

20.05.2023

To,  
BSE Limited  
P.J Towers,  
Dalal Street  
Mumbai-400001

**Scrip Code: 509732**

Dear Sir/Madam,

**Sub: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is in furtherance to our earlier intimation dated 13<sup>th</sup> May 2023, in this regard, we enclose herewith certified true copy of the order dated May 10, 2023, passed by the Hon'ble NCLT Bench ("Order"), Chennai ("NCLT"), received by the Company on May 18, 2023, approving the said Scheme of Reduction of Share capital.

The Scheme will be made effective by filing a certified copy of the order of the NCLT through e-form INC-28 with the Registrar of Companies, Chennai.

This is for your information and records.

**Thanking You,**

**Yours faithfully**

**For Kothari Industrial Corporation Limited**

**Anil Kumar Padhiali**  
**Company Secretary and Compliance Officer**



KOTHARI INDUSTRIAL CORPORATION LIMITED  
CIN No. L24110TN1970PLC005865  
Kothari Building - No.114/117, Mahatma Gandhi Salai  
Nungambakkam, Chennai - 600 034



enquiries@kotharis.in  
www.kotharis.in



+91 44 2833 4564  
+91 44 2833 4565

IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH - I, CHENNAI

CP/151(CHE)/2021

Under Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the National Company Law Tribunal (Procedure for the Reduction of Share Capital of Company) Rules, 2016 for confirming the Reduction of Share Capital

In the matter of *Kothari Industrial Corporation Limited*

**KOTHARI INDUSTRIAL CORPORATION LIMITED**

A Company registered under the  
Companies Act, 1956 and having its Registered Office  
At Kothari Buildings, No. 114, Nungambakkam High Road,  
Chennai, Tamil Nadu – 600 034  
Rep. by its Director, Mr. *Pradip D Kothari*

... *Applicant Company*

Order Pronounced on 10<sup>th</sup> May 2023

CORAM

JUSTICE RAMALINGAM SUDHAKAR, Hon'ble PRESIDENT  
SAMEER KAKAR, MEMBER (TECHNICAL)

For Applicant(s): *Pawan Jhabakh, Advocate*

ORDER

(Hearing conducted through VC)

Per: SAMEER KAKAR, MEMBER (TECHNICAL)

Application has been filed by Kothari Industrial Corporation Limited (hereinafter "Applicant Company") under the provisions of

Section 66 of the Companies Act, 2013, seeking the following reliefs:





(1) That the reduction and restructuring of the Share Capital of the Applicant duly approved by the equity shareholders of the Applicant Company through the postal ballot/e-voting be confirmed by this Hon'ble Tribunal so as to be binding on all shareholders and creditors of the Applicant;

(2) That notices may be ordered to the creditors or publication of notice under Rule 3 of the National Company Law Tribunal (Procedure for reduction of share capital of the Company) Rules, 2016;

(3) That to this end all inquiries and directions necessary and proper be made and given;

(4) That the proposed minutes be approved by this Hon'ble Tribunal;

(5) That the Applicant be not required to add the words "and reduced" to its name as the last words thereof; and

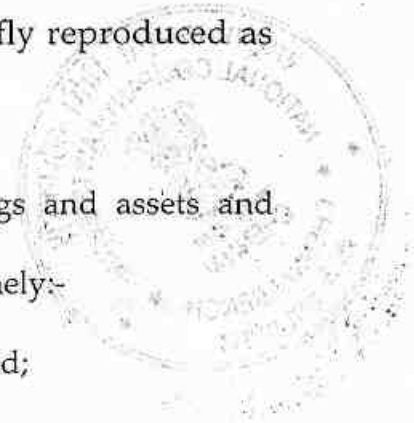
(6) That this Hon'ble Tribunal may pass such further order or other orders as it may deem fit and proper in the facts and circumstances of the case.

2. The main objects of the Company as set out in the Clause of the Memorandum of Association of the Company, are briefly reproduced as



To acquire and take over the entire undertakings and assets and liabilities of all or any of the following companies namely:-

(i) Blue Mountain Estates and Industries Limited;





(ii) Waterfall Estates Limited;

(iii) Balmadies Plantations Limited;

(iv) Kothari Textiles Limited; and

(v) Adoni Spinning & Weaving Company Limited by schemes of arrangement and amalgamation or otherwise and to carry on the business carried on hitherto by them.

ii) To acquire by purchase or otherwise and to carry on the business of estate owners, cultivators, planters, growers and manufacturers, of sellers and dealers in tea, coffee, cardamom, pepper, spices, rubber and gutta-percha and gums of every description, com, cocoa, rice, oil copra, coconuts, sugar, plantations, cinchona, grains, paddy, cereals, cotton, vegetable, agricultural and horticultural products hereinafter referred to as plantation, horticultural and agricultural produce and manufacture, dispose of, buy, and deal in the said products etc.

3. The Authorized Share Capital of the Applicant Company as on 31<sup>st</sup> March, 2021 is Rs.25,00,00,000/- (Rupees Twenty Five Crores Only) comprising of 5,00,00,000 (Five Crores Only) Equity Shares of Rs.5/- (Rupees Five only) each. The issued, Subscribed and Paid up Equity Share Capital is Rs.9,55,54,425/- (Rupees Nine Crores Fifty Five Lacs Fifty Four Thousands Four Hundred and Twenty Five Only) comprising of 1,91,10,885 (One Crores Ninety One Lacs Ten Thousands Eight Hundred and Eighty Five Only) Equity Shares of Rs.5/- (Rupees Five only) each.





There has been no change in the capital structure of the Applicant Company since the 31<sup>st</sup> of March, 2021. The Equity Share of the Applicant Company are currently listed on the Bombay Stock Exchange ("BSE"). However, in the year 2000, the Equity Shares of the Applicant Company were suspended from trading for the non-payment of listing fees, payment towards the same had been made by the Applicant Company subsequently.

4. The Learned Counsel for the Applicant Company submitted that Clause 66 of the Articles of Association of the Company empowers the Applicant Company for Capital Reduction, which is as follows;

The Company, may, by Special Resolution reduce in any manner and with, and subject to any incident authorised and consent required by law:

- (a) its share capital;
- (b) any capital redemption reserve amount; or
- (c) any share premium account.

5. The Applicant Company is engaged in the business of manufacturing and mixing of fertilizers and has network of distributors in the southern states and has developed a brand value recognized in the marketplace. The Applicant Company has also planned to develop a Container Terminal at Ennore (hereinafter referred to as the "Business of the Applicant Company").





6. The Statutory Auditors of the Applicant Company by their certificate dated 11.10.2021 annexed as Annexure "A13" to the Application has 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.

7. The Statutory Auditors of the Applicant Company has filed a Certificate which is appended as "Annexure A4" to the effect that the Applicant Company as on 11.10.2021 has Two Secured Creditor with an outstanding balance of Rs.31,67,23,758.02/- only and has 63 Unsecured Creditors at an outstanding balance of Rs.7,81,06,531.73/- only. A perusal of the Articles of Association, more particularly, Article 66, discloses that the petitioner company by way of a special resolution can reduce the shares of the company.

8. The Director of the Applicant Company has given their declaration in affidavit confirming that there are no arrears of repayment of deposits

and the same has been annexed at Annexure A10 to the Application. The certificate issued by the Statutory Auditor confirming that the Applicant Company has no default in arrears of repaying deposits has been annexed at Annexure A11 to the Application. The list of creditors certified by the





Managing Director showing the details of the creditors of the Company is annexed at Annexure 12.

9. It is submitted that the Applicant has made an averment to the effect that on 31.10.2020, a Resolution was passed with respect to approval of scheme of reduction of Share capital of the Petitioner Company and on 12.05.2021, a Resolution was passed with respect to an amendment was made in Draft Scheme of Reduction of Share Capital of the Petitioner Company which is placed at Page Nos. 245 to 251.

10. The Capital Structure of the Applicant Company, pre and post the scheme is extracted hereunder:

Pre-Reduction			Post-Reduction		
Particulars	Number of Shares	Amount (in INR)	Particulars	Number of Shares	Amount (in INR)
Authorized Share Capital					
Equity Shares (Rs.5/- each)	5,00,00,000	25,00,00,000	Equity Shares (Rs.5/- each)	5,00,00,000	25,00,00,000
Issued, Subscribed and Paid Up Share capital					
Equity Shares (Rs.5/- each)	1,91,10,885	9,55,54,425	Equity Shares (Rs.5/- each)	1,24,83,885	6,24,19,425





11. Further, it is seen from the Application and the annexures filed therewith, that the Equity Shareholders of the Applicant Company have approved the scheme of Reduction of Capital in the Extra ordinary General Meeting held on 05.08.2021 by way of Special Resolution, passed at this meeting;

*RESOLVED THAT pursuant to Section 66 and all other applicable provisions of the Companies Act, (including any statutory modification or re-enactment thereof) read with the National Company Law Tribunal ("NCLT") (Procedure for Reduction of Share Capital of Company) Rules, 2016 and the other applicable rules made thereunder ("NCLT Rules"), and pursuant to the relevant provisions of the Memorandum and Articles of Association of the Company and subject to confirmation by the Hon'ble NCLT, Chennai bench ("NCLT Chennai"), and subject to such terms and conditions, as may be prescribed by NCLT Chennai and any other appropriate authorities while granting approvals or confirmation(s) as may be required from them, the approval and consent of the members be and is hereby accorded by way of special resolution to the scheme of reduction of capital (the "Scheme") of the Company by way of cancelling and extinguishing 66,27,000 (sixty six lakhs twenty seven thousand) fully paid-up equity shares of Rs.5 (Rupees five) each from the total paid-up equity share capital of the Company held by promoter groups of the Company (as more particularly set out herein below), simultaneously reducing 66,27,000 shares from the issued and subscribed capital of the Company."*



S.NO	NAME OF THE ALLOTTEES	EQUITY SHARES TO BE CANCELLED
1	N.Krishnaji Sukkal	60,000
2	G.Mohan Das	60,000
3	K.Santhanam	20,000
4	K.Rabindran Swamidason	25,00,000





5	Rakesh Garg	18,40,000
6	N.Ravichandran	1,00,000
7	N.Santharam	5,000
8	N.Srinivasan	40,000
9	D.Ravindra Reddy	60,000
10	T.Sankaran	40,000
11	Pradip D Kothari	19,00,000
12	A.Raja	2,000
	<b>Total</b>	<b>66,27,000</b>

*"RESOLVED FURTHER THAT upon confirmation of the Scheme by the NCLT Chennai and becoming effective and operative, the issued, subscribed and paid-up share capital of the Company will be reduced from Rs.9,55,54,425 divided into 1,91,10,885 equity shares of Rs.5 each to Rs.6,24,19,425 divided into 1,24,83.885 equity shares of Rs.5 each."*

*"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee or any person which the Board has nominated/constituted/authorized or hereafter may constitute/nominate / authorize for exercising its powers, including the power conferred under this Resolution) be and is hereby authorized to take all necessary steps and do all such acts, deeds, matters and things, as they may, in their absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company and the shareholders in connection with and relating to the capital reduction and the Scheme including issuing any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the reduction of capital or to any modification thereof without being required to seek any further consent or approval of the members or otherwise."*

*"RESOLVED FURTHER THAT the Board be and is hereby authorized, in its absolute discretion, to bring into effect this Resolution on such other terms and conditions as it may consider appropriate and to accept such other conditions and modifications as may be*





prescribed by the NCLT Chennai and other appropriate authorities while according their confirmation or consent to this resolution or to suspend, withdraw or revive the proposal for reduction and cancelation of the capital of the Company from time to time as may be specified by any statutory authority or as the Board may suo-moto decide."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, and to execute all such documents, deeds and writings as may be required for all the aforesaid purposes, as it may, in its absolute discretion deem necessary, expedient, usual or proper to give effect to this Resolution including but not limited to filing of application with the NCLT Chennai or to carry out such modifications/directions as may be ordered by the NCLT Chennai and any other appropriate and/or relevant / authorities but without requiring any further approval or consent from the members to implement the Resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any one or more director of the Company with power to delegate to any officers of the Company to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

12. The Applicant Company as on the record date has 51071

shareholders. 30 shareholders of the Applicant Company have voted in favor of the resolution approving the reduction of capital. Out of 30 shareholders the vote of 1 shareholder has been declared as invalid by the scrutinizier since the said shareholder had not provided the scrutinizier with its board resolution for appointing its authorized representative. The





details of the voting exercised by the shareholders in approving the reduction in capital is placed in a tabulated form at page no. 21 and 22 of the Application typeset.

13. The Applicant Company submits that the aforesaid reduction is proposed to be effected by nullifying the issue of 66,27,000 equity shares on 31.03.2016 and bringing the paid-up share capital in line with the share capital of the Applicant Company as listed on the BSE.

14. Further, it is stated in para 14 of the application that the Applicant Company had in compliance of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, submitted a copy of the Scheme of Reduction of Share Capital with the BSE. Through the Scheme originally submitted with, BSE, the allottees were to receive as refund Re.1 per share amounting to Rs.66,27,000, Rupees Sixty six lakhs and twenty thousand only). The BSE had raised a query with regards to the refund to be allotted. Thereafter, the Company, based on the observations and

suggestions of BSE, carried out certain changes in the Scheme where the allottees had agreed to waive off the whole subscription amount that was paid by them to the Company towards the subscription of the said 66,27,000 equity shares on a preferential basis. A copy of the query, the resolution passed by the audit committee, the board of directors of the



✓



Company and the undertaking submitted to the BSE is enclosed as Annexure A6 (A) of the application typeset.

15. In response to the same, the BSE had issued an observation letter dated 10.06.2021 with no observations contained therein and the copy of the said observation letter issued by the BSE to the Applicant Company is enclosed as Annexure A6 (B) of the application typeset.

16. The Applicant Company submits that the rationale of the Scheme is described in detail as follows:

- a) The equity shares of the Company have been suspended on the BSE since July 18, 2000 due to for non-payment of listing fees, which payment has since been made.
- b) In April 2009, the Company made an application to the Hon'ble High Court of Madras under Sections 78, 100 and 101 of the Companies Act, 1956 to reduce its share capital and sub-divide its shares into shares of a smaller amount, i.e. from Rs.10 per share to Rs.5 per share.
- c) On October 22, 2009, the Board of Directors of the Company approved the issue of 75,26,725 (seventy-five lakh twenty-six thousand seven hundred and twenty five) fully paid-up equity shares of Rs.5 (Rupees five only) each, aggregating to Rs.3,76,33,625 (Rupees three crores seventy-six lakhs thirty-three thousand six hundred and twenty five only) on preferential basis to the Allotees. The issue of the aforesaid equity shares on a preferential basis was subject to approval from its shareholders and the Hon'ble High Court of Madras to reduce its share capital and sub-divide its shares. At the time of passing the resolution to issue the aforesaid equity shares on a preferential basis, the Company Petition No. 191 of 2009 dated April 8, 2009 was pending with the Hon'ble High Court of Madras.



✓



- d) On December 12, 2009, the shareholders of the Company approved the issue of the aforesaid equity shares on preferential basis which were subject to approval of the Hon'ble High Court of Madras to reduce its share capital and sub-divide its shares.
- e) On August 31, 2010, the Hon'ble High Court of Madras confirmed the sub-division of the equity shares from Rs.10 per share to Rs.5 per share. The Hon'ble High Court of Madras also approved the write-off of an amount of Rs.8,64,53,000 (Rupees eight crores sixty-four lakhs fifty-three thousand only) out of Rs. 12,90,06,000 (Rupees twelve crores ninety lakhs six thousand only) from the share premium account of the Company. On write-off of Rs.8,64,53,000 from the share premium account, the paid-up share capital of the Company was reduced from Rs.12,48,38,850 (Rupees twelve crores forty-eight lakhs thirty-eight thousand eight hundred fifty only) to Rs.6,24,19,425 (Rupees six crores twenty-four lakhs nineteen thousand four hundred and twenty-five only).
- f) The Company is a listed public company. The equity shares of the Company are listed on the BSE and as such, must comply with the ICDR Regulations (erstwhile DIP Guidelines) and the Listing Regulations (erstwhile Listing Agreement). Ideally, under the ICDR Regulations, the Company should have issued and allotted the aforesaid equity shares within fifteen (15) days of receiving shareholders' approval or within fifteen (15) days of receipt of the last of the regulatory approval (in this case the approval of the Hon'ble High Court of Madras), whichever is later.
- g) On August 31, 2010, the Hon'ble High Court of Madras confirmed the sub-division of the Equity Shares from Rs.10 per share to Rs.5 per share and subsequent reduction of share capital of the Company. The Company, however, received a certified copy of the order only on November 1, 2010. Upon receipt of the said order, the Company, on November 25, 2010, made an application to the BSE seeking in-principle approval to issue the aforesaid equity shares on a preferential basis. The Company paid the fee of Rs.55,150 (Rupees fifty-five thousand one hundred fifty) along with the application seeking in-principle approval.







- h) Subsequent to making the application for in-principle approval to the BSE, the Company received Rs.3,31,35,000 (Rupees three crores thirty-one lakhs thirty-five thousand only) as advance share subscription monies towards subscription of the aforesaid equity shares on a preferential basis. The Company expected to receive the in-principle approval from the BSE and then appropriate the advance share subscription monies towards issue of the aforesaid equity shares on a preferential basis.
- i) The Company has till date not received the in-principle approval from the BSE to issue the aforesaid equity shares. Ideally, the Company should have returned the advance share subscription monies to the Allottees soon thereafter; however, due to lapse of time and oversight and change in the management of the Company, the Company continued to retain the share subscription monies. Since the Company had not allotted the aforesaid equity shares, the Company did not use any part of the share subscription monies then.
- j) While waiting to receive the BSE in-principle approval, the Company proposed a restructuring plan and was working with its advisors to identify investors to infuse funds into the Company to meet its working capital requirements and to pay its debts.
- k) Due to the global slowdown in 2013-14 and 2014-15, the demand for its products decreased over a period of time and the Company faced losses in its operations. Due to this sudden and unprecedented setback in business, the Company faced losses for three continuous financial years ending on 2013, 2014 and 2015. The Company suffered a loss of Rs.16,39,57,000 (Rupees sixteen crores thirty-nine lakhs fifty-seven thousand only) during these three financial years, which resulted in severe cash flow crisis. Although, the Company was taking steps to revive itself and clear its debts, the Company continued to make losses for the financial year ended 2016 to the tune of Rs.5,67,00,000 (Rupees five crores sixty-seven lakh) resulting from the after effects of the global slowdown.
- l) With the global slowdown having an adverse effect on business and no investor willing to infuse money into the Company, the Company was in dire need of funds to run its operations. With







no other option left, the Company decided to use the share subscription monies but only after issue of the aforesaid equity shares. On March 31, 2016, the Company allotted 66,27,000 (sixty-six lakhs twenty-seven thousand) equity shares ("Fresh Equity Shares") to the Allottees by appropriating the share subscription monies.

- m) Upon allotment of the Fresh Equity Shares, on January 6, 2017, the Company informed the BSE of allotment of the Fresh Equity Shares. The Company informed the BSE that the Fresh Equity Shares were issued pursuant to the provisions of the amendment notification issued by the Ministry of Corporate Affairs on the Companies (Acceptance of Deposits) Rules, 2014 bearing number GSR 241(E), which mandates that if a company had received any amount by way of subscriptions to any shares before April 1, 2014, against which the allotment is pending, the company shall, either return such amounts to the persons from whom these were received or allot shares or comply with these rules.
- n) In compliance with the SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, the Company, on November 21, 2017, submitted a Uniform Fresh Listing Agreement dated November 16, 2017 to the BSE, executed by the authorised signatory of the Company. The execution of the Uniform Fresh Listing Agreement was approved by the Board of Directors of the Company in their meeting held on February 29, 2016.
- o) The Company, prior to and after issue of the Fresh Equity Shares, made several applications to the BSE for revocation of suspension of its shares. In reply thereto, the BSE asked the Company to comply with the norms for revocation of suspension failing which the BSE would initiate delisting of the shares of the Company.

The Company complied with all norms for revocation of suspension except the explanation for difference between issued and listed capital of the Company. The Company also explained to the BSE that the difference between the issued and listed capital is because the Fresh Equity Shares have not been listed till date.



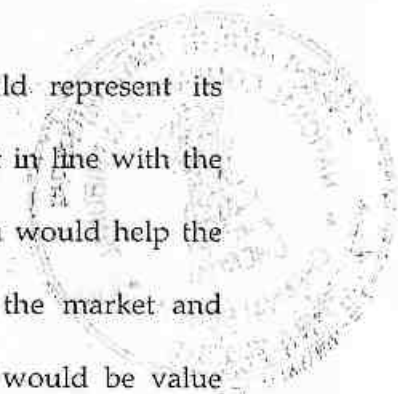


- q) The Company acknowledges that it did not comply with certain laws in issue of the Fresh Equity Shares without first revoking the BSE suspension order. The Company desires to rectify its non-compliances and is willing to comply with any directions to ratify the Fresh Equity Shares and revoke the BSE suspension order. In fact, the Company has neither declared dividend on the Fresh Equity Shares nor counted their votes to approve any resolution. The Fresh Equity Shares have been kept in abeyance by the Company and the only need to issue the Fresh Equity Shares was the dire need of funds by the Company due to the global slowdown. These Fresh Equity Shares are in physical format only and have not yet been dematerialised, which shows that neither the Company nor the Allottees had any intentions to transfer these shares to any other person.
- r) The Fresh Equity Shares now form part of the current equity share capital of the Company. To rectify the issue of the Fresh Equity Shares, the Company is willing to annul the issue and reduce the issued, subscribed and paid-up equity share capital of the Company and revert to the issued, subscribed and paid-up equity share capital prior to issue of the Fresh Equity Shares.
- s) The Company, proposes to reduce its issued, subscribed and paid-up equity share capital from Rs.9,55,54,425 divided into 1,91,10,885 equity shares of Rs.5 each to Rs.6,24,19,425 divided into 1,24,83,885 equity shares of Rs.5 each by cancelling and extinguishing 66,27,000 equity shares each of Rs.5 each issued and allotted to the persons as set out in Schedule I of this Scheme ("Capital Reduction").
- t) This Scheme of Capital Reduction is in the interest of the Company and its public shareholders as by virtue of this Capital Reduction, the shareholding of the public shareholders will increase. Due to the cash flow restraints in the Company, the Allottees have agreed to waive off the whole subscription amount of Rs. 5 per share that was paid by them to the Company as share subscription monies towards subscription of the aforesaid equity shares on a preferential basis such that the reduced share capital is equal to and matches the listed share capital. The Company will then make an application to the BSE, along with the order for Capital Reduction, requesting the BSE to revoke suspension of its shares.



17. The Objects of the scheme of the Applicant Company is as follows:

- a) The Scheme, when approved, would enable the Applicant Company to comply with the norms for a vacation of suspension by rectifying the difference between the issued capital and the listed capital. The revocation of suspension would provide an opportunity to the Applicant Company to raise further capital to fund new projects/undertake expansion/diversification and make acquisitions.
- b) The revocation of suspension would also enable the Applicant Company to provide shareholders a trading platform and thus provide ready marketability and liquidity to shareholders. The Scheme would provide shareholders the opportunity to realize the value of their investments.
- c) The revocation of suspension would also enable the Applicant Company to provide shareholders a trading platform and thus provide ready marketability and liquidity to shareholders. The Scheme would provide shareholders the opportunity to realize the value of their investments.
- d) The books of the Applicant Company would represent its financial position in a proper way and bring it in line with the listed capital of the Applicant Company which would help the Applicant Company position itself better in the market and undertake business activities efficiently. This would be value

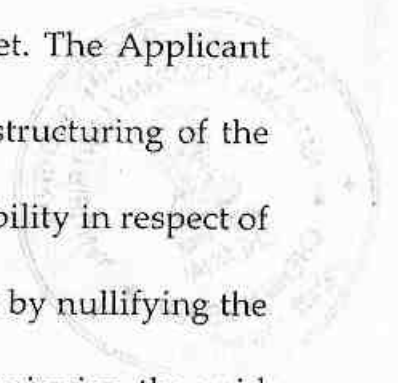




accretive to the shareholders as well as their holdings would yield better results

- e) The reduction of capital in the manner proposed in this Scheme would enable the Applicant Company to have a rational structure which is commensurate with its remaining business in assets.
- f) The Scheme when approved, would provide greater flexibility to the Applicant Company raising funds either from the capital market or from any banks/financial institutions in the form of equity or debt, depending upon the business needs of the Applicant Company.
- g) The Scheme is merely a reduction in the share capital of the Applicant Company prepared in terms of section 66 of the Act, read with the rules, and other applicable provisions of the act (to the extent applicable) and does not envisage transfer, convince or vesting of any of the properties and/or liabilities of the Applicant Company to any person or entity.

18. The Valuation Report prescribing the value of each share is marked and enclosed as Annexure A8 of the application typeset. The Applicant Company submits that the proposed reduction and restructuring of the Share Capital does not involve the diminution of any liability in respect of unpaid Capital. The proposed reduction is to be effected by nullifying the issue of 6,62,7000 equity shares on March 31, 2016 and bringing the paid





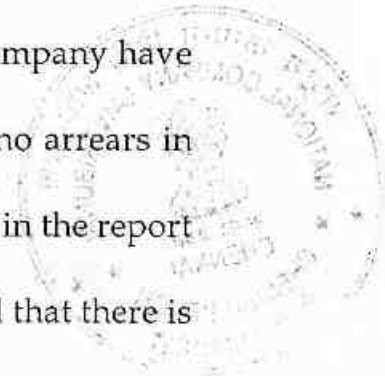
up share capital in line with the share capital of the Company as listed on the BSE. Hence, the Applicant Company has filed the present application/petition seeking confirmation of this Hon'ble Tribunal.

19. This Tribunal vide its order dated 25.05.2022, *inter alia* directed the Applicant Company to give notice of the instant application to the Ministry of Corporate Affairs through the office of the Regional Director, RoC, Chennai, SEBI, BSE and to the Creditors of the Applicant Company and to cause the publication of notice in the prescribed form.

20. In pursuance of the same, the Applicant Company, has filed the Affidavit of Service before this Tribunal in relation to the directions issued by the Tribunal and a perusal of the same manifest the fact that the Applicant Company had issued a newspaper advertisement on 03.06.2022 in "Business Standard" (English) and "Dina Malar" (Tamil).

21. Consequent thereto, upon receipt of the notice, the Regional Director has submitted its observation dated 09.01.2023, wherein it has been

observed that the Directors as well as the Auditors of the Company have furnished the certificate to the effect that the Company has no arrears in repayment of deposits or interest thereon. Further, it is stated in the report that the Company is regular in filing the statutory returns and that there is







no complaint / prosecution / investigation / inspection pending against the Company. The RD in para 6 of its Report has stated as follows;

6. The Application for reduction of 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.

22. In view of the same, this Tribunal is of the view that it is just and proper to confirm the Reduction of Share capital of the Applicant Company as resolved by the members of the Company by passing a special resolution and by way of the consent in the form of affidavit. This Tribunal also approves the proposed form of Minutes to be registered under section 66 (5) of the Companies Act, 2013 and as given in the application is as follows:

The issued, subscribed and paid-up capital of Kothari Industrial Corporation Limited is henceforth Rs.6,24,19,425 (Rupees six crores twenty-four lakh nineteen thousand four hundred and twenty-five) divided into 1,24,83,885 (one crore twenty-four lakh eighty- three thousand eight hundred and eighty-five) Equity Shares of Rs.5 each."



Thus the 66,27,000 equity shares of Rs.5 each which is cancelled and extinguished, shall be setoff as against the past accumulated losses as reflected in Standalone Balance Sheet as at 31.03.2021

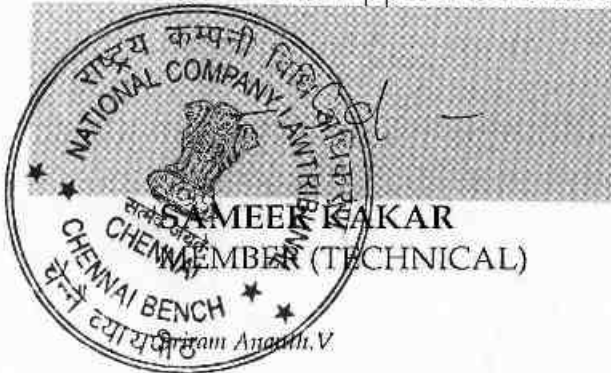




24. Notwithstanding the above, if there is any deficiency found or violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in way of action being taken, albeit, in accordance with law, against the persons concerned, directors and officials of the applicant.

25. While approving the Reduction of share capital as above, it is 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 reduction of share capital and security premium reserve shall be duly complied with in relation SEBI, FEMA and Income Tax laws as may be applicable.

26. This Application stands allowed accordingly.



— Sd. —  
JUSTICE RAMALINGAM SUDHAKAR  
PRESIDENT

2. N. R. J. / 5/23  
DEPUTY REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
CHENNAI BENCH  
CORPORATE BHAVAN, 3rd FLOOR,  
29, RAJAJI SALAI, CHENNAI-600001

Certified to be True Copy