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नेशनल प्रोजेक्ट्स कन्सट्रक्शन कारपोरेशन लिमिटेड
(भारत सरकार का उद्यम)

National Projects Construction Corporation Limited

(A Government of India Enterprise)

Dated: 18th February 2010.

The Secretary,
The Department of Company Affairs,
Shastri Bhawan, 5th Floor, 'A' Wing,
Dr. Rajendra Prasad Road,
New Delhi-110 001.

Sir,

Sub: Petition for Reduction of Share Capital under Section 101 of The Companies Act, 1956.

We are a Company incorporated under The Companies Act, 1956, with Registration No. U45202DL1957GOI002752.

The shareholders in the Annual General Meeting held on 30th December 2009 approved the reduction of Share Capital of the Company in terms of restructuring proposal approved by Government of India.

We are thus submitting herewith the petition alongwith other documents as required to be filed for your consideration and issue of necessary directions.

Thanking You.

Yours Faithfully,
For National Projects Construction Corporation Ltd.

Rajni

Rajni Agarwal
Company Secretary.

CC: The Registrar of Companies, Delhi and Haryana, New Delhi. (For Information)



Corporate Office : Plot No. 67-68, Sector-25 Faridabad-121 004, Haryana, INDIA Ph : 0129-2234760 EPABX No. 4062856-59, Fax 0129-4067915
Registered Office : Raja House, 30-31, Nehru Place, New Delhi-110 019, INDIA Ph 011-26484842, 011-26416190, Fax 011-26468699
Website : www.npcc.gov.in

जल ही जीवन है इसे व्यर्थ न करें।

FORM NO. 18

[See Rule 46]


Company Petition No. of 2010

National Projects Construction Corporation Limited – Petitioner

Petition under section 101 for Confirming the Reduction of Share Capital

The petition of National Projects Construction Corporation Limited the petitioner herein showeth:

1. The above named company, the petitioner herein (hereinafter 'called the company') was registered on the 9th day of January 1957, under the provisions of the Companies Act, 1956, as a company limited by shares.
2. The Registered Office of the company is situate at Raja House, 30-31, Nehru Place, New Delhi – 110 019.
3. The objects of the company are: -
 - A) To construct, execute, carry out, improve, work, develop, administer, manage or control in India, works and conveniences of all kinds, which expression in the Memorandum includes railways, tramways, ropeways, docks, harbours, piers, wharves, dams, barrages, weirs, reservoirs, embankments, canals, irrigation, power houses, transmission lines, reclamations, improvements, sewage, drainage, sanitary, water, gas, electric light, telephonic and power supply works, and hotels, houses, markets and buildings, private, or public, and all other works of conveniences, whatsoever, and generally to carry on the business of builders and contractors, engineers, architects, surveyors, estimators and designer in all their respective branches.


RAJNI AGARWAL
Company Secretary
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New Delhi-110 019

- B) To enter into any contract or arrangement for the more efficient conduct of the business of the company or any part thereof and to sub let contracts from time to time upon such terms and conditions as may be thought expedient.
- C) To carry on the business of civil engineers, mechanical engineers, electrical engineers, sanitary and water engineers, and plumbers, brass founders, metal workers, mechanists, smiths and tool makers, and to manufacture buy, sell, exchange, install, work, alter, improve, manipulate, otherwise deal, prepare for market, import or export, let on hire, and all kinds of plant and machines, wagons rolling stock, apparatus, tools, utensils, substances, materials and things necessary or convenient for carrying on any of the business which the corporation is authorized to carry on or which is usually dealt in by persons engaged in such business.
- D) To carry on the business of a water works company in all its branches, and to sink wells and shafts and to acquire, build, provide and maintain dams, barrages, reservoirs, infiltration, galleries, water works, cisterns, culverts, filter beds, mains and other pipes and other appliances and to execute and to do all other acts and things necessary or convenient for obtaining, storing, selling, delivering, measuring, distributing and dealing in water.
4. The capital of the company is Rs. 700 crores divided into 70,00,000 Equity Shares of Rs. 1000/- each of which 67,67,375 equity shares have been issued and have been fully paid up or credited as fully paid up.
5. Shortly after its incorporation, the company commenced business, and it has since been and is still carrying on business.
6. By article 43 of the articles of association of the company, it is provided that the company may, from time to time, by special resolution reduce its capital in any manner permitted by law.
7. The reduction of capital is being proposed in the following background :

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Company Secretary
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New Delhi-110 019

The company started incurring losses from the year 1989 onwards as certain decisions taken were not strategic but were on adhoc basis and proved to be main reasons for the Corporation's failure. A few of such happenings in the past are given hereunder:

- A) The transfer of this Enterprise from Ministry of Power to Ministry of Water Resources in the year 1989 was one of the main reasons for sudden erosion of its assured work orders from Ministry of Power and profits derived there from.
- B) With decision of taking extra burden of approximately 3500 strong work force on NPCC rolls in 1988 without actually working out such requirement. This proved to be strategically wrong for the company. This not only burdened the manpower cost on continuous basis but created problem of workers in changed environment and their separation through VRS scheme resulted in heavy loss (approx. Rs. 140 crores) to the Organisation.
- C) The Organisation also could not change, diversify or equip to meet challenges posed by liberalization, privatization, and economic reforms due to various reasons both at Managerial and execution level.
- D) There had been succumbing in the past to the pressures of unions and associations and decisions were taken under pressure without consideration of organizational benefits and its functioning.
- E) There had been unwarranted interference of external quarters on day to day affairs of the organization on the Management without giving due importance of Organisational objective/goal.
- F) The interest burden on loans taken from the Government of India continued to accrue and contributed to losses of the company.
- G) The capital restructuring and proposed capital reduction is in terms of the necessary approvals granted by the Government of India.
- H) While the company is earning operational profits for the last several years, there was net loss mainly on account of burden of interest on Government loans. This was adversely affecting the marketing capabilities of the company. In order to make the company financially viable and improve its marketing capabilities, the company approached the Government of India for financial restructuring. The Government of India, Ministry of

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Company Secretary
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New Delhi - 110 019

D) Water Resources had conveyed the administrative approval to the financial restructuring of the company vide letter No. 6/9/2004-P.II(PSU)(Vol.III)30 dated.7th January 2009.


J) Salient features of the restructuring proposals were as under: -

- | | | |
|-----|--------------------------------------------------------------------------------------------|-------------------|
| 1.a | Conversion of plan/non-plan loans into equity | Rs. 219.43 crores |
| 1.b | Conversion of interest on Government loans as on 5 th February 2009 into equity | Rs. 427.46 crores |
| 1.c | . Write down by cancellation of share capital converted as above | Rs. 582.20 crores |

8. By a special resolution of the company, duly passed in accordance with section 189 of the Companies Act, 1956, at a general meeting thereof, held after due notice as provided in the Act, on the 30th day of December 2009, it was: -

“Resolved that pursuant to the provisions of Section 100 of the Companies Act, 1956 read with notification issued by Central Government pursuant to power conferred to it U/S 620(1) of the Companies Act, 1956 in this regard and subject to confirmation by the Central Government and other appropriate authorities in this regard, the issued and paid up capital of the Company arising out of conversion of GOI loan and interest thereon into equity capital and allotted to the Hon’ble President of India, be and is hereby reduced from Rs.646,89,55,000/- divided into 64,68,955 equity shares of Rs.1000/- each to Rs.64,68,96,000/- (rounded off to nearest 1000 rupees) divided into 646896 equity shares of Rs.1000/- each and such reduction be effected by canceling 5822059 equity shares of Rs.1000/- each, amounting to Rs.5822059000/-being the paid up capital unrepresented by available assets.”

“Resolved further that the capital proposed to be reduced by cancellation of shares amounting to Rs.582,20,59,000/- be adjusted against accumulated losses to the tune of Rs.582,20,59,000/-(Rupees Five Hundred and Eighty Two Crores Twenty Lacs Fifty Nine Thousand Only) as existing on 31st March 2009”


RAJNI AGARWAL
Company Secretary
National Projects Construction
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New Delhi - 110 019

“Resolved Further that Chairman & Managing Director and/or Company Secretary, be and is hereby authorized to take such further steps as may be required to give effect to the aforesaid resolutions.”

Thus the proposed reduction of capital would not result into:


- a) Diminution of any liability in respect of unpaid capital; and
- b) Payment to any shareholder of any paid up capital.

Further the financial position pursuant to the proposed reduction of capital of the company, in terms of paid up capital & reserves on various dates would be as follows:

| | 2006 – 2007 | 2007 – 2008 | 2008 – 2009 | As on the date of making this petition |
|-----------------------------|---------------|---------------|---------------|----------------------------------------|
| <u>Share Capital</u> | | | | (All figures in Rs. crores) |
| Paid up capital | 29.842 | 29.842 | 29.842 | 676.74 |
| Share Application Money | - | - | - | - |
| | 29.842 | 29.842 | 29.842 | 676.74 |
| Accumulated Losses | 761.46 | 798.08 | 826.78 | 826.78 |

Thus it would be seen that the company would be presenting a better position of its capital and accumulated losses after the proposed capital reduction. Hence the creditors of the company would be better placed than they would have been before the reduction of capital as per financial restructuring proposal.

It is therefore considered that none of the creditors of the company should object to the proposed reduction of capital.


RAJNI AGARWAL
 Company Secretary
National Construction
 (P) Limited
 Rajni Nagar, Gurgaon Place,
 Haryana

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However as may be seen from the Balance Sheet for the year ending 31st March 2009, the position of Sundry Creditors, Advances from Customers and Security Deposit / Retention Money Payable is as under: -

| | |
|--------------------------------------------|------------------|
| Sundry Creditors | Rs. 76,55,29,533 |
| Security Deposit / Retention Money Payable | Rs. 96,77,22,322 |

9. The form of the minute proposed to be registered under section 103(1)(b) is as follows: -

“The Paid up Equity Share Capital of National Projects Construction Corporation Limited, is henceforth Rs. 94,53,16,000/-divided into 9,45,316 equity shares of face value of Rs.1000/- each reduced from Rs. 676,73,75,000/- Divided into 67,67,375 shares of Rs. 1000/- each. At the time of registration of this minute 9,45,316 (nine lacs forty five thousand three hundred sixteen) equity shares of Rs. 1000/- each, have been issued and are deemed to be fully paid (and the remaining 60,54,684 shares are unissued).”

10. The petitioner therefore prays: -

- (1) That the reduction of capital resolved on by the special resolution set out in paragraph 8 above be confirmed;
- (2) That to this end all inquiries and directions necessary and proper be made and given;
- (3) The proposed minute be approved; and
- (4) That such further or other orders be made in the premises as to the Central Government shall seem fit.

Rajni
RAJNI AGARWAL
Company Secretary
National Projects Construction
Corporation Limited
Raja House, 111, Nehru Place,
New Delhi-110 019

- (5) That the Central Government may waive of the provision of giving notice to the creditors of the company for grant of no objection.

Dated 18th February 2010.

Petitioner

National Projects Construction Corporation Limited

Through Company Secretary

Mrs. RAJNI AGARWAL

Rajni
RAJNI AGARWAL
Company Secretary
National Projects Construction
Corporation Limited
Raja House, 110, Connaught Place,
New Delhi-110 019

FORM NO. 19

[See Rule 46]

Company Petition No. of 2010

National Projects Construction Corporation Limited – Petitioner

Application No. of 2010

Summons for Directions

Let all parties concerned attend the sitting Judge in Chambers on day, the day of 2010..... at, o'clock in thenoon, on the hearing of an application by the above named company [that a day may be fixed for the hearing of the petition above named for the reduction of the company's capital presented on the day of 2010, and that directions may be given as to the advertisement of the petition and that the certificate of creditors be dispensed with] (or) [for directions as to the proceedings to be taken for settling a list of creditors of the said company entitled to object to the proposed reduction, and the notice and advertisements to be issued, etc.]

Dated this day of 2010

This summons was taken out by Shri, for the company and will be supported by the affidavit of

[Note – It is not intended to serve this summons on any person.]


RAJNI AGARWAL
Company Secretary
National Projects Construction Corporation Limited
Raja House, 30-31, Nehru Place,
New Delhi - 110 019

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TEN
RUPEES

Rs.10

INDIA NON JUDICIAL

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FORM NO. 3

32AA 353963

[See rule 21]

Company Petition No.

of 2010

Affidavit verifying petition

I, Rajni Agarwal, daughter of Sh. V.D. Ramtani, aged 37 years residing at JD 51A, Pitam Pura, Delhi-110 088, do solemnly affirm and say as follows: -

1. I am a Company Secretary of National Projects Construction Corporation Limited, the petitioner in the above matter.
2. The statements made in paragraphs 1 to 4, 6 & 8 of the petition herein now shown to me and marked with the letter 'A', are true to my knowledge, and the statements made in paragraphs 5, 7, 9 & 10 are based on information, and I believe them to be true.

Place: Delhi

Rajni
Deponent
(Rajni Agarwal)

Verification: -

I Rajni Agarwal, do solemnly affirm that what is stated above is true to the best of my knowledge & belief.

Date: 18-02-10

Deponent
Rajni
(Rajni Agarwal)

(9)

FORM NO. 31

[See Rule 65]

Company Petition No. of 2010

. National Projects Construction Corporation Limited – Petitioner

Form of Minute

“The Paid up Equity Share Capital of National Projects Construction Corporation Limited, is henceforth Rs. 94,53,16,000/-divided into 9,45,316 equity shares of face value of Rs.1000/- each reduced from Rs. 676,73,75,000/- Divided into 67,67,375 shares of Rs. 1000/- each. At the time of registration of this minute 9,45,316 (nine lacs forty five thousand three hundred sixteen) equity shares of Rs. 1000/- each, have been issued and are deemed to be fully paid (and the remaining 60,54,684 shares are unissued).”

Rajni
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Company Secretary
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Raja House, 110 Venu Place,
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FORM NO. 32

[See Rule 65]

Company Petition No. of 2010

National Projects Construction Corporation Limited – Petitioner

Notice of Registration of Order and Minute

Notice is hereby given that the order of the Central Government dated the 2010....., confirming the reduction of the capital of the above named company from Rs. 676,73,75,000/- Divided into 67,67,375 shares of Rs. 1000/- each, to Rs. 94,53,16,000/- divided into 9,45,316 equity shares of Rs. 1000/- each, and the minute approved by the Court showing, with respect to the share capital of the above company as altered, the several particulars required by the above Act, were registered by the Registrar of Companies of the day of 2010

(Sd.)

Advocate for the company.

Rajni
RAJNI AGARWAL
Company Secretary
National Projects Construction
Corporation Limited
Raja House, 35-31, Nehru Place,
New Delhi-110 019

(12)

09/02/2019

NON TRANSFERABLE

PAY *Pay and Accounts Officer Ministry of Corporate Affairs* को या उनके आदेशपर OR ORDER

रु. RS. 2000/-

रुपये RUPEES *Two Thousand only* अदा करें

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| खा.स. A/c. No. | ब.प. L.F. | छो.ह. INTLS. |
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स्टेट बैंक ऑफ पटियाला
STATE BANK OF PATIALA

कृते स्टेट बैंक ऑफ पटियाला
For STATE BANK OF PATIALA

प्रबंधक
MANAGER

सेक्टर - 9, फरीदाबाद
MBC/B Sector - 9, FARIDABAD

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List of Documents to be attached

1. Bank Draft No. 410008 drawn on State Bank of Patiala, Faridabad.
2. Petition in Form No. 18
3. Summons for Directions in Form No. 19
4. Affidavit in Form No. 3
5. Form of Minute in Form No. 31
6. Notice of Registration of Order and Minute in Form No. 32
7. Certified True Copy of The Memorandum & Articles of Association
8. Certified True copy of Notice calling the Annual General Meeting
9. Certified True copy of Resolution passed at the Annual General Meeting of the shareholders held on 30th December 2009.
10. Certified True copy of Minutes and the Resolution passed at the Annual General Meeting of the shareholders held on 30th December 2009.
11. Certified True Copy of the Extracts of the Minutes and Resolution passed by the Board of Directors on 22.10.2009 (For Reduction of Capital)
12. Certified Copy of the Letter from the Administrative Ministry approving the Scheme of Financial Restructuring and consequent reduction of Capital.
13. Certified True Copy of the Shareholders
14. Certified True Copy of the list of Directors
15. Detailed Reasons for Reduction in Capital
16. Certified True Copies of Balance Sheet, Profit & Loss Account and Annual Report for the years 2006-07, 2007-08 and 2008-09.

Rajni
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Company Secretary
**National Projects Construction
Corporation Limited**
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