



28th February 2024

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051

Dept. of Corporate Service
BSE Limited
P. J. Towers, Dalal Street
Mumbai – 400 001

NSE Symbol: **RENUKA**

BSE Scrip Code: **532670**

Sub: Intimation under Reg. 30 of SEBI (LODR) Regulations, 2015 – NCLT order for reduction of share capital of the subsidiary company

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and in terms with the Company's Policy on Determination of Materiality for Disclosure of Events or Information, we inform that Hon'ble National Company Law Tribunal, Mumbai Bench, has vide its order dated 23rd February 2024 (Ref: C.P. No. 92/MB/2023 under Section 66 and 52 of Companies Act, 2013) has approved the reduction of Share Capital of KBK Chem-Engineering Private Limited ("KBK"), a Wholly Owned Subsidiary of the Company, for reducing an amount of Rs. 1088.55 million out of the balance standing to the credit of Securities Premium Account of KBK as on 31st December 2022, for writing off the equivalent amount of deficit in the statement of Profit and Loss Account of KBK.

The Certified Copy of the Order received by the Company on 27th February 2024 at around 6 pm. A copy of the NCLT Order is enclosed herewith.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,
For **Shree Renuka Sugars Limited**

Deepak Manerikar
Company Secretary

Encl.: As above

Shree Renuka Sugars Limited

Corporate Office: 7th Floor • Devchand House • Shiv Sagar Estate • Dr. Annie Besant Road • Worli Mumbai 400 018 • Maharashtra • India

P +91 22 2497 7744/4001 1400 **F** +91 22 2497 7747 **E** info@renukasugars.com

Registered Office: 2nd / 3rd Floor, Kanakshree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Po: Belagavi- 590 010 • Karnataka • India

P +91 831 2404000 **F** +91 831 2404961

W www.renukasugars.com • Corporate Identification No.: L01542KA1995PLC019046

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT MUMBAI**

C.P. No. 92/MB/ 2023

In the matter of Section 66 read with Section 52 of the Companies Act, 2013 (the "Act") read with the National Company Law Tribunal Rules, 2016, National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (the "Rules").

AND

In the matter of reduction of Equity Share Capital of KBK Chem Engineering Private Limited ("Petitioner Company")

KBK Chem-Engineering Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gate No -540, Urwade Road, Kasar Amboli, Tal.Mulshi, Pirangut Pune MH 412 111 IN

.....Petitioner Company



Order Delivered: 23.02.2024

CORAM:

Ms. Reeta Kohli, Hon'ble Member (Judicial)

Ms. Madhu Sinha, Hon'ble Member (Technical)

For the Petitioner:

Mr. Hemant Sethi, Ms. Devenshi Sethi, i/b. Hemant Sethi & Co, Advocate

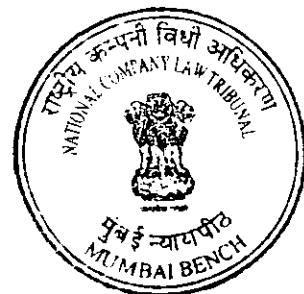
For Regional Director:

Mr Tushar Wagh, Assistant Director RD WEST.

ORDER

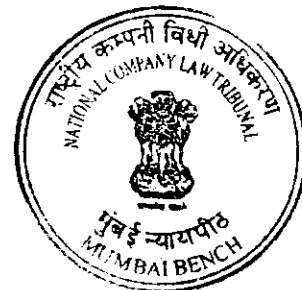
Per: Madhu Sinha, Member (Technical)

1. The learned Counsel for the Petitioner Company submits that this petition is for confirmation of a special resolution passed by the requisite majority equity shareholders of the Petitioner Company by way of Extra Ordinary General Meeting (EGM) for reducing an amount of Rs. 108,85,45,667/- out of the balance standing to the credit of Securities Premium Account of the Company as on 31st December 2022, for writing off the equivalent amount of deficit in the statement of Profit and Loss Account of the Company. The said special resolution



was unanimously approved by the equity shareholders of the Petitioner Company in its Extraordinary General Meeting held on March 8, 2023.

2. The Petitioner Company was incorporated as KBK Chemical Engineering Consultancy Private Limited on the 08th day of October, 1997, under the provisions of the Companies Act, 1956 as a Private Company Limited by shares. Consequently, a certificate of incorporation was issued by the Registrar of Mumbai to the Petitioner Company. Later on, the name of the Company was changed to KBK Chem-Engineering Private Limited, and a fresh certificate of incorporation was issued by the Registrar of Pune on 11th January 2002.
3. The Learned Counsel for the Petitioner Company states that the rationale for capital reduction is as follows;
 - a) *“As per the Provisional Balance Sheet as on 31st December 2022, the Company has accumulated losses of Rs. 108,85,45,667/- (Rupees One hundred and Eight Crores Eighty-Five Lakhs Forty-Five Thousand Six Hundred and Sixty-Seven Only). Further, the Company also has Securities Premium of Rs. 108,97,58,146/- (Rupees One Hundred and Eight Crores Ninety-Seven Lakhs Fifty-Eight Thousand One Hundred and Forty-Six Only) as on that date. However, in light of the accumulated losses as aforesaid the capital of the Company has been depleted to that extent.*
 - b) *In order to accurately and truly reflect the liabilities and assets position of the Company in its books of accounts and for better*

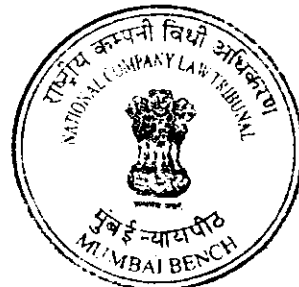


presentation of the financial position there is a need for rationalizing the balance sheet.

c) Accordingly, the accumulated losses can be written off by reducing the amount of the Securities Premium Account as on 31st December 2022 to the extent of the accumulated losses, to give a true and fair view of the books of accounts of the Company under a capital reduction exercise as per Section 66 read with Section 52 of the Companies Act, 2013 (the "Act") read with the National Company Law Tribunal Rules, 2016, National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (the "Rules").

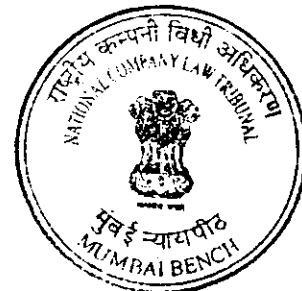
d) In view of the above background and rationale, the Board of Directors in their meeting held on 8th March, 2023 considered and approved the proposed capital reduction in accordance with Section 66 read with Section 52 of the Act read with the Rules and carry out the reduction of an amount of Rs,108,85,45,667/- Rupees One hundred and Eight Crores Eighty-five Lakhs Forty-five Thousand Six Hundred and Sixty-seven Only) out of the balance standing to the credit of Securities Premium Account of the company as on 31st December 2022, for writing off the equivalent amount of deficit in the statement of profit and loss account of the Company as on the date of approval by the National Company Law Tribunal, Mumbai bench for optimizing and rationalizing the balance sheet.

4. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed a Report dated 7 July 2023 inter-alia making the following observations which are produced hereunder to which

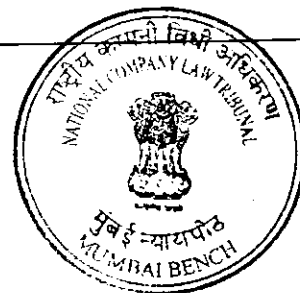


the Petitioner has filed responses by way of an Affidavit -In-Rejoinder dated 13 September 2023:

	Para Observation by the Regional Director	Responses by the Petitioner
6	<p><i>ROC, Mumbai in his Report No. ROCP/Sec.66/KBK Chem/2023/614 dated 19.06.2023 inter-alia mentioned that there is no inspection, investigation, inquiry, prosecution pending against the company. Further, the ROC, Pune has made his observation at para no. 23 of his report and states that:</i></p> <p><i>"List of creditors is dated 28.02.2023 and application is presented before the Hon'ble NCLT on 12.05.2023.</i></p>	<p>In so far as the representation made in Paragraph 6 of the said Report is concerned, the Petitioner submits that the list of creditors is as of 28th February 2023 and the petition is filed on 15th March 2023 and not 12th May 2023.</p>



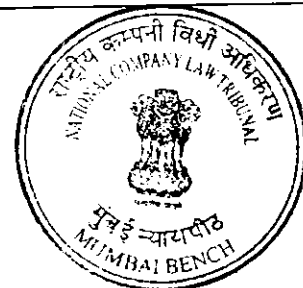
	<p><i>In view of the above, the petition may be decided on the merits considering the interest of minority shareholders and creditors.”</i></p>	
7 (A)	<p><i>Provisions of section 52 of the Companies Act, 2013 is reproduced as below-</i></p> <p><i>“Application of premiums received on issue of shares-</i></p> <p><i>(1) Where a company issue shares at a premium, whether for cash or other-</i></p>	<p>In so far as the observation made in Paragraph 7 (A) of the said Report, the Petitioner Company states that the same does not merit any reply as merely section 52 of the Companies Act, 2013 is reproduced.</p>



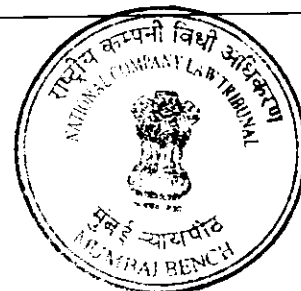
wise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a – securities premium account and the provisions of this Act relating to reduction of share capital of a company shall except as provided in this section, apply as if the securities premium account were the paid-up share capital of the company.

(2) Notwithstanding anything contained in sub-section (1), the securities premium account may be applied by the company-

(a) towards the issue of unissued shares of the company

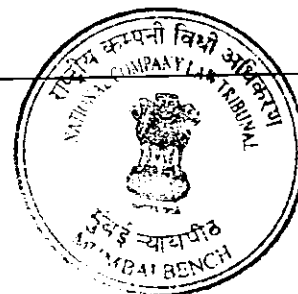


<p><i>to the members of the company as fully paid bonus shares;</i></p> <p><i>(b) in writing off the preliminary expenses of the company;</i></p> <p><i>(c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;</i></p> <p><i>(d) in providing for the premium payable on redemption of any redeemable preference shares or of any debentures of the company; or</i></p> <p><i>(e) for the purchase of its own shares or other securities under section 68.</i></p> <p><i>(3) The securities premium account may, notwithstanding anything contained in sub-</i></p>	
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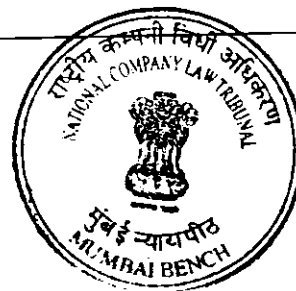


sections (1) and (2), be applied by such class of companies, as may be prescribed and whose financial statement comply with the accounting standards prescribed for such class of companies under section 133-

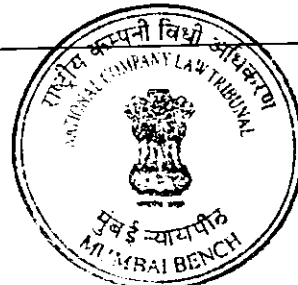
- (a) in paying up unissued equity shares of the company to be issued to members of the company as fully paid bonus shares; or*
- (b) in writing off the expenses of or the commission paid or discount allowed on any issue of equity shares of the company; or*
- (c) for the purchase of its own shares or other securities under section 68.”*



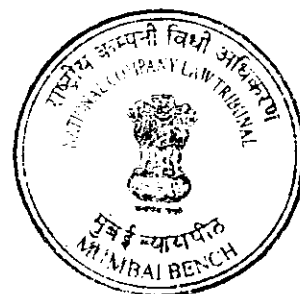
7 (B)	<p><i>In view of the provisions of section 52 of the Companies Act, 2013 the Petitioner shall satisfy the Hon'ble NCLT that the reduction of capital application is also fulfilling the requirements of section 52 of Companies Act, 2013.</i></p>	<p>In so far as the observation made in Paragraph 7 (A) & (B) of the said Report the Petitioner Company states that the Provisional Balance Sheet as on 31st December 2022, the Company has Accumulated Losses of approximately Rs. (108,85,45,667/-). Further, the Company also has Securities Premium of Rs. 108,97,58,146/- as on that date. That the Petitioner Company has filed the Petition under Section 66 read with Section 52 of the Act for confirming reduction of an amount of Rs. 108,85,45,667/- (Rupees One Hundred and Eight Crores Eighty-Five Lakhs Forty-Five Thousand Six Hundred and Sixty-Seven Only) out of the</p>
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	<p>balance standing to the credit of Securities Premium Account of the Company as on 31st December 2022 for writing off the equivalent amount of deficit in the statement of Profit and Loss Account of the Company. It is further submitted that the proposed utilization of Share Premium Account amounts to reduction of Capital of the Applicant Company by virtue of the provisions of Sections 52, & 66 of the Act. As Section 52 of the Act expressly provides that provisions of the said Act relating to the reduction of share capital of a Company shall, except as provided in Section 52 apply even for adjustment of Share Premium Account as if it were the paid up share Capital</p>
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		<p>of the Company and in the circumstances utilization in the aforesaid circumstances as proposed would attract provisions of Sections 66 of the Act for which the Applicant Company is required to pass special Resolution in terms of Section 66 of the Companies Act 2013.</p>
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7 (C)	<i>Applicant to submit an Affidavit to the effect that the interest of the creditors and all stakeholders and Government Revenue are protected as well as statutory dues are paid off.</i>	In so far as the observation made in Paragraph 7 (C) of the said Report the Petitioner Company is concerned the Petitioner Company undertakes that interest of all the creditors, stakeholders as well as the Government Revenue are protected and all the statutory dues are paid off by the Petitioner Company. The present reduction is in the nature of book entry. Notices have been given to all the Creditors and none of the Creditors have come forward to oppose the Reduction of share capital.
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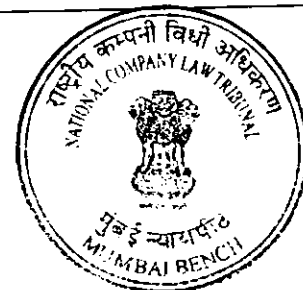
7 (D)	<p><i>The tax implication if any arising out of the proposal for reduction is subject to final decision of Income Tax Authorities. The approval of the Company Petition by this Hon'ble Court may not deter the Income Tax Authority from scrutinizing the tax return filed by the Company after giving effect to the proposed reduction. The decision of the Income Tax Authority is binding on the Petitioner Company.</i></p>	<p>In so far as the observation made in Paragraph 7 (D) of the said Report is concerned, the Petitioner Company submits that the tax implications, if any, arising out of the proposal for reduction is subject to final decision of the Income Tax Authorities. The approval of the Company Petition by this Hon'ble Tribunal may not deter the Income Tax Authority to scrutinize the tax return filed by the Petitioner Company after giving effect to the proposed reduction and all issues arising out of scheme for reduction will be decided in accordance with law.</p>
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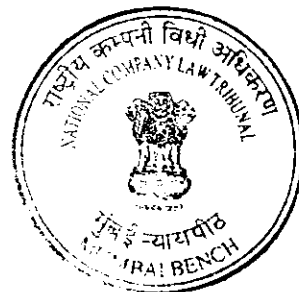
7 (E)	<p><i>It is observed that the company has one corporate body shareholder namely Shree Renuka Sugar Limited having shareholding of 99.98%, but the Company has not filed Ben-2 disclosing the name of beneficial owner of the shareholding as its shareholders on 31.03.2022 and 31.12.2022 in compliance of section 90 of the CA, 2013, thus the Petitioner Company shall undertake to comply with requirements of Section 90 of the CA, 2013 and Companies (Significant Beneficial Owners) Rules, 2018.</i></p>	<p>In so far as the observation made in Paragraph 7 (E) of the said Report is concerned, the Petitioner states that the Petitioner Company is a wholly owned subsidiary of a public listed company being Shree Renuka Sugars Ltd. and does not have any individual holding more than 10 % equity interest or voting rights in the Petitioner Company, consequently, the requirement of filing Form BEN-2 in terms of Significant Beneficial Ownership Rules ("Rules") under the Companies Act, 2013 in this case does not arise.</p> <p>As far as the observation made in Paragraph 7(E) of the said</p>
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		<p>Report is concerned, the Petitioner states that the Petitioner Company does not have/had any "Significant Beneficial Owner" as there is no individual who:</p> <p>a) Holds 10% shares or 10% of voting rights in the shares of Petitioner Company; or</p> <p>b) Has right to receive or participate in a financial year in at least 10% of total distributable dividend, or of any other distribution by the Petitioner Company; or</p> <p>c) Either through indirect holding or together with direct holding has right to exercise or the actual exer-</p>
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		<p>cise of “significant influence” or “control” over the Petitioner Company.</p> <p>In view of the above, it is submitted that the requirement to comply with Section 90 of Companies Act, 2013 (filing of form BEN-2 in respect of “Significant Beneficial Owner”) did not arise. Nonetheless, the Petitioner Company undertakes to comply with the requirements/consequences, if any, of Section 90 of the Companies Act, 2013 in the event is applicable/crystallized.</p>
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7(F)	<i>Further, in view of the observations raised by the ROC, Pune as mentioned at para 6 above, the Hon'ble Bench may kindly pass appropriate order/orders as deem fit and proper.</i>	In so far as the observation made in Paragraph 7 (F) of the said Report is concerned, the same is merely factual and merit no response.
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6. In response to the Report of the Regional Director the Petitioner Company has filed affidavit in rejoinder and have given necessary clarifications to the observations made by the Regional Director.
7. The reply, rejoinder and undertaking given by the Petitioner Company is satisfactory. Therefore, this Bench is of the considered view that reduction of share capital is just an equitable in terms of the Section 66 of the Companies Act, 2013 and therefore the Company Petition is allowed.
8. The Petitioner Company to publish notices about registration of order and minutes by the concerned Registrar of Companies, Mumbai, Maharashtra in two newspapers namely "*Business Standard*" in English language and translation thereof in "*Navshakti*" in Marathi language both having circulation in the State of Maharashtra within 30 days of registration.
9. The Petitioner Company undertakes to file the certified copy of the order and form of minutes duly certified by the Designated Registrar of this Tribunal with the Registrar of Companies within 30 days from



the date of receipt of the certified Order from the Registry of this Tribunal.

10. All concerned regulatory authorities to act on production of certified copy of the order to be issued on demand by the Designated Registrar of this Tribunal.

11. Ordered Accordingly. CP No. 92/MB/2023 is allowed and disposed-off.

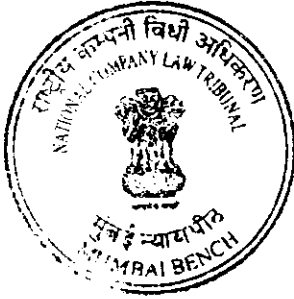
SD/-

**Madhu Sinha
Member (Technical)**

/Priyanka/

SD/-

**Reeta Kohli
Member (Judicial)**



**Certified True Copy
Copy Issued "free of cost"
On 27.2.2024**

R. S. Somnawar
Deputy Registrar 27.2.2024
National Company Law Tribunal Mumbai Bench