

Date: 27th July, 2023

The Listing Department,
BSE Ltd. (Designated Stock Exchange)
PJ Towers, Dalal Street,
Mumbai- 400 001
Stock Code: 532925

The Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Stock Code: KAUSHALYA

Subject: Intimation of Order dated 26th July, 2023 received from National Company Law Tribunal (NCLT)

Dear Sir / Madam,

We are enclosing herewith an order dated 26th July, 2023 received on 27th July, 2023 of NCLT, Division Bench, Court No. II, Kolkata, under the provisions of Section 61(1)(b) of the Companies Act, 2013 read with Rule 71 of the National Company Law Tribunal Rules, 2016 for consolidation of equity shares of the Company.

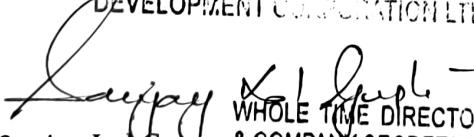
This is for your record and reference.

Thanking you,

Yours faithfully,

For *Kaushalya Infrastructure Dev. Corp. Ltd.*

KAUSHALYA INFRASTRUCTURE
DEVELOPMENT CORPORATION LTD.


WHOLE TIME DIRECTOR
& COMPANY SECRETARY
Sanjay Lal Gupta
Whole-time Director &
Company Secretary
DIN: 08850306

Place: Kolkata

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

HB 170, Sector III, Salt Lake, Kolkata 700 106, Ph & Fax : 91-33-2334 4148

Email : info@kaushalya.net, Website : <http://www.kaushalya.net>

CIN - L51216WB1992PLC055629

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

Company Petition C.P. No. 304/ KB/ 2022

*An application under section 61(1)(b) of the Companies Act, 2013 read with rule
71 of the National Company Law Tribunal Rules, 2016.*

IN THE MATTER OF:

KAUSHALYA INFRASTRUCTURE DEVELOPMENT CORPORATION LTD., a company incorporated under the Companies Act, 1956, having CIN: L51216WB1992PLC055629, and having its registered office at HB-170, Sector-III, Salt Lake, Kolkata-700106, West Bengal.

... **Petitioner**

Date of Hearing: April 24, 2023

Date of Pronouncement of Order: July 26, 2023

CORAM:

SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)

SHRI BALRAJ JOSHI, HON'BLE MEMBER (TECHNICAL)

Ld. Counsel(s) Appeared Physically/ through Video Conferencing:

For Petitioner(s):

Ms. Neha Somani, Ld. Practicing Company Secretary

ORDER

BALRAJ JOSHI, MEMBER (TECHNICAL)

1. This Court is congregated through hybrid mode.
2. This Company Petition has been filed under **section 61(1)(b) of the Companies Act, 2013** (hereinafter referred as the “**Act**”) read with rule 71 of the National Company Law Tribunal Rules, 2016, by **Kaushalya Infrastructure Development Corporation Ltd.** (Petitioner Company). The Petitioner Company seeks the following reliefs:

- a) *Approve Consolidation of equity share capital into shares of a face value*

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of ₹1000/- in accordance with section 61(1)(b) of the companies Act 2013.

- b)** *Approve Alteration of Clause V of the Memorandum of Association of the company as approved by the shareholders in the Extraordinary General Meeting of the company held on 5th July, 2022.*
- 3.** The Ld. Authorized Representative for the Petitioner Company submits that no objector has come before the Tribunal to oppose the Petition and nor has any party controverted any averments made in the Petition.
- 4.** The Ld. Authorized Representative for the Petitioner Company submits that Article 12 of the Articles of Association of the Petitioner Company and section 61(1)(b) of the Companies Act, 2013 (“Act”) readwith National Company Law Tribunal Rules, 2016 empowers the Petitioner Company to consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares, by passing a special resolution.
- 5.** The Ld. Authorized Representative for the Petitioner Company submits that the existing authorized share capital of the company is ₹35,00,00,000/- (Rupees Thirty-Five Crores only) divided into 3,50,00,000 Equity Shares of ₹10/- each. The issued, subscribed and paid-up equity share capital of the Company is ₹ 34,63,06,300/- consisting of 3,46,30,630 equity shares of ₹10/- each.
- 6.** The Ld. Authorized Representative for the Petitioner Company submits that after the proposed consolidation, the new authorized share capital of the company will be ₹35,00,00,000/- (Rupees Thirty-Five Crores only) comprising of 3,50,000 Equity Shares of ₹1000/- each. The issued, subscribed and paid up equity share capital of the Company will be ₹34,63,06,000/- consisting of 3,46,306 equity shares of ₹1000/- each.
- 7.** The Ld. Authorized Representative for the Petitioner Company submits that the face value of each equity share pre-consolidation is ₹10/- and the face value of each equity share post consolidation will be ₹1000/-.
- 8.** The Ld. Authorized Representative for the Petitioner Company submits that the total number of shareholders of the company as on 28th June, 2022 was 22,181, out of which 6171 shareholders hold less than 100 shares. The formalities

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relating to maintenance of such huge shareholder base is enormous and expensive. Further, the compliance and administrative activities of the company have also increased manifold, causing immense strain on the resources of the company. Such high shareholder base causes immense financial burden on the company in terms of investor servicing and regulatory compliance. The proposed consolidation will rationalize the share capital of the company by reducing the number of outstanding number of shares and immensely reduce the cost in compliance and shall offer an exit route to the minority shareholders who are unable to sell their shares in the open market due to liquidity and shall also save the cost of servicing the fragmented minority shareholding.

9. The shareholders of the Company in their Shareholders Meeting held on 5.7.2022 passed the following Resolution in accordance with Section 61(1)(b) of the Companies Act, 2013 and therein it was:

“RESOLVED THAT pursuant to section 61(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification, amendment or re-enactment thereof for the time being in force) and any other statutory provisions and regulations, as may be applicable, and in accordance with the Article 12 of Articles of Association of the Company, and subject to such approvals, sanctions, consents and permissions, as may be necessary or required from the National Company Law Tribunal (hereinafter referred to as “NCLT”) or any other appropriate authorities, consent of the members of the Company be and is hereby accorded for consolidation of the entire Issued, subscribed and paid up share capital of the Company by increasing the face value (nominal value) of the equity shares from Rs. 10/- (Rupees Ten Only) each to Rs. 1000/- (Rupees One Thousand Only) each so that every 100 equity shares with nominal value of Rs. 10/- (Rupees Ten Only) each held by a member are consolidated and re-designated into one equity share with nominal value of Rs. 1,000/- (Rupees One Thousand Only) each.”

“RESOLVED FURTHER THAT the consolidation of equity share shall be on the basis of those shareholders whose names appear in the register of members

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as on the record date, which the Board be and is hereby authorized to fix for this purpose.”

“RESOLVED FURTHER THAT *pursuant to the consolidation of the Equity Shares of the Company, the 100 (One Hundred) paid up Equity Shares of the Company of the nominal value of Rs. 10/- (Rupees Ten Only) each, as existing on the Record Date shall stand consolidated into 1 (One) Equity Share of the face value of Rs. 1000/- (Rupees One Thousand Only) each fully paid up, with effect from the Record Date.”*

“RESOLVED FURTHER THAT *no letter for consolidation of shares shall be issued to any shareholder of the company. Provided however, that in respect of shares held in physical form, the share certificates for the consolidated new equity shares of Rs. 1,000/- (Rupees One Thousand Only) each shall be delivered to the shareholders who hold the existing shares in physical form without calling for surrender of the share certificates held by them and the old share certificate of Rs. 10/- (Rupees Ten Only) each shall stand cancelled from the date of issue of new share certificate of Rs. 1,000/- (Rupees One Thousand Only) each in respect of their holding in the company and in respect of shares held in dematerialized form, the respective beneficiary accounts be credited with the consolidated new equity shares of Rs. 1,000/- (Rupees One Thousand Only) each for such shareholders who hold the existing shares in dematerialized form.”*

“RESOLVED FURTHER THAT *no shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of shares so arising shall be held in Trust by a Trustee appointed by the Board who shall dispose off the said shares within a period of one year from the Record date, in the market at the best available price in one or more lots and the decision of the Trustee in this regard shall be final and binding on all concerned and the Trustee shall hold the net sale proceeds of all such shares and after deducting therefrom all costs, charges and expenses of such sale, shall distribute such sale proceeds to the members of the Company in proportion to their fractional entitlements.”*

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- 10.** Vide order dated **18.11.2022** the Petitioner was directed as per Rule 71 of the National Company Law Tribunal (Application under proviso to clause (b) of sub-section (1) of Section 61) Rules, 2016 to give notice to the Central Government through the Regional Director, Eastern Region and the Registrar of Companies, West Bengal as well as Securities and Exchange Board of India and all other regulatory authorities including National Stock Exchange of India and Bombay Stock Exchange and the creditors of the company, seeking their representations and objections, if any. The Petitioner was also directed to publish notice in newspapers once in “**Business Standard**” (English) in “**Aajkal**” (Bengali), in accordance with Rule 35 of the National Company Law Tribunal Rules, 2016, and file affidavit of compliance confirming the dispatch and publication of notice. The matter was listed for further hearing on 24.04.2023.
- 11.** In pursuance of the aforesaid order dated **18.11.2022** the petitioner has filed an affidavit in respect of compliance of the aforesaid order duly affirmed on **03.02.2022**, as follows:

SN	REGULATORY AUTHORITIES	DATE OF SERVICE	RELEVANT ANNEXURE OF THE AFFIDAVIT OF SERVICE	RELEVANT PAGE NO. OF THE AFFIDAVIT OF SERVICE
By Postal Delivery				
Service of the Notice to the Statutory Authorities				
1.	Regional Director (ER) MCA Kolkata	27/12/2022 service confirmed on 28/12/2022	A	1-2
2.	Registrar of Companies	27/12/2022 service confirmed on 28/12/2022	A	3-4
3.	Securities and Exchange Board of India	27/12/2022 service confirmed on 05/01/2022	A	5-6

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4.	BSE	27/12/2022 service confirmed on 05/01/2022	A	7-8
5.	National Stock Exchange of India Ltd.	27/12/2022 service confirmed on 05/01/2022	A	9-10
6.	DCIT, Central Circle – 3(3), IT Department	27/12/2022 service confirmed on 28/12/2022	A	11-12
Service of the Notice to the Creditors				
1.	M/s. Barkha & Associates, Kolkata	22/12/2022 service confirmed on 24/12/2022	B	13-14
2.	M/s. Monu Jain & Co., Kolkata	22/12/2022 service confirmed on 23/12/2022	B	15-16
3.	BSE Limited, Mumbai	22/12/2022 service confirmed on 26/12/2022	B	17-18
4.	CB management Service Pvt. Ltd., Kolkata	22/12/2022 service confirmed on 23/12/2022	B	19-20
5.	CDC Printers Pvt. Ltd.	22/12/2022 service confirmed on 23/12/2022	B	21-22
6.	Ms. Manju Bhuteria	22/12/2022 service confirmed on 23/12/2022	B	23-24
7.	M/s. M. Sahnawaz and	22/12/2022	B	25-26

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	Associates	service confirmed on 23/12/2022		
8.	M/s. National Securities Depository Limited, Kolkata	22/12/2022 service confirmed on 26/12/2022	B	27-28
9.	M/s. national Stock Exchange of India Limited	22/12/2022 service confirmed on 24/12/2022	B	29-30
10.	Orion Legal Supplies	22/12/2022 service confirmed on 24/12/2022	B	31-32
11.	Mr. Paras Kochar	22/12/2022 service confirmed on 23/12/2022	B	33-34
12.	M/s. Paras Kochar Consultancy Services Pvt. Ltd.	22/12/2022 service confirmed on 23/12/2022	B	35-36
13.	Pashupati Mahaund, Kolkata	22/12/2022 service confirmed on 23/12/2022	B	37-38
14.	Mrs. Pooja Agarwal	22/12/2022 service confirmed on 26/12/2022	B	39-41
15.	Ms. Rita Jha	22/12/2022 service confirmed on 23/12/2022	B	42-43
16.	Mr. Rudraman Bhattacharyya	22/12/2022 service confirmed on 23/12/2022	B	44-45

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17.	M/s. Supertech Engineering & Trade Pvt. Ltd.	22/12/2022 service confirmed on 23/12/2022	B	46-47
18.	M/s. Zeal Advertising Pvt. Ltd	28/12/2022 service confirmed on 29/12/2022	B	48-49
19.	KDC Nirman Ltd.	22/12/2022 service confirmed on 23/12/2022	B	50-51
20.	Bengal KDC Housing Dev. Ltd.	22/12/2022 service confirmed on 23/12/2022	B	52-53
21.	Alchemist Asset Reconstruction Company Ltd.	22/12/2022 service confirmed on 24/12/2022	B	54-55
News Paper Publication				
1.	Business Standard	Published on 29/12/2022	C	56
2.	Aajkal	Published on 29/12/2022	C	57

- 12.** Since the requisite statutory procedure has been fulfilled, the Petition is made absolute in terms of the prayer clauses of the Petition.
- 13.** The Central Government through the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata has filed its reply affidavit dated 13.04.2023 (“**RD affidavit**”) which has been dealt with by the Petitioner by its Rejoinder affidavit dated 18.04.2023 (“**Rejoinder**”). The observations of the RD and responses of the Petitioner are summarized as under: -

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Paragraph 2(a) of RD Affidavit:

That in terms of the order of the Hon'ble Tribunal passed in C.P. No. 304/KB/2022 dated 18/11/2022, the Petitioner Company served notice together with the copy of the petition to the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata.

Para 3(a) of Rejoinder:

With reference to paragraph 2(a) of the said affidavit, it is submitted that the same is a matter of record and may be considered as such by the Hon'ble Tribunal.

Paragraph 2(b) of RD Affidavit:

That it is submitted that on examination of the records as available, it appears that no complaint and/or representation has been received against the proposed consolidation and division of shares capital into shares of a larger amount than its existing shares. Further, the petitioner company has also filed its Annual Return and Financial Statements for the year ended 31/03/2022.

Para 3(b) of Rejoinder:

With reference to paragraph 2(b) of the said affidavit, it is submitted that the same is a matter of record and may be considered as such by the Hon'ble Tribunal.

Para 2(c) of RD Affidavit:

The present Authorized Share Capital of the Company is Rs. 35,00,00,000/- divided into 3,50,00,000 Equity Shares of Rs. 10/- each and the issued, subscribed and paid-up equity share capital of the Company is Rs. 34,63,06,300/- consisting of 3,46,30,630 Equity Shares of Rs. 10/- each.

Para 3(c) of Rejoinder:

With reference to paragraph 2(c) of the said affidavit, it is submitted that the same is a matter of record and may be considered as such by the Hon'ble Tribunal.

Para 2(d) of RD Affidavit:

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The proposed Consolidation of the Share Capital of the Company and divide all of its share capital into shares of a larger amount by increasing the face value of Shares of the Company from Rs. 10/- per share in pre-consolidation to Rs. 1000/- per share in post-consolidation. However, the existing share capital of the company comprising of 3,46,30,630 shares of Rs. 10/- each aggregating to 34,63,06,300/- shall be reduced by cancelling 30 shares of Rs. 10/- each held by the promoters of the Company. Accordingly, the Authorized share capital of the Company shall be modified to Rs. 35,00,00,000/- divided into 3,50,000 Equity Shares of Rs. 1000/- each and the issued, subscribed and paid-up equity share capital of the Company, consequent upon such reduction and consolidation, shall be Rs. 34,63,06,000/- consisting of 3,46,306 equity shares of Rs. 1000/- each.

Para 3(d) of Rejoinder:

With reference to paragraph 2(d) of the said affidavit, it is submitted that the same is a matter of record and may be considered as such by the Hon'ble Tribunal.

Para 2(e) of RD Affidavit:

The Petitioner Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE). In a communication, the Applicant Company stated that NOC from Stock Exchange is not required for consolidation of equity shares of the Company.

Para 3(e) of Rejoinder:

With reference to paragraph 2(e) of the said affidavit, it is submitted that the same is a matter of record and may be considered as such by the Hon'ble Tribunal. I state that the Company had duly informed the Stock Exchanges about the Outcome of Board meeting where proposal for consolidation was approved, copy whereof is enclosed to this affidavit and marked as Annexure 1. I further state that the company had also duly informed the Stock Exchanges about the convening of General meeting wherein the resolution relating to consolidation

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was approved, Summary of Proceedings of the said meeting and voting results thereat from time to time, copies whereof are attached to the Petition as Annexure D, copy whereof is enclosed to this affidavit and marked as Annexure 2. I state that no prior approval of Stock Exchanges is required for consolidation of Shares of the company.

14. Heard the Ld. Counsel for the Petitioner and the authorized representative for the RD, MCA. We hereby grant approval for the Consolidation of share capital of the Petitioner Company as resolved on and effected by Resolution passed at Shareholders Meeting of the Petitioner Company on 5.7.2022, the extract is reproduced hereunder: -

“RESOLVED THAT pursuant to section 61(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification, amendment or re-enactment thereof for the time being in force) and any other statutory provisions and regulations, as may be applicable, and in accordance with the Article 12 of Articles of Association of the Company, and subject to such approvals, sanctions, consents and permissions, as may be necessary or required from the National Company Law Tribunal (hereinafter referred to as “NCLT”) or any other appropriate authorities, consent of the members of the Company be and is hereby accorded for consolidation of the entire Issued, subscribed and paid up share capital of the Company by increasing the face value (nominal value) of the equity shares from Rs. 10/- (Rupees Ten Only) each to Rs. 1000/- (Rupees One Thousand Only) each so that every 100 equity shares with nominal value of Rs. 10/- (Rupees Ten Only) each held by a member are consolidated and re-designated into one equity share with nominal value of Rs. 1,000/- (Rupees One Thousand Only) each.”

“RESOLVED FURTHER THAT the consolidation of equity share shall be on the basis of those shareholders whose names appear in the register of members

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as on the record date, which the Board be and is hereby authorized to fix for this purpose.”

“RESOLVED FURTHER THAT *pursuant to the consolidation of the Equity Shares of the Company, the 100 (One Hundred) paid up Equity Shares of the Company of the nominal value of Rs. 10/- (Rupees Ten Only) each, as existing on the Record Date shall stand consolidated into 1 (One) Equity Share of the face value of Rs. 1000/- (Rupees One Thousand Only) each fully paid up, with effect from the Record Date.”*

“RESOLVED FURTHER THAT *no letter for consolidation of shares shall be issued to any shareholder of the company. Provided however, that in respect of shares held in physical form, the share certificates for the consolidated new equity shares of Rs. 1,000/- (Rupees One Thousand Only) each shall be delivered to the shareholders who hold the existing shares in physical form without calling for surrender of the share certificates held by them and the old share certificate of Rs. 10/- (Rupees Ten Only) each shall stand cancelled from the date of issue of new share certificate of Rs. 1,000/- (Rupees One Thousand Only) each in respect of their holding in the company and in respect of shares held in dematerialized form, the respective beneficiary accounts be credited with the consolidated new equity shares of Rs. 1,000/- (Rupees One Thousand Only) each for such shareholders who hold the existing shares in dematerialized form.”*

“RESOLVED FURTHER THAT *no shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of shares so arising shall be held in Trust by a Trustee appointed by the Board who shall dispose off the said shares within a period of one year from the Record date, in the market at the best available price in one or more lots and the decision of the Trustee in this regard shall be final and binding on all concerned and the Trustee shall hold the net sale proceeds of all such shares and after deducting therefrom all costs, charges and expenses of such sale, shall distribute such sale proceeds to the members of the Company in proportion to their fractional entitlements.”*

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15. Further, this Tribunal grants its approval to the the Alteration of Clause V of the Memorandum of Association of the company as approved by the shareholders in the Extraordinary General Meeting of the company held on 5th July, 2022.
16. This sanction will not affect any action pending or contemplated by any Government authority or regulatory or statutory authorities for violation of any provision of the law for the time being in force.
17. The Petitioner Company shall comply with the statutory requirements, if any, required under the Companies Act, 2013 and the Rules notified thereunder as may be applicable.
18. All concerned regulatory authorities to act on the certified copy of the Order.
19. Accordingly, the Company Petition **C.P. No. 304/KB/2022** is hereby **disposed of** on the above terms.
20. The Registry is directed to issue a copy of the order through E-mail forthwith to all the parties and their Ld. Authorized Representative for information and for taking necessary steps.
21. Registry is also directed to issue a copy of this order to the Registrar of Companies, West Bengal, Kolkata.
22. Urgent Certified Copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

Balraj Joshi
Member (Technical)

Bidisha Banerjee
Member (Judicial)

This order is signed on the 26th Day of July, 2023

Bose, R. K. [LRA]