

FORM NO. 18
In the Ministry of Corporate Affairs, New Delhi
Company Petition No. of 20.....

IN THE MATTER OF COMPANIES ACT, 1956
AND
IN THE MATTER OF M/S. CENTRAL INLAND WATER TRANSPORT
CORPORATION LIMITED

Petition under section 101 for confirming the reduction of share capital

Between :

Central Inland Water Transport Corporation Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at 4, Fairlie Place, Kolkata – 700 001.

.....PETITIONER COMPANY

The petition of the petitioner Company herein showeth :

1. The above named Company, the petitioner herein (hereinafter called “the Company”) was registered on 22.02.1967 (twenty second day of February nineteen hundred sixty seven), under the provision of the Companies Act, 1956 as a company limited by shares with a share capital.
2. The registered office of the Company is situated at 4, Fairlie Place, Kolkata – 700 001.
3. The objects of the Company are riverine cargo operation, charter hire of vessels, other inland shipping activities, etc. as set forth in the Memorandum of Association of the Company.
4. The Authorised capital of the Company is Rs. 251,00,00,000/= (Rupees two hundred fifty one crore) divided into 25,10,000 (twenty five lakh ten thousand) equity shares of Rs. 1000/= (Rupees one thousand) each, of which, 25,09,323 (twenty five lakh nine thousand three hundred twenty three) equity shares of Rs. 1000/- (Rupees One Thousand) each, are issued and fully paid – up.

5. Central Inland Water Transport Corporation Limited is a 100% Govt. Company under the Companies Act, 1956 and more than 99% of the paid – up share capital is held by the Hon'ble President of India on behalf of Govt. of India while the balance equity share capital is held by the Govt. of Assam and Govt. of West Bengal.
6. Shortly after its incorporation dated and obtaining certificate of commencement of business, it has started business and is still carrying on business as said in Memorandum of Association.
7. By article – 42(f) of the Articles of Association of the Company, it is provided that the Company may with the prior approval of the Hon'ble President of India reduce its capital in any manner. The provision of Article 42(f) of the Articles of Association of the Company reads as follows :

“Notwithstanding any thing contained in the other articles, prior approval of the President of India should be obtained in respect of :

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(f) Any proposal for action relating to the reduction of capital.”

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8. Reasons for reduction of capital is as follows :
- 8.1 The Department of Shipping placed a Note for the Cabinet dated 23.11.2005 seeking approval of the Cabinet, inter alia, for the following proposals contained in para – 6 of the Cabinet Note :
- “i) Handing over Rajabagan Dockyard along with its existing manpower (371 employees), assets and liabilities to Garden Reach Ship Builders & Engineers (GRSE) or to any other PSE on outright purchase / long terms lease / management contract basis in a transparent manner to be overseen by a Group of Secretaries to be constituted as per para 3.1.

- ii) Write-off of interest (as on the date of actual write-off) and conversion of outstanding principal amount as on 31.3.2005 into equity and, thereafter, reducing the same against the accumulated losses.
 - iii) Introduction of VRS to bring down the manpower level (of CIWTC minus, RBD) to 43 from the existing level of 1080.
 - iv) Disinvestment of CIWTC minus RBD in favour of private parties after implementation of above proposals.
 - v) Grant-in-aid (Non-Plan) to CIWTC for pursuing VRS and for making payment of salary / wages until CIWTC minus RBD is disinvested.
- 8.2 Govt. of India, Ministry of Shipping, Road Transport & Highways vide their letter no. WTC-13021/10/2005–IWT dated 13.12.2005 conveyed the approval of the Govt. of India to the proposal of the ministry as contained in para 6 of the Cabinet Note mentioned above and advised to take necessary action for implementing the decision of the Cabinet.
- 8.3 Of the aforesaid directives of Govt. of India, the following have been implemented based on the Government decision :-
- (a) In terms of the decision taken in the meeting of the Group of Secretaries held on 30.06.2006 under the Chairmanship of the Secretary (Shipping), Rajabagan Dockyard (RBD) with its 312 employees, assets and liabilities was handed over by CIWTC to M/s. GRSE Ltd. on 01.07.2006. A total of fifty employees of RBD had earlier proceeded on Voluntary Retirement. Against purchase consideration of Rs. 59.67 crore and Rs. 1.83 crore for immovable and movable assets respectively a total of Rs. 52.03 crore was received after adjusting the liabilities. The entire fund has been kept in an Escrow account in form of a fixed deposit.
 - (b) For conversion of loan into equity, the authorized capital of CIWTC was increased from Rs. 150 crore to Rs. 251 crore with the approval of Board of Directors of CIWTC and MOS.
 - (c) In regard to write-off of interest, the position of interest as on 31.01.2007 amounting to Rs. 213.83 crore, has been reconciled and necessary approval of MOS was received and effect was given in Annual Accounts for the Financial Year 2006 – 07.

- (d) In the 228th Meeting of the CIWTC Board of Directors approval was given for issue of shares in favour of the Hon'ble President of India on conversion of principal amount of loan as on 31.03.2005 for Rs.120.48 crore.
- (e) Accordingly, equity shares for Rs. 120.48 crore were issued in favour of the Hon'ble President of India.
- (f) Increased Equity Share Capital on conversion of Principal amount of loan as on 31.03.2005 are Rs. 250,93,23,000/= (Rs. 130,45,23,000/= + Rs.120,48,00,000/=). As per the decision of the Govt. of India thereafter, increased share capital would have to be reduced against the accumulated losses. The paid-up value of shares is Rs. 1000/= per share. On reduction of Rs. 480/= per share of Rs. 1,000/= fully paid-up; paid-up value per share would be reduced to Rs. 520/= per share. In this way, an amount of Rs. 120,44,75,040/= are reduced (i.e., 25,09,323 nos. equity shares X Rs. 480/=). Rs. 3,24,960/= would still remain in the equity block awaiting reduction which can be subsequently taken up alongwith further scheme of reduction of share capital, if any, as there would still be significant amount of accumulated losses remained in this restructured Balance Sheet.
- (g) The Board approved the proposal of capital reduction of 2509323 nos. of equity shares of Rs. 1000/= each fully paid-up by Rs.480/= per share and thereby reducing paid value per share to Rs. 520/=.
- (h) Govt. of India, Ministry of Shipping, Road Transport & Highways, Department of Shipping vide letter no. WTC-13021/8/2006-IWT dated 21.02.2008 conveyed the approval of the Competent Authority for reduction of Share Capital of CIWTC Ltd. by reducing the face value of 2509323 nos. of Equity Share of Rs. 1,000/= each from Rs. 1,000/= per share (fully paid-up) to Rs. 520/= per share (fully paid-up) in compliance with the Govt. decision dated 01.12.2005. At present the authorised capital of the COMPANY is Rs. 2,51,00,00,000/= and paid-up capital is Rs. 2,50,93,23,000/=.
- (i)(l) The EGM held on 29.3.2008 as approved the said proposed capital reduction retrospectively from 1.4.2007 and restructuring of capital simultaneously the Form no. 23 has been filed with the ROC, W.B. vide SRN no. A 34701797 dated 29.03.2008 which has been approved.

Note : Accounts before finalization of EGM should be produced and approved (by CAG Auditor) or

- (II) The paid-up share capital after reduction would be Rs.130,48,47,960/= comprising of 25,09,323 no. of equity shares of Rs.520/= each fully paid-up with retrospective effect from 01.04.2007.
- (III) The accumulated losses of the Company as per the latest audited annual accounts for the F.Y. 2006-07 is Rs. 261,37,41,156/= (Rupees Two hundred sixty one crore thirty seven lakh forty one thousand one hundred fifty six). Audited copies of Balance Sheet & Profit & Loss A/c. for the F.Y. 2006-07 are reproduced below :

**CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED
(A GOVT. OF INDIA UNDERTAKING)**

BALANCE SHEET as at 31st March, 2007

SOURCES OF FUNDS	Schedule No.	31.03.2007 RS.	31.03.2006 RS.
SHAREHOLDERS' FUNDS			
Share Capital	I	2,509,323,000	1,304,523,000
Reserves and Surplus	II	1,090,993,469	1,090,993,469
LOAN FUNDS			
Unsecured Loans	III (A+B)	-	3,217,154,103
		3,600,316,469	5,612,670,572
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	IV	1,111,912,384	1,258,254,640
Less :- Depreciation		603,394,997	674,876,674
Net Block		508,517,387	583,377,966
Less : Loss Provision		2,235,886	2,235,886
		506,281,501	581,142,080
Capital Work-in-Progress	V	53,598,255	78,257,115
		559,879,756	659,399,195
INVESTMENTS			
	VI	-	-
ASSETS RETIRED FROM OPERATION AT BOOK VALUE			
		26	26
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	VII	17,526,947	101,449,204
Sundry Debtors	VIII	167,395,771	151,552,690
Cash and Bank Balances	IX	939,839,330	784,550,715
Other Current Assets	X	24,414,288	234,487
Loans and Advances	XI	18,993,710	5,557,981
		1,168,170,072	1,043,345,103
Less : CURRENT LIABILITIES AND PROVISIONS	XII	745,514,515	1,334,561,950
		422,655,557	(291,216,847)
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	XIII	4,040,000	-
PROFIT AND LOSS ACCOUNT			
		2,613,741,156	5,244,488,224
		3,600,316,469	5,612,670,572

Capital commitment and contingent liabilities (see Note 1) of Schedule XXV Schedules I to XIII, Schedule XXV and Accounting Policies form part of Accounts

Signed in terms of our report of even date annexed.

For H. S. Bhattacharjee & Co.
Chartered Accountants

(Signature)
(A. RAY)
M. No. 057516
Partner

For Sambhu N. De & Co.
Chartered Accountants

(Signature)
(D. ROY)
M. No. 063849
Partner

Signature to the Balance Sheet and Schedules I to XIII, Schedule XXV and Accounting Policies.

(Signature)
(P. Talal)
Chairman - cum -
Managing Director

(Signature)
(S.C. SRIVASTAVA)
Director

(Signature)
(R. K. Ghosal)
Company Secretary

(Signature)
(J. K. Kundu)
Asstt. Mgr.(Finance)

Place : Kolkata
Dated : 2007



CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED
[A GOVT. OF INDIA UNDERTAKING]

PROFIT AND LOSS ACCOUNT for the year ended 31st March,2007

	Schedule No.	2006 - 2007 Rs.	2005 - 2006 Rs.
INCOME			
(A) Earnings (Operational)	XIV	147,244,660	130,024,741
Earnings (Others)	XV	731,916,113	19,937,725
(include Surplus on Sale of Assets Rs. 58,08,81,827/-, Previous Year NIL)		879,160,773	149,962,466
(B) VRS Grant from GOI		181,005,280	11,150,972
(A + B)		1,060,166,053	161,113,438
EXPENDITURE			
(A) Materials and Stores consumed	XVI	11,411,764	34,420,231
Decrease/(Increase) in Work-in-Progress	XVII	112,456,042	54,855,477
Employees' Remuneration and Benefits	XVIII	89,042,028	159,383,761
Repairs and Maintenance	XIX	106,693,636	61,496,087
Power and Fuel		12,361,749	13,871,562
Other Expenses	XX	43,943,479	34,872,927
Interest	XXI	306,068,906	334,100,593
Depreciation		36,041,213	36,012,031
Provisions	XXII	-	2,914,885
		718,018,817	731,927,554
Less : Transfer to Other Heads of Accounts	XXIII	9,887,201	17,007,674
		708,131,616	714,919,880
Less : Interest Write - off (Extra Ordinary Item)		305,965,558	-
		402,146,058	714,919,880
(B) VRS Expenses		181,005,280	11,150,972
		181,005,280	11,150,972
(A + B) :		583,151,338	726,070,852
Profit / (Loss) for the year before adjustment		477,014,715	(564,957,414)
Adjustments :			
Adjustments relating to prior years (Net) (inclu.E. O. Item)	XXIV	2,398,732,353	128,326,990
Profit / (Loss) before Tax		2,875,747,068	(436,630,424)
Provision for Taxes :			
Current Tax		244,463,882	
FBT		536,118	
		245,000,000	
Profit after Taxes		2,630,747,068	(436,630,424)
Profit / (Loss) for Earlier Year		(5,244,488,224)	(4,807,857,800)
Balance carried to Balance Sheet		(2,613,741,156)	(5,244,488,224)
EPS (Basic and Diluted)		1,747.63	(334.70)
EPS (Basic and Diluted) (excluding extra ordinary item)		327.11	(334.70)

Schedules XIV to XXV and Accounting Policies form part of Accounts

Signed in terms of our report of even date annexed.

For H. S. Bhatiacharjee & Co.
Chartered Accountants

(A. RAY)
(A. RAY)
M. No. 057516
Partner

For Sambhu N. De & Co.
Chartered Accountants

(D. ROY)
(D. ROY)
M. No. 063849
Partner

Signature to the Profit & Loss Account and Schedules XIV to XXV and Accounting Policies.

(P. Tayal)
(P. Tayal)
Chairman - cum -
Managing Director

(S. C. SRIVASTAVA)
(S. C. SRIVASTAVA)

(R. K. Ghosal)
(R. K. Ghosal)
Company Secretary

Director
(J. K. Kundu)
(J. K. Kundu)
Asstt. Mgr.(Finance)

Place : Kolkata
Dated :2007



- 8.4 The Govt. of India have conveyed to the Company the approval of reduction of share capital of CIWTC Ltd. vide letter no. WTC- 13021/8/2006-IWT dated 21.02.2008 (Twenty first day of February, Two thousand Eight) issued by the Ministry of Shipping, Road Transport & Highways, Govt. of India with reference to the balancing for the year ended 31st March, 2007 duly audited by the CAG Auditor and certified by the Management.
- 8.5 The Company therefore intends to give effect of capital reduction in the Annual Accounts from the F.Y. 2007-08. In order to implement the same, the members of the Company have given their consent to the reduction of capital, by passing a resolution under Section 100 and other applicable provisions of the Companies Act, 1956 at the extraordinary general meeting held on 29.3.2008 (Twenty Nineth day of March, Two thousand Eight) at the Registered Office of the Company.
9. By a special resolution of the Company, duly passed in accordance with Section 189 of the Companies Act, 1956, at the extraordinary general meeting thereof, held after due notice as provided in the Act, on the 29.3.2008 (Twenty Nineth day of March, Two thousand Eight) it was :

“RESOLVED that pursuant to the provisions of Section 100 and other applicable provisions, if any, of the Companies Act, 1956 and subject to confirmation of the Ministry of Corporate Affairs / Company Law Board and any other Government agencies, the paid up equity share capital of the Company be reduced from Rs. 250,93,23,000/= (Rupees Two hundred fifty crore ninety three lakh and twenty three thousand) divided into 25,09,323 equity shares of Rs. 1000/= each to Rs.130,48,47,960/= (Rupees One hundred thirty crore forty eight lakh forty seven thousand and nine hundred sixty) divided into 25,09,323 equity shares of Rs. 520/= each, and that such reduction be effected by canceling the equity share capital of Rs.120,44,75,040/= (Rupees One hundred twenty crore forty four lakh seventy five thousand forty) which has been lost to the extent of Rs. 480/= per equity share in each and every equity shares of the Company which have been issued.”

“RESOLVED further that the accumulated losses of the company to the tune of Rs.120,44,75,040/= (Rupees One hundred twenty crore forty four lakh seventy five thousand forty) be written off by canceling the paid up equity share capital of the company by Rs. 480/= per equity share amounting to Rs.120,44,75,040/= (Rupees One hundred twenty crore forty four lakh seventy five thousand forty).”

“ RESOLVED FURTHER that the effective date be read from 1.4.2007 for capital reduction and restructuring of capital with reference to the audited Balance Sheet as on 31.3.2007. “

“RESOLVED FURTHER that Clause–V of the Memorandum of Association of the Company being the capital clause be altered in the manner following : -

For the words and figures ‘Rs. 251,00,00,000/- (Rupees two hundred fifty one crore) divided into 25,10,000/- Equity Shares of Rs. 1,000/- each’ occurring in the Clause, the following words and figures be substituted :

“Rs. 250,99,99,960/- (Rupees two hundred fifty crore ninety nine lakh ninety nine thousand nine hundred sixty) divided into 48,26,923 Equity Shares of Rs. 520/- each.”

“RESOLVED further that Article – 5 of the Articles of Association of the Company be altered in the manner following : -

For the words and figures Rs. 251,00,00,000/- (Rupees two hundred fifty one crore) divided into 25,10,000/- Equity Shares of Rs. 1000/- each’ occurring in the Articles, the following words and figures shall be substituted :

“Rs. 250,99,99,960/- (Rupees two hundred fifty crore ninety nine lakh ninety nine thousand nine hundred sixty) divided into 48,26,923 Equity Shares of Rs. 520/- each.”

“RESOLVED further that necessary endorsement in the share certificates which have already been issued, be carried out by the Company Secretary, after the capital reduction becomes operative and effective.”

“RESOLVED further that the Chairman-cum-Managing Director and Company Secretary be and are hereby jointly or severally authorized to make application / petition to the Ministry of Corporate Affairs / Company Law Board and any other Govt. agencies in connection with capital reduction of the company and to do all such acts, deeds and things, as may be necessary and expedient, to give effect to this Resolution.”

10. Reduction of capital does not involve either the diminution of any liability in respect of unpaid capital as there are no partly paid up shares or the payment of any shareholder of any paid-up capital, and that no creditor or any class of them are entitled to object.
11. The form of the minute proposed to be registered Under Section 103(1)(b) is as follows :

Extract of the minute of the Extra Ordinary General meeting of the member of the company held on 29th March, 2008 (Twenty Nineth day of March, two thousand eight) :

Resolution for reduction of capital

“RESOLVED that pursuant to the provisions of Section 100 and other applicable provisions, if any, of the Companies Act, 1956 and subject to confirmation of the Ministry of Corporate Affairs / Company Law Board and any other Government agencies, the paid up equity share capital of the Company be reduced from Rs. 250,93,23,000/= (Rupees Two hundred fifty crore ninety three lakh and twenty three thousand) divided into 25,09,323 equity shares of Rs. 1000/= each to Rs. 130,48,47,960/= (Rupees One hundred thirty crore forty eight lakh forty seven thousand and nine hundred sixty) divided into 25,09,323 equity shares of Rs. 520/= each, and that such reduction be effected by canceling the equity share capital of Rs.120,44,75,040/= (Rupees One hundred twenty crore forty four lakh seventy five thousand forty) which has been lost to the extent of Rs. 480/= per equity share in each and every equity share of the Company which has been issued and the same be read as effective from 01.04.2007.”

- 11.1 That to this end all inquiries and directions and proper be made and given ;
- 11.2 That the proposed minute set out in paragraph 11 above be approved; and
- 11.3 That such further or other orders be made in the premises as to the Central Government shall deem fit.

CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED

(R.K.GHOSHAL)
Company Secretary
Petitioner

Dated, the 25th April, 2008.

SL.NO.

WEST BENGAL

03AA 174515

FORM NO. 3

In the Ministry of Corporate Affairs, New Delhi
In THE MATTER OF COMPANIES ACT, 1956
AND
IN THE MATTER OF M/S. CENTRAL INLAND WATER TRANSPORT
CORPORATION LIMITED

Company petition No. of 20.....

Affidavit verifying petition

I, son of Late K.L.Ghoshal, aged 49 years, residing at 21, R.C.Chatterjee Road, Dist. : Panihati, Dist. : 24 Pgs (N), Pin – 743176, West Bengal do solemnly affirm and say as follows :-

1. I am Company Secretary of Central Inland Water Transport Corporation Limited, the petitioner in the abover matter.
2. The statements made in paragraphs 1 (one) to 11 (eleven) of the petitioner herein now shown to me, are true to my knowledge, and are based on the information that I belief to be true.

Solemnly affirmed, etc.

Deponent

**Solemnly Affirmed
Declared before me
On Identification of Advocate**

FORM NO. 19

In the Ministry of Corporate Affairs, New Delhi

IN THE MATTER OF COMPANIES ACT, 1956

AND

**IN THE MATTER OF M/S. CENTRAL INLAND WATER TRANSPORT
CORPORATION LIMITED**

Company petition No..... of 20.....

Central Inland Water Transport Corporation Limited – Petitioner

Application No. of 20.....

Summons for directions

Let all parties concerned attend the sitting judge in chambers on..... the
..... day of 20..... at 0'clock in the
....., on the hearing of an application by the above named Company (that a day
may be fixed for the hearing of petition above named for the reduction of the
company's capital presented on the day of 20.....
. , and tat 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 proceeding to
be taken for setting a list of creditors of the said company entitled to object to the
proposed reduction, and the notices and advertisements to be issued, etc.)

Dated this day of20.....

CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED

(R.K.GHOSHAL)
Company Secretary
Representative for petitioner

This summons was taken out by Shri R.K.Ghoshal, the representative of the
Company and will be supported by the affidavit of Shri R.K.Ghoshal, Company
Secretary of the petitioner Company.