



TRF LIMITED

July 1, 2024

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalai Street,
Mumbai - 400 001.
Scrip Code: 505854

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.
Symbol: TRF

Dear Madam, Sir(s),

Subject: NCLT Order on Issuance of non-cumulative, non-participating, redeemable preference shares ('NCRPS') in lieu of redemption of existing non-cumulative, optionally-convertible, non-participating, redeemable preference shares ('OCRPS')

This is further to our disclosures dated October 27, 2023 and June 26, 2024, in respect to the issuance of non-cumulative, non-participating, redeemable preference shares ('NCRPS') in lieu of redemption of existing non-cumulative, optionally-convertible, non-participating, redeemable preference shares ('OCRPS').

In this connection, please find attached the website copy of the order of the Hon'ble National Company Law Tribunal ('NCLT'), Kolkata Bench, as *Annexure I*.

The above copy of the NCLT Order shall be made available on the website of the Company at www.trf.co.in

This disclosure is being made in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with applicable SEBI Circulars.

This is for your information and records.

Yours faithfully,
TRF LIMITED

Prasun Banerjee
Company Secretary



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH, COURT-I
KOLKATA**

C.P. No. 21/KB/2024

A petition under Section 55(3) of the Companies Act, 2013 read with Rule 11 and Rule 69 of the National Company Law Tribunal Rules, 2016;

In the matter of:

TRF LIMITED, [CIN: L74210JH1962PLC000700], a company incorporated under the provisions of the Companies Act, 1956 and a public limited company within the meaning of the Companies Act, 2013, having its registered office at 11, Station Road, Burma Mines, Jamshedpur, Jharkhand 831 007

...Petitioner

-And-

In the matter of:

1. TRF Limited

...Petitioner

Coram:

Smt. Bidisha Banerjee : Member (Judicial)
Shri Balraj Joshi : Member (Technical)

Appearances:

For the Petitioners: Mr. Ratnanko Banerji, Senior Advocate
Mr. Soorjya Ganguli, Advocate
Mr. Shaunak Mitra, Advocate
Ms. Pooja Chakrabarti, Advocate
Ms. Kiran Sharma, Advocate
Ms. Akshita Bohra, Advocate

Order reserved on: 17.05.2024

Order pronounced on: 26.06.2024

ORDER



Per: Balraj Joshi, Member (Technical)

1. The Court is convened through hybrid mode.
2. The present petition is filed by TRF Limited (**‘Petitioner’ or ‘Petitioner Company’**) under Section 55(3) of the Companies Act, 2013 (**‘the Act’**) read with Rule 11 and Rule 69 of the National Company Law Tribunal Rules, 2016 for issuance of fresh 2,50,00,000 (Two Crore Fifty Lakh) 11.25% redeemable preference shares in the form of non-cumulative, non-participating redeemable preference shares of Rs. 10/- each, amounting to Rs. 25,00,00,000/- (hereinafter referred to as **‘NCRPS’**) in lieu of redemption of the existing Rs. 2,50,00,000 (Two Crore Fifty Lakhs) 11.25% non-cumulative, optionally convertible, non-participating redeemable preference shares of Rs.10/- each, on the same terms of dividend for a term of 10 years or redeemed early at the option of the Petitioner at 3 monthly intervals from the date of allotment.
3. The Petitioner Company was incorporated under the provisions of the Companies Act, 1956 and having CIN: L74210JH1962PLC000700. The Petitioner company was incorporated on November 20, 1962 as ‘Tata-Robins-Fraser Limited’ with the Registrar of Companies, Bihar at Patna. The name of the Petitioner company was subsequently changed to ‘TRF Limited’ with effect from June 29, 1994, and consequently a fresh Certificate of Incorporation dated August 30, 1994 was issued by the Registrar of Companies, Bihar at Patna, a copy of which has been annexed to the Petition as **Annexure A at page 22**.
4. The registered office of the Petitioner company is located in the State of Jharkhand. Therefore, this Tribunal has the jurisdiction to entertain the present Petition.
5. The Petitioner is engaged in the business of undertaking turnkey projects of material handling for the infrastructure sector such as power and ports, and industrial sector such as steel plants, cement, fertilisers, and mining. The Petitioner is also engaged

in the production of such material handling equipment at its manufacturing facility at Jamshedpur.

6. The Petitioner is authorised to issue redeemable preference shares under Clause 5 of its Memorandum of Association read with Clause 5 of its Articles of Association, both of which are reproduced below:

Clause 5 of Memorandum of Association:

“The Authorized Share Capital of the Company is ₹550,00,00,000 (Rupees Five Hundred Fifty crore only) divided into 3,00,00,000 (Three crore) Equity Shares of ₹10 each, and 52,00,00,000 (Fifty Two crore) Preference Shares of ₹10 each, with the rights, privileges, and conditions attached thereto as are provided by the Articles of Association of the Company for the time being, provided that the Company shall always have the power to issue shares at a premium or at par; to increase or to reduce its capital and to divide the shares in the capital for the time being, into several classes and attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be permissible by law and as may be determined by or in accordance with the Articles of Association of the Company for the time being in force and to vary, modify or abrogate any such rights, privileges, or conditions in such manner as may be permitted by law and/or as may be provided in the Articles of Association of the Company for the time being in force.

Clause 5 of Articles of Association (Redeemable Preference Shares)

“Subject to the provisions of Section 80 of the Act (of 1956) the Company shall have the power to issue preference shares which are or, at the option of the Company, are to be liable to be redeemed. The resolution authorising such issue shall prescribe the manner, terms and conditions of redemption and upon the happening of that event the provisions of the said Section shall be duly complied with.”

Copies of the Memorandum of Association and Articles of Association of the Petitioner, as amended up to date, are annexed to the Petition and marked as **Annexure B at pages 23 to 82.**




7. The authorised, subscribed and paid-up share capital of the Petitioner as on June 30, 2023 is as follows:

| Authorised share capital | | Amount (in INR) |
|---|---|------------------------|
| 3,00,00,000 | Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 52,00,00,000 | Preference Shares of Rs. 10/- each | 520,00,00,000 |
| Total | | 550,00,00,000 |
| Issued, subscribed and paid-up share capital | | Amount (in INR) |
| 1,10,04,412 | Equity Shares of Rs. 10/- each | 11,00,44,120 |
| 2,50,00,000 | 11.25% non-cumulative, optionally convertible, non-participating redeemable preference shares of Rs. 10/- each | 25,00,00,000 |
| 23,90,00,000 | 12.17% (effective yield) non-cumulative, non-convertible, non-participating redeemable preference shares of Rs. 10/- each | 2,39,00,00,000 |
| 25,00,00,000 | 12.5% non-cumulative, non-convertible, non-participating redeemable preference shares of Rs. 10/- each | 2,50,00,00,000 |
| Total | | 5,25,00,44,120 |

A copy of the audited consolidated and standalone financial statements of the Petitioner company as on March 31, 2023 along with Auditor's Report and Directors' Report have been annexed to the Petition as **Annexure C at pages 83 to 221**.

8. The above mentioned 11.25% non-cumulative, optionally convertible, non-participating redeemable preference shares of Rs. 10/- each (hereinafter referred to as '**Original Preference Shares/OCRPS**') were offered at par for cash, dividend



at 11.25% per annum for an aggregate amount not exceeding Rs. 25 Crores, on a preferential allotment basis to Tata Steel Limited, Promoter of the Petitioner company (hereinafter referred to as ‘**Sole Preference Shareholder**’) pursuant to a Board Resolution dated March 14, 2022 passed by the Board of Directors of the Petitioner company., a copy of which has been annexed to the Petition as **Annexure D at pages 222 to 224.**


9. The terms and conditions for issuance of the Original Preference Shares, as approved by the Board of Directors of the Petitioner company in said Board Resolution dated March 14, 2022, are mentioned below:
1. *“The OCRPS shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital;*
 2. *The OCRPS shall be non-participating in the surplus funds;*
 3. *The OCRPS shall be non-participating in surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;*
 4. *The proposed allottee shall be required to bring in 100% of the consideration, for the OCRPS to be allotted, on or prior to the date of allotment thereof, from its bank account;*
 5. *Holder of OCRPS shall be paid dividend (discretionary, non-guaranteed) on a noncumulative basis;*
 6. *OCRPS shall be convertible, (in two series), into equity shares at the option of the Company within a period of 18 months from the date of allotment at a price determined on the relevant date (as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018);*
 7. *OCRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013, as amended;*
 8. *OCRPS shall be redeemable, at par, upon maturity, at the end of 18 months or redeemed early at the option of the Company at 3 monthly intervals from the date of allotment; and*
 9. *OCRPS will carry a dividend rate of 11.25% p.a.”*




10. The creation, issuance and offer of the above-mentioned Original Preference Shares, on preferential allotment basis to the Sole Preference Shareholder, were also duly approved by Equity Shareholders of the Petitioner company through Special Resolution dated May 2, 2022 passed by the Equity Shareholders of the Petitioner company, a copy of which has been annexed to the Petition as **Annexure E at pages 225 to 227**.

11. Thereafter, the Original Preference Shares were duly allotted to the Sole Preference Shareholder in the following two tranches –
 - a. Allotment of 1,20,00,000 (One Crore Twenty Lakh) Original Preference Shares of face value of Rs. 10/- each, issued at par, aggregating Rs. 12 Crores (**OCRPS-Series 1**) having Distinctive Nos. 1 to 1,20,00,000, duly approved through resolution dated May 7, 2022 passed by the Committee of Directors of the Petitioner company, a copy of which has been annexed to the Petition as **Annexure F at page 228**.
 - b. Allotment of 1,30,00,000 (One Crore Thirty Lakh) Original Preference Shares of face value of Rs. 10/- each, issued at par, aggregating Rs. 13 Crores (**OCRPS-Series 2**) having Distinctive Nos. 1 to 1,30,00,000, duly approved through resolution dated May 13, 2022 passed by the Committee of Directors of the Petitioner company, a copy of which has been annexed to the Petition as **Annexure G at page 229**.

12. The Original Preference Shares were convertible at the option of the Petitioner company within a period of 18 months from the date of allotment or redeemable, at par, upon maturity, after completion of tenure of 18 months. Whereas the OCRPS-Series 1 were proposed to be redeemed, if not optionally converted or redeemed earlier, after completion of 18 months from date of allotment (May 7, 2022), *i.e.*, on or before November 6, 2023. Whereas the OCRPS-Series 2 were proposed to be redeemed, if not optionally converted or redeemed earlier, after completion of 18 months from date of allotment (May 13, 2022), *i.e.*, on or before November 12, 2023.

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13. During the financial year ended on March 31, 2023, the Petitioner company has earned profit (after tax) amounting to Rs. 87.75 Crores, however, as on March 31, 2022 and March 31, 2021, the Petitioner company has incurred loss (after tax) of Rs. 20.35 Crores and Rs. 67.96 Crores respectively. The accumulated losses of the Petitioner company as on March 31, 2023 amount to Rs. 589.64 Crores and therefore the Petitioner company does not have any distributable profits for declaration of dividend as on date. Therefore, the distributable profits are not available with the Petitioner company for redemption of the Original Preference Shares as required under Section 55(2) of the Act and as envisaged under the terms and conditions of the OCRPS Series 1 and OCRPS Series 2.
14. Accordingly, the Petitioner company has filed the instant petition under Section 55(3) of the Act for approval of issuance of the NCRPS in lieu of redemption of the existing Original Preference Shares. Simultaneously with the issuance of the NCRPS, the Original Preference Shares shall stand automatically cancelled, extinguished and rendered redeemed. The issuance of the NCRPS to redeem the Original Preference Shares has been considered and approved by the Board of Directors of the Petitioner company through Board Resolution dated October 27, 2023 on the following terms and conditions –
- a. The NCRPS shall carry a preferential right vis-à-vis equity shares of the Petitioner company with respect to payment of dividend and repayment of capital;
 - b. The NCRPS shall be non-participating in the surplus funds,
 - c. NCRPS shall be non-participating in surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;
 - d. Holders of NCRPS shall be paid dividend on a non-cumulative basis;
 - e. NCRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013, as amended;
 - f. NCRPS shall be redeemable at par upon maturity at the end of 10 years or redeemed early at the option of the Company at 3 monthly intervals from the date of allotment; and
 - g. NCRPS will carry a dividend rate of 11.25% p.a.



A copy of the Board Resolution dated October 27, 2023 passed by the Board of Directors of the Petitioner company has been annexed to the Petition as **Annexure H at pages 230 to 233**.

15. The Petitioner company through letter dated October 27, 2023 has also made the relevant disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the stock exchanges where the shares of the Petitioner company are listed. Copy of such disclosures have been annexed to the Petition as **Annexure I at pages 234 to 238**.
16. As on date of filing of this petition, the Petitioner company has only 1 preference shareholder with respect to the Original Preference Shares. Since 100% of the unredeemed Original Preference Shares are held by the Sole Preference Shareholder, the said Sole Preference Shareholder has given its consent, as required under Section 55(3) of the Act, in writing on an affidavit confirming their consent for the issue of further redeemable preference shares (NCRPS) by the Petitioner Company to redeem the Original Preference Shares held by the Sole Preference Shareholder. The consent affidavit obtained from the Sole Preference Shareholder is annexed to the Petition as **Annexure J at pages 239 to 251**.
17. In view of the facts and circumstances as submitted above, the Petitioner company is seeking approval of this Tribunal for further issues of redeemable preference shares as provided under Section 55(3) of the Act.
18. Section 55(3) of the Act is reproduced below:
“(3) Where a company is not in a position to redeem any preference shares or to pay dividend, if any, on such shares in accordance with the terms of issue (such shares hereinafter referred to as unredeemed preference shares), it may, with the consent of the holders of three-fourths in value of such preference shares and with the approval of the Tribunal on a petition made by it in this behalf, issue further redeemable preference shares equal to the amount due, including the dividend

thereon, in respect of the unredeemed preference shares, and on the issue of such further redeemable preference shares, the unredeemed preference shares shall be deemed to have been redeemed:

***Provided** that the Tribunal shall, while giving approval under this sub-section, order the redemption forthwith of preference shares held by such persons who have not consented to the issue of further redeemable preference shares.*

***Explanation.**—For the removal of doubts, it is hereby declared that the issue of further redeemable preference shares or the redemption of preference shares under this section shall not be deemed to be an increase or, as the case may be, a reduction, in the share capital of the company.”*

19. By way of order dated February 22, 2024, this Tribunal directed that notice be issued to the Registrar of Companies, Jharkhand (**‘RoC’**) and thereafter RoC to file its report, if any, before the next date of hearing fixed by this Tribunal, *i.e.*, April 3, 2024.
20. The RoC has filed its report dated March 22, 2024 before this Tribunal and has not provided any objections to the Petition.
21. Considering the entire facts and circumstances of the case and on perusal of the proposal and the documents produced on record, it appears that all the requirements of Section 55(3) of the Act read with applicable rules are satisfied. The proposal to issue further redeemable preference shares at the same terms and conditions in order to redeem the earlier unredeemed preference shares appears to be genuine and bona fide and the same deserves to be **sanctioned**. Accordingly, we allow the present Petition and pass the following orders:
 - a. The Petitioner company to issue fresh 2,50,00,000 (Two Crore Fifty Lakh) 11.25% redeemable preference shares in the form of non-cumulative, non-participating redeemable preference shares of Rs. 10/- each, amounting to Rs. 25,00,00,000/- in lieu of redemption of the existing Rs. 2,50,00,000 (Two Crore Fifty Lakhs) 11.25% non-cumulative, optionally convertible, non-participating redeemable preference shares of Rs. 10/- each, on the same

terms of dividend for a term of 10 years or redeemed early at the option of the Petitioner at 3 monthly intervals from the date of allotment.

- b. On the issue of further redeemable preference shares (NCRPS), the original unredeemed preference shares (OCRPS) shall be deemed to have been redeemed.
- c. The issue of further redeemable preference shares or the redemption of preference shares under Section 55(3) of the Act shall not be deemed to be an increase or, as the case may be, a reduction in the share capital of the Petitioner company.
- d. The Petitioner Company is directed to file a copy of this order with the concerned Registrar of Companies as per relevant provisions of the Act/Rules.

22. The petition being **C.P. No. 21 of 2024** is **disposed of** accordingly.

23. Urgent certified copy of this order, if applied for, be issued upon compliance with all requisite formalities.

Balraj Joshi
Member (Technical)

Bidisha Banerjee
Member (Judicial)

Signed on this 26th day of June, 2024.

FA_LRA