



Coromandel Engineering Company Limited
(ISO 9001:2015 & BS OHSAS 18001:2007 Certified Company)
Registered and Corporate Office:
Parry House, V Floor, 43, Moore Street, Chennai 600 001, India
P.B. No. 1698, Tel: 25301700
CIN No: L74910TN1947PLC000343
Email: coromandelengg@cec.murugappa.com
Website: www.coromandelengg.com

May 11, 2023

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 533167

Dear Sir,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Approval of Scheme of Reduction of entire Unlisted issued, subscribed and paid up 7% Cumulative Non-Participating Redeemable Preference Shares of the Company

We refer to our letter dated 25th September, 2021 intimating the approval of the Board of Directors of the Company for the Scheme of reduction of the entire unlisted issued, subscribed and paid up 7% Cumulative Non Participating Redeemable Preference Shares of the Company pursuant to Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2014 and in compliance with other applicable Rules and Regulations, if any, subject to requisite statutory and regulatory approvals.

In this regard, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Hon'ble National Company Law Tribunal, Chennai Bench, vide its Order dated 09th May, 2023 approved the said Scheme of Reduction and issued the certified true copy of the said Order yesterday, i.e. on 10th May, 2023. We enclose herewith copy of the said order.

The Scheme shall come into effect upon filing of the certified true copy of the Order with the Registrar of Companies, Chennai.

Kindly take the above information on record.

Thanking you,

Yours faithfully

For Coromandel Engineering Company Limited

C Parvathi Nagaraj
Company Secretary



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - II, CHENNAI**

CP/42(CHE)/2022

(Filed under Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016)

*In the matter of **Coromandel Engineering Company Limited***

COROMANDEL ENGINEERING COMPANY LIMITED

(CIN: L74910TN1947PLC000343)

Regd Office:

"Parry House", 5th Floor,
43, Moore Street,
Chennai - 600 001.

... Applicant Company

Order Pronounced on 09th May, 2023

CORAM

SANJIV JAIN, MEMBER (JUDICIAL)

SAMEER KAKAR, MEMBER (TECHNICAL)

For Applicant: A.K. Mylsamy, Sr. Advocate

ORDER

Per: SAMEER KAKAR, MEMBER (TECHNICAL)

This Application has been filed by M/s. Coromandel Engineering Company Limited (hereinafter referred to as the "Company") on 04.04.2022 under the provisions of Section 66 of the Companies Act, 2013 (hereinafter referred to as the "Act"), seeking the following reliefs:



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- a. That the "Scheme for Reduction of issued, Subscribed and Paid-up Preference Share Capital between Coromandel Engineering Company Limited and Its Shareholders under Section 66 of the Companies Act, 2013 and the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016" duly approved by the preference and equity shareholders of the Applicant Company, be confirmed by this Hon'ble Tribunal so as to be binding on the Applicant Company, its shareholders, creditors and on all stakeholders;
- b. That necessary directions may be passed to dispense with the usage of the words "and reduced" to the name of the Applicant; and
- c. That the Form of Minute as set out in Clause M and Annexure - 11 of this Application be approved by this Hon'ble Tribunal;
- d. That this Hon'ble Tribunal may pass such further or other orders as it may deem fit and proper in the facts and circumstances of the case.

2. It is stated that the Company was originally incorporated on 03.09.1947 under the provisions of the Companies Act, 1913. The registered office of the Company is at "Parry House", 5th Floor, 43, Moore Street, Chennai - 600 001. The Share Capital of the Company consists of Equity and Preference Shares. It is stated that the Equity Share of the Company are listed on the Bombay Stock Exchange since 15.03.2010, however, the Preference Shares are closely held by the promoters of the Company and are not listed in any stock



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exchange. The capital structure of the Applicant Company as on 31.03.2021 is extracted from the Application as under:

PARTICULARS	AMOUNT (Rs.)
Authorized Share Capital	
4,00,00,000 Equity Shares of Rs. 10/- each	40,00,00,000
32,00,00,000 Preference Shares of Rs. 100/- each	32,00,00,000
TOTAL	72,00,00,000
Issued Share Capital	
3,32,77,278 Equity Shares of Rs. 10/- each	33,27,72,780
28,35,630 Preference Shares of Rs. 100/- each	28,35,63,000
TOTAL	
Subscribed and Paid-up Share Capital	
3,32,33,598 Equity Shares of Rs. 10/- each	33,23,35,980
28,35,630 Preference Shares of Rs. 100/- each	28,35,63,000
TOTAL	61,58,98,980

3. It is stated that the Company had substantial accumulated losses to an extent of Rs. 72,00,84,808/- (Rupees Seventy-Two Crores Eighty-Four Thousand Eight Hundred Eight only) as reflected in the audited balance sheet of the Company as on 31.03.2021. Due to the above financial position, the Company not able to meet its liabilities in respect of the Preference Share Capital as reflected in the table above in terms its issuance to the Preference Shareholders.

4. It is stated that the Board of Directors of the Company, considering the circumstances, in the meeting dated 25.09.2021 resolved that the Company's Paid-up Preference Share Capital (28,35,630 Preference Shares of Rs. 100/- each) be wholly reduced by extinguishing all rights to payments to be made to the Preference





Shareholders subject to the consent of the Preference Shareholders and other regulatory approvals as may be required for the reduction. The Scheme for the Reduction of Preference Share Capital is placed on record at page nos. 28- 44 of the Application as Annexure - 1.

5. It is stated that unanimous consent of the Preference Shareholders was obtained by way of a Special Resolution in the meeting of the Preference Shareholders dated 03.12.2021. In addition to the same, consent affidavits of all the Preference Shareholders were also obtained and placed as Annexure - 8. The relevant portion of the Special Resolution dated 03.12.2021 is extracted as under:

"RESOLVED THAT pursuant to Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act), if any, and the relevant Rules made there under ("the Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Article 4.4 of the Articles of Association of the Company and further subject to confirmation by the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT"), and subject to approvals, if any, as may be required from the appropriate authorities, and subject to such terms, conditions or modifications - if any, as may be prescribed by such authorities while granting such approvals, consents or permissions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board'), **the Scheme for Reduction of Issued, Subscribed and Paid-up Preference Share Capital between the Company and its Shareholders ("the Scheme) be and is hereby approved and the consent of the preference shareholders of the Company is hereby accorded** and consequently, the entire paid-up Preference Share Capital of the Company aggregating to Rs. 28,35,63,000/- (Rupees Twenty Eight Crores Thirty Five Lakhs Sixty Three Thousand only) divided into 28,35,630 number of 7 % Cumulative Non-Participating Redeemable Preference Shares of Rs.100/- each by extinguishing right to all payments to be made including but not limited to all outstanding dividends, share premiums, if any, and redemption amount or exit consideration (whether such consideration is the nominal value of the shares or higher) from the date of approval of NCLT and that such reduction be effected by adjusting and/or writing back such reduced



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capital proportionately against the accumulated losses of the Company ("the Reduction").

RESOLVED FURTHER THAT no consideration nor payment whatsoever will be made towards the extinguishment of all payments that were hitherto payable including but not limited towards outstanding dividends, share premiums, if any, and redemption amount or exit consideration (whether such consideration is the nominal value of the shares or higher).

6. After obtaining consent of the Preference Shareholders, Special Resolution dated 12.12.2021 was passed in the meeting of the Equity Shareholders and placed on record at page 570 of the Application as Annexure - 10E. The relevant portion of the Special Resolution dated 12.12.02021 is extracted as under:

"RESOLVED THAT pursuant to Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act*"), If any, and the relevant Rules made thereunder ("the Rules") (including any statutory modification(s) or re-enactments) thereof for the time being in force) and pursuant to Article 4.4 of the Articles of Association of the Company and subject to the approval of the preference shareholders of the Company and further subject to confirmation by the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT"*), and subject to approvals, if any, as may be required from the appropriate authorities, and subject to such terms, conditions or modifications if any, as may be prescribed by such authorities while granting such approvals, consents or permissions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board"), **the Scheme for Reduction of Issued, Subscribed and Paid-up Preference Share Capital between the Company and its Shareholders ("the Scheme") be and is hereby approved and consequently, the entire paid-up Preference Share Capital of the Company aggregating to Rs. 28,35,63,000/- (Rupees Twenty Eight Crores Thirty Five Lakhs Sixty Three Thousand Only) divided into 28,35,630 number of 7% Cumulative Non Participating Redeemable Preference Shares of Rs.100/- each be and is hereby fully reduced by extinguishing right to all payments to be made to the Preference Shareholders** including but not limited to all outstanding dividends, share premiums, if any, and redemption amount or exit consideration (whether such consideration is the nominal value of the shares or higher) from the date of approval of NCLT and that such





reduction be effected by adjusting and/or writing back such reduced capital proportionately against the accumulated losses of the Company ("the Reduction"*)."

7. It is stated that Article 4.4 of the Company permits the reduction of Share Capital in terms of the Act. The Articles and Memorandum of the Company has been placed along with the Application as Annexure A - 2. The proposed form of minutes as contemplated under sub-section 5 of Section 66 is reproduced from the Application as under:

"The entire Issued, Subscribed and Paid-up Preference Share Capital of the Company of Rs. 28,35,63,000/- (Rupees Twenty Eight Crores Thirty Five Lakhs Sixty Three Thousand Only) (divided into 28,35,630 number of 7% Cumulative Non-Participating Redeemable Preference Shares of Rs.100-each) is fully reduced to NIL by extinguishing all rights attached to the Preference Shares of the Company including all payments that were hitherto be made to Preference Shareholders of the Company including but not limited to redemption amounts or exit consideration (whether such consideration is the nominal value of the shares or higher), all outstanding dividends, and share premiums, if any, and the total Issued, Subscribed, Paid up Preference Share Capital of the Company shall be NIL."

8. The details of the Equity Share Capital of the Company before and after the proposed reduction will be as follows:

Issued, Subscribed and Paid-up Share Capital	Before Reduction (In Rs.)	After Reduction (In Rs.)
Equity Share Capital Consisting of 3,32,33,598 Equity Shares of Rs. 10/- each fully paid up	33,23,35,980	33,23,35,980
Preference Share Capital Consisting of 28,35,630 7% Cumulative Non-Participating Redeemable Preference Shares of Rs. 100/- each	28,35,63,000	NIL
Total	61,58,98,980	33,23,35,980



9. It is stated that Applicant Company has not accepted any deposits and therefore the Company has no arrears of repayment of deposits or any interest therein. The declarations of two Directors of the Company in the form of Affidavit(s) and a certificate from the Statutory Auditor of the Company confirming that there are no arrears of repayment of deposits or any interest thereon in the Company are placed as Annexure - 12 & 13 respectively.

10. The Statutory Auditors of the Applicant Company by their certificate dated 26.10.2021 annexed as Annexure - 6 to the Application have confirmed that the Accounting Treatment proposed by the Company is in conformity with the Accounting Standards specified by the Central Government under Section 133 of the Act, 2013.

11. It is stated that the Applicant Company as on 25.03.2022 has 6 Secured Creditors and 770 Unsecured Creditors. The certificate the list of the said creditors showing the details of the Statutory Auditors of the Applicant Company is appended at page 272 - 319 as Annexure - 5.

12. We have heard the learned counsel for the Applicant Company.

This Tribunal vide order dated 15.06.2022, had directed the Company to give notice of this application to the Regional Director, Registrar of Companies, Chennai and to cause appropriate publication of notice in the prescribed form. Affidavit of Service dated



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30.06.2022 has been before this Tribunal vide SR 3998 dated 01.07.2022 in relation to the above directions. Upon perusal, it is seen that the Applicant Company has effected a newspaper advertisement on 27.06.2022 and 26.06.2022 in 'Business Standard' (English) and Dina Malar (Tamil) respectively. Further, notices in Form No. RSC - 2 dated 25.06.2022 have also been issued to the Regional Director and the ROC, Chennai. That apart, individual notices were duly served on Creditors of the Company and proof of service is also enclosed along with the Application.

14. Consequently, RD has submitted its report dated 12.09.2023. In para 5 of the report, the RD had given his no objection to the proposed reduction of the share capital of the company, which is extracted hereunder:

"5. The application for reduction of the share capital has been examined and it has been decided not to make any objection to the proposed reduction of share capital and it is therefore prayed that this Hon'ble Tribunal may dispose of the matter on merits and pass such order/orders as deemed fit and proper."

15. For the aforesaid discussions, This Tribunal is of the view that there is no impediment to confirm the reduction of the share capital of the Applicant Company as the Company has complied with all the requirements as per Section 66 read with the provisos and the rules.

This Tribunal also approves the proposed 'Form of Minutes' set out in the Application and as extracted in paragraph 6 *supra*.

16. Notwithstanding the above, if there is any deficiency found or violation committed qua any enactment, statutory rule or regulation,



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the sanction granted by this Tribunal will not come in way of action being taken, albeit, in accordance with the law, against the concerned persons, directors and officials of the Applicant Company.

17. It is however clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges if any payment is due or required in accordance with law or in respect to any permission/ compliance with any other requirement which may be specifically required under any law. Further, all compliances as are required to be done by the Applicant Company upon this order confirming the reduction of share capital and security premium reserve shall be duly complied with in relation to SEBI, FEMA and Income Tax laws as may be applicable.

18. The Applicant Company is directed to publish the order of confirmation of the reduction in the editions of 'Dina Malar' in Tamil and 'Business Standard' in English and file a certified copy of this order with the RoC within 30 days from the date of this order.

19. On aforesaid terms the reduction of share capital is confirmed. Accordingly, **CP/42(CHE)/2022** stands **Allowed** and **Disposed of**.

-Sd-

SAMEER KAKAR
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)



2. N. N. 10/5/23

DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001

Certified to be True Copy