the postal receipts of notices sent to the Regional Director, Hyderabad, Registrar of Companies, Bengaluru and the copies of paper publications of the advertisement made for the proposed reduction.
12. The Registrar of Companies, Karnataka, Bengaluru and the Regional Director, South Eastern Region, Hyderabad have filed a Common Report vide Diary No. 4410 dated 11.08.2025 by *inter alia* observing as under in Para-3:
 - a) That as per the directions of Hon'ble NCLT, the Petitioner has served a copy of the petition to this office on 25.11.2024 for Reduction of Share capital under Section 66 of the Companies act, 2013.
 - b) That as per Clause 7 of the petition, the Article 9 of the AoA of the Petitioner Company provides for Reduction of Share Capital of the Company.
 - c) That the Company was originally incorporated in the State of Karnataka on 16.09.2004 with the name Vijaykant Dairy and Food Products Private Limited under the jurisdiction of the ROC, Karantaka. The Company subsequently changed its name to Vijaykant Dairy and Food Products Private Limited with effect from 14.03.2008 and thereafter changed to Vijaykant Dairy and Food Products Limited on 22.03.2010 on pursuant to conversion from private company to public company. Presently the registered office of the Petitioner company is situated at Vijaynand Road Lines, CTS No.4883, Fort Road, Belgaum City, Belgaum- 590001.
 - d) That the Petitioner Company has filed e-form GNL-1 with RoC for Reduction of Share capital.
 - e) That as per MCA Master data, the present paid up capital of the Petitioner Company is Rs.8,01,00,000/-.
 - f) That the petition is filed for Reduction of Share capital of the Company from Rs.8,01,00,000 to Rs.7,83,37,290/- by cancelling the paid up share capital to the



extent of Rs.17,62,710/- divided into 1,76,271 equity shares of Rs.10 each held by the identified shareholders of the applicant company representing in aggregate upto 2.20% of the total issued, subscribed and paid up equity share capital of the Applicant Company.

- g) The Board of Directors of the Petitioner Company had considered and approved the proposal for the Reduction of Share capital of the Company in the Board meeting held on 16.08.2024 and the shareholders have approved the proposal of reduction by passing special resolution in the Annual General Meeting held on 23.09.2024 and the same has been filed by the Petitioner Company in Form No.MGT-14 vide SRN AB1437395 which is approved.
- h) That the Form of the Minute proposed to be registered under Section 66 (5) of the Companies Act, 2013 is as follows:
 “The paid-up share capital (equity capital) of Vijaykant Dairy and Food Products Limited (the capital reduction) is henceforth Rs.7,83,37,290/- consisting of 78,33,729 equity shares of Rs.10/- each, reduced from Rs.8,01,00,000 divided into 80,10,000 equity shares of Rs.10/- each and fully paid up”.
- i) That as per Clause 7 (II) of the petition filed by the Company for Reduction of Share capital, the Petitioner Company proposed to reduce 1,76,271, equity shares of Rs.10 each held by the identified shareholders (non-promoter public shareholders) of the applicant company representing in aggregate upto 2.20% of the total issued, subscribed and paid-up equity share capital of the Applicant Company. Further as per Clause 7 of the petition, the reason for such reduction is that the applicant company being public limited company is having ISIN, 97.80% of the shares are held by the promoters and promoter group, while the remaining 2.20% are held by the public. A significant portion of these public shareholders are rural farmers, primarily milk suppliers, who do not possess PAN, a mandatory requirement for opening a Demat account. This has been the primary reason they have not dematerialized their shares as mandated under Rule 9A of the Companies (Prospectus and allotment of Securities) Rules, 2014. Consequently, these shares remain in physical form. Furthermore the 2.20% of total equity amounts to 1,76, 791 equity shares, which are distributed among the entire public shareholders.
- j) That as required under the Rule 2(2) (a) of the NCLT Rules, 2016, the Petitioner Company has submitted the list of Creditors duly certified by the Directors of the Company as on 09.11.2024. It is found that one of the secured creditors namely





Bank of Baroda name is not disclosed in the list of creditors certified by the directors of the applicant company.

- k) That as required under the Rules 2 (2) (b) of the NCLT Rules, 2016 the Petitioner Company along with the petition has attached a certificate from the Auditor viz., M. Rajesh Kini and Co., Chartered Accountants certifying that as on 24.02.2025, the list of Creditors furnished by the Directors as per the records of the Company is correct.
- l) That as required under Rule 2 (2)(c) of the National Company Law Tribunal Rules, 2016 the Petitioner Company has attached a Certificate dated 09.11.2024 from the Auditor viz., Rajesh Kini & co. Chartered Accountants and declaration by the Directors of the Company stating that the company is not in arrears in the repayment of deposits or interest thereon.
- m) That as required under the Rule 2 (2) (d) of the NCLT Rules, 2016 the Petitioner Company has submitted certificate from the Statutory Auditors viz., M Rajesh Kini & Co., C.A dated 09.11.2024 stating that the accounting treatment for the company's proposal of reduction of share capital is in compliance with the accounting treatment stipulated in Ind AS and other generally accepted Accounting Principles in India.
- n) That accounting treatment proposed for the Reduction of Share capital of the Petitioner Company should be in conformity with the Accounting Standards specified in Section 133 or any other provisions of the Companies Act, 2013. The Hon'ble Tribunal may be pleased to direct the Petitioner Company to furnish an undertaking in this regard.
- o) That the Petitioner Company along with the petition submitted to this office has not attached a copy of the advertisement published in the newspaper/s for reduction of share capital. Hence, it is not known whether Petitioner Company has advertised or not. Therefore, the Hon'ble Tribunal may be pleased to seek clarification from the Petitioner Company about the compliance of Rule 3 (3) of the NCLT Rules, 2016.
- p) That there are no open prosecution, technical scrutiny/inquiry, inspection and investigation pending in this office against the Petitioner Company.
- q) On examination of the petition, material papers and reply of the Petitioner Company, the RD has made the following observation apart from the observations made by the ROC at Para 5 above, which are as under:

- a. The scheme of reduction of capital is filed for paying off to a selective members of the company i.e. 2.20% and the same is for a selective group i.e. Public other than promoters and Promoter group. This is not a uniform





reduction. The reasons stated for reduction may be looked into by the Hon'ble Tribunal and seek justification from the company before approval of the scheme.

- b. That as per the reply of the company, it is stated that the company holds an unclaimed and unspent amount towards IEPF in a separate account, which has not yet completed the 7 year period. In this regard, the petition company may be directed to furnish an undertaking before the Hon'ble Tribunal stating that the same will be transferred to IEPF authority after stipulated period.
- c. That the Petitioner Company has certain disputed statutory dues towards Income tax. In this regard, the petitioner company may be directed to furnish an undertaking stating that the dues will be settled by the company as and when the same are crystallised by the said statutory authorities.
- d. That the company has furnished the list of shareholders to whom the amount is being paid upon approval of the scheme. In this regard, the Petitioner Company may be directed to protect the interest of the public shareholders and furnish an undertaking before the Hon'ble Tribunal in this regard.
- e. That as per the reply of the company it is stated that the company intends to provide exit opportunity to 752 non-promoter public shareholders holding 1,76,271 equity shares of Rs.10/- comprising of 2.21% of the total paid up capital of the company, thereby the company will become a closely held company by the promoters.
- f. That as per the scheme at Para No.11 of the petition, it is stated by the Petitioner Company that as per the Scrutinizer's report, the total number of shareholders present at the meeting was 253 (3 promoter shareholders and 250 public shareholders) and 32 members having 55,89,224 have voted infavour of the scheme of reduction and 3 member having 666 shares (comprising of 0.01%) voted against the scheme and 11766 votes casted by 51 members became invalid. There are 752 non-promoter public shareholders having 1,76,271 equity shares are there in the petition company, whereas, only 250 public shareholders attended the meeting. Therefore, it appears that out of 253 shareholders present only 86 cast their votes (32+3+51) and reaming 167 shareholders though present in the meeting did not cast any vote. The same may be looked into by the Hon'ble tribunal



before the approval of the scheme in order to protect the interests of the public shareholders.

- g. That the Petitioner Company may be directed to furnish the details of the accounting entries to be made in the books of accounts of the Petitioner company upon approval of the scheme i.e. the entries to be made on the side of assets and also on the side liabilities.
- h. That upon approval of the scheme, the Petitioner Company intends to pay off Rs.3,96,60,975/- by depositing the amount in their respective bank accounts. As per the valuation report given by Shri Venkata Subbarao Kalva, Registered Valuer per share is Rs.196/- as on 30.06.2024. The Petitioner Company may be directed to explain as to how the value of Rs.225/- has been arrived by the company with justification.
- i. That the Petitioner Company proposes to pay a sum of Rs.3,96,60,975/- to the selective public shareholders. In this regard, the Petitioner Company may be directed to furnish the details of sources of fund available to pay the above amount and also to explain whether the company shall be in a position to meet its liabilities upon approval of the scheme and pay off to the public shareholders. Further, since the public shareholders are involved in the scheme, the interest of public should be protected by the company and in this regard, the company may be directed to furnish an undertaking before the Hon'ble tribunal.
- j. That the Petitioner Company has related party transactions during the last two years. In this regard, the petitioner Company may be directed to show the compliance of the provisions of Section 188 of the companies Act, 2013 and furnish an undertaking before the Hon'ble Tribunal in this regard.

13. The Petitioner Company has filed the response to the common report of RD and ROC inter alia stating as under:

- a. **In respect of Para 4 (a) of the report:** The Company's intention behind the reduction is bonafide, made in good faith, and driven by legitimate business considerations. There is no malafide intent or any underlying motive to cause harm or unfair disadvantage to any stakeholder. The entire rationale behind the scheme has been provided in point No.8 of the application filed by the Company. We request you to kindly take into account the reasons outlined in





the said point for your consideration and approval. The proposed reduction will significantly benefit all shareholders by providing them with an exit opportunity from the company, which being unlisted poses challenges in completing the dematerialisation process. Approval of this reduction will enable shareholders to realise the value of their investment, along with a premium, in a timely and effective manner.

- b. **In respect of Para 4 (b) of the report:** The Company undertakes to transfer the aforesaid unclaimed and unspent amount to the IEPF Authority immediately upon completion of the prescribed seven-year period, in compliance with the provisions of the companies Act, 2013 and the rules made thereunder.
- c. **In respect of Para 4 (c) of the report:** The company undertakes to settle and discharge such dues in accordance with law, as and when they are crystallised by the competent authority.
- d. **In respect of Para 4 (d) of the report:** The Company undertakes to ensure that the interest of public shareholders are duly protected and safeguarded through the implementation of the scheme. That all payments and entitlements to public shareholders will be made in a fair, transparent and timely manner in accordance with the direction of this Hon'ble Tribunal and approved the terms of the scheme.
- e. **In respect of Para 4 (e) of the report:** This move helps the company to improve the management of the day-to-day affairs for the company. This will also aid in reducing the administrative and related costs involved in managing a small percentage of shareholding spread across a large number of shareholders located in various regions. The entire rationale behind the scheme has been provided in Point No.8 of the application filed by the Company before your bench.
- f. **In respect of Para 4 (f) of the report:** It is submitted that a significant number of the public shareholders of the company comprise farmers and villagers, many of whom did not possess the requisite awareness or understanding of the procedural aspects involved in the voting process at a general meeting. IN an effort to ensure inclusive participation, the Company undertook various initiatives to educate shareholders about the voting procedure, including the distribution of explanatory guides and assistance at





the meeting venue. Despite these efforts, it was observed that 167 members who were present in at the meeting did not cast their votes. However, they orally conveyed their assent before leaving the venue, stating that they had full faith in the Company's management. They further acknowledged that the erstwhile Chairman (now deceased) had conducted the Company's operations in an efficient and transparent manner, and accordingly, they did not raise any objections to the proposed reduction of share capital. Moreover, in compliance with the direction of the Hon'ble Tribunal the Company subsequently obtained written consents from 217 non-promoter public shareholders, excluding those who had already voted in favour of reduction scheme at the annual General Meeting who represents 28.6% of the total number of the non-promoter shareholding of the Company.

The Company affirms that it has made sincere and diligent efforts to reach out to each and every shareholder to obtain their consents. However, certain practical limitations hindered complete outreach including:

- (i.) The unavailability or inaccessibility of some shareholders
- (ii.) Limited timeframe
- (iii.) Geographic dispersion of shareholders across remote areas
- (iv.) And lack of adequate infrastructure in certain locations which made in difficult to establish timely communication.

Nevertheless, the Company reiterates its commitment to transparency, fairness, and the protection of public shareholder interest and submits that the consents obtained represent a fair and reasonable effort in the given circumstances.

- g. **In respect of Para 4 (g) of the report:** Upon the effective implementation of the scheme, the following accounting entries shall be recorded in the books of the accounts of the Company:

On the liabilities side:

- i. A reduction of Rs.17,62,710 under the Share Capital head;
- ii. A reduction of Rs.3,78,98,265/- under Reserve and surplus

On the Assets side:

- i. A corresponding reduction of Rs.3,96,60,975/- under cash and cash equivalents.





- h. **In respect of Para 4 (h) of the report:** Although the valuation report provided Shri Venkata Subbarao Kalva Registered Valuer, had determined the fair value of each equity share of the Company at Rs.196, the Company in the interest and for the benefit of its non-promoter public shareholder and to ensure that they derive a fair and equitable value, has voluntarily decided to offer a higher consideration of Rs.225 per share. The decision to pay a premium is a reflection of the Company's commitment to transparency, fairness, and its intent to reward the long-term trust and support of its public shareholders.
- i. **In respect of Para 4 (i) of the report:** The Company presently has sufficient cash resources, including available bank balance, to meet the financial requirements arising out of the proposed capital reduction. The Bank statement as on 27.07.2025 is enclosed with this affidavit, showing sufficient balance available in the Bank Account of the company. Further company is having good turnover and expected to continue to generate good number of profits to sustain and clear its liabilities. Also in the event of any unforeseen circumstances that may result in a temporary reduction of cash reserves, the company is fully prepared to arrange for short-term borrowings from Bank or Non-Banking Financial Company (NBFC) to ensure timely discharge of its obligations under the scheme. The Company undertakes and assures that it will comply with all direction issued by this Hon'ble Tribunal in a prompt and diligent manner. Every effort will be made to ensure that there is no delay in paying the consideration to the public shareholders.
- j. **In respect of Para 4 (j) of the report:** It is submitted that all related party transactions (RPTs) entered into by the Company during the preceding two financial years were conducted at arm's length and in the ordinary course business. Accordingly, the provisions of Section 188 of the Companies Act, 2013 and Rule 16 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to such transactions. The Company has established robust internal mechanisms to ensure transparency and regulatory compliance in relation to Related Party Transactions. The following practices are consistently followed:





- (i.) Prior approval of the Audit Committee is obtained before entering into any Related Party Transaction, in accordance with the provisions of Section 177 of the Companies Act, 2013.
 - (ii.) All related Party Transactions are periodically reviewed by both the Audit Committee and the Board of Directors to ensure continued compliance with applicable law and internal policies.
 - (iii.) The Company maintains an updated register in Form MBP-4 under Section 189 of the Companies Act, 2013 to record disclosures of interest of Directors and Related Party Transactions as and when applicable.
 - (iv.) Statutory Auditors are also reviewed the compliance being done with regard to the provisions of Section 188 of the Companies Act, 2013 satisfied themselves with the system bring carried on by the Company and have not reported adversely in their reports which were filed before the Registrar of Companies yearly.
- k. The RD has also raised the observations at Point No.3 of the report and the response for the same are as under:
- i. **In respect of Para 3 (j) of the report:** The Company has duly furnished the list of creditors, certified by the Directors of the company as on 09.11.2024 in connection with the Scheme of Reduction. This list was submitted along with the application and has also been independently verified and certified by the statutory auditors of the Company through their certificate dated 09.11.2024 which is annexed as Annexure-J to the application. Furthermore, the Company has extended a Corporate guarantor amounting to Rs.10,00,00,000/- in favour of the Bank of India, dated 20.08.2024. This guarantee has been provided in support of a loan facility availed by the milk suppliers, specifically for the purpose of promoting and sustaining their dairy farming activities. This initiative has been undertaken by the company as a measure to safeguard the interest of the farmers, ensuring their continued livelihood and protecting them from potential liabilities arising out of unforeseen or adverse circumstances.





It is important to note that the company has voluntarily filed form CHG-1 with the Registrar of Companies in relation to the said bank guarantee vide SRN: AB0137702 purely as a measure of good corporate governance and prudence. However, since no actual borrowing has taken place against this bank guarantee, and the company has not availed any funds in this regard, the obligation under the bank guarantee does not constitute a primary liability of the company. As such the contingent nature of this arrangement means it does not appear as a liability in the Company's books of accounts and therefore was not included in the list of creditors.

- ii. **In respect of Para 4 (j) of the report:** The Company hereby undertakes that the accounting treatment in respect of the said reduction of share capital as proposed in the Scheme shall be in strict conformity with the applicable accounting standards prescribed under Section 133 of Companies Act, 2013 and other applicable provisions of the said Act, including relevant rules and guidance notes issued thereunder. The Company undertakes to ensure full compliance with all applicable financial reporting and disclosure requirements arising from the said accounting treatment in its books of accounts and financial statements.
- iii. **In respect of Para 4 (o) of the report:** In compliance with the direction of the Hon'ble tribunal vide its order dated 03.03.2025, the Company cause publication of newspaper advertisements in accordance with the prescribed requirements. The advertisements were published in the 'Business Standard' on 18.03.2025 and 'Kannada Prabha' (Kannada daily) Belgaum edition on March 18, 2025 and Bengaluru editions on 20.03.2025. A compliance Memo confirming the said publication was duly filed before the Hon'ble Tribunal on 21.03.2025. Copy of the application was furnished to the ROC, Karnataka well before the publishing the newspaper advertisement, hence the RD did not find the copies of newspaper advertisement. However, the compliance in this regard was done by the company.





14. On 26.06.2025, the following order was passed by this Tribunal:

*"2. The Petitioner intend to reduce its share capital and thereby shunt out the non-promoter shareholders who are 752 in numbers. It is stated that an AGM of the Company was held in which some of such shareholders had participated and consented for taking the proposed value against their respective shares. There is however no documents on record reflecting the shareholder having been notified about holding of the AGM, or any documents bearing their signature of consent.
3. It is stated that the majority of such shareholders are milk suppliers, and the Petitioner will make endeavour to obtain their individual consents and file in court."*

15. In compliance to the same, the Petitioner has filed a Memo vide Dy.No.4538 dated 18.08.2025 producing the consents from 217 non-promoters shareholders, agreeing to the proposed reduction of share capital and to receive consideration at the rate of Rs.225/- per equity shares. Further vide Dy.No. 5066 dated 15.09.2025, the Petitioner has produced the list of 238 non-promoter shareholders who have provided their consents for the scheme of reduction of share capital.

16. The Petitioner Company has also filed an Memo vide Dy.No.14.10.2025 clarifying/stating as under:

a. The consents have been obtained from 246 non-promoter shareholders, agreeing to the proposed reduction of share capital and to receive consideration at the rate of Rs.225/- per equity share out of which 217 consents were filed with the Hon'ble Tribunal vide Compliance Memo dated 14.08.2025 and 21 consents were filed vide Compliance memo dated 11.09.2025. Remaining 12 consents are enclosed as Annexure-B to the Memo.

b. A list of 238 non-promoter shareholders who have provided their consent for the scheme of reduction of the share capital along with address and the number of shares held by them as per the records available with the Company were filed with the Tribunal vide Compliance memo dated 11.09.2025. Additionally a list containing the addresses and shareholding details of 12 non-promoter shareholders with consents are annexed as Annexure-C to the Memo.

c. The Petitioner Company has duly complied with all applicable provision of the Companies Act, 2013 and relevant rules framed thereunder with respect to the reduction of share capital. Out of approximately 500 public shareholders, 250 shareholders attended the 20th Annual General Meeting and raised no objections to the proposed resolution, while the remaining 250 shareholders have provided





their written consents expressly agreeing to the reduction of share capital and accepting the consideration of Rs.225/- per equity share.

17. Heard the learned PCS for the Petitioner and Learned Counsel for ROC/RD. We have carefully perused the pleadings of the parties and extant provisions of the Companies Act 2013 and Rules made thereunder.
18. The Petitioner Company is availing the option of reduction of paid-up share capital which is in consonance with Section 66 of the Companies Act, 2013. The present position of law, while dealing with provisions of Section 66 is that if none of the shareholders are objecting for the proposed reduction, then after considering the merits of the case as also connected facts and circumstances such petition generally deserves to be admitted.
19. It is noticed, as per the discussion above, the necessary compliance of the requirements of Sub-section (1), (2) and (3) of Section 66 of the Act have been made/satisfied by the Petitioner. In the circumstances, it is hereby ordered that the reduction of share capital of the Petitioner Company under Section 66 of the Companies Act, 2013 is hereby confirmed by approving the Minutes of EGM dated 23.09.2024.

The form of the minutes approved are:

“The paid-up share capital of Vijaykant Dairy and Food Products Limited is henceforth Rs.7,83,37,290/- (Rupees Seven Crore Eighty-Three Lakhs Thirty-Seven Thousand Two Hundred and Ninety Only) consisting of 78,33,729 (Seventy-Eight Lakhs Thirty-Three Thousand Seven Hundred and Twenty-Nine only) equity shares of Rs.10/- (Rupees Ten only) each, reduced from Rs.8,01,00,000/- (Rupees Eight Crore One Lakh only) divided into 80,10,000 (Eighty Lakhs Ten Thousand only) equity shares of Rs.10/- (Rupees Ten only) each and are fully paid-up.”

20. The copy of the minutes approved along with this order shall be delivered to the ROC by filing the e-Form INC 28, within 30 days of the receipt of the copy of the order. Accordingly, the Registry shall prepare an order in form No.RSC-6 as per National Company Law Tribunal (Procedure for Reduction of share capital of the company) Rules, 2016 and issue to the Petitioner Company. The Petitioner Company shall publish this order of confirmation in “Business Standard”, English daily, Bengaluru edition and “Kannada Prabha” Kannada daily, Bengaluru edition, expeditiously and not later than





30 days from the receipts of copy of the order, as required under Section 66(4) of the companies Act, 2013.

21. Consequent to the reduction in share capital, the amount which will consider for payment shall be subject to the compliance of FEMA and RBI as are applicable. Further compliance also should be made to the provisions of I.T. Act with regard to such payment, if any
22. Accordingly, the prayer made in the Petition is **allowed** and the **C.P. No.33/BB/2025** is **disposed of**. File be consigned to the Records.

-Sd-

RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-

SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

CERTIFIED TO BE TRUE COPY
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Sunil Kumar Aggarwal
12/25
DEPUTY ASST. REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
Bengaluru Bench