



SHREE PRECOATED STEELS LTD.

CIN : L70109MH2007PLC174206

Regd. Office : 1, Ground Floor, Citi Mall, New Link Road, Andheri (W), Mumbai 400 053

Tel.: + 91 - 7208182677 **Email :** spsl.investors@gmail.com **Website :** www.spsl.com

Ref: SEC/SPSL/BSE/2018-19

Date: 17th October, 2019

The Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai – 400 001

Script Code : 533110

Dear Sir,

Subject: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 about filing of Petition for Reduction of Share Capital of the Company before NCLT, Mumbai Bench.

In continuation with the intimation dated 18th March, 2019 with reference to above captioned subject, this is to inform you that the Hon'ble NCLT, Mumbai Bench has approved the Capital Reduction of the Equity Capital of the Company by 95% w.e.f 1st April, 2018.

We have received the Certified True copy of order on 16th October 2019. The copy of said order is attached herewith.

Kindly take the same on record.

Thanking You.

Yours faithfully,

For SHREE PRECOATED STEELS LIMITED

Akshay R. Sharma

AKSHAY R. SHARMA

ASST. COMPANY SECRETARY

Encl: As above



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

CP No. 4440 of 2018

In the matter of Section 66 of the
Companies Act, 2013 and the Rules
framed thereunder

and

In the matter of Reduction of Equity
Share Capital of Shree Precoated Steels
Limited

Shree Precoated Steels Limited

.....Petitioner Company

Coram: Hon'ble Smt. Suchitra Kanuparthi, Member (J)

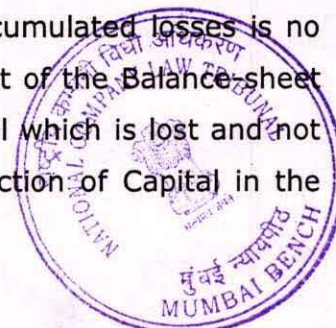
For the Petitioner(s): Mr. Rajesh Shah with Mr. Ahmed Chunawala, advocates.

Order delivered on 28.08.2019

Per: Suchitra Kanuparthi, Member (J)

ORDER

1. Heard the learned counsel for the Petitioner Company. No objector has come before the Tribunal to oppose the Petition and nor has any party controverted any averments made in the Petition.
2. The Counsel for the Petitioner Company submits that Article 77 of the Articles of Association of the Petitioner Company and section 66 of the Companies Act, 2013 ("Act") read with National Company Law Tribunal(Procedure for Reduction of Share Capital of Company) Rules, 2016 empowers the Petitioner Company to reduce its share capital and securities premium account by passing a special resolution.
3. The Counsel for the Petitioner Company submits that the Petitioner Company has accumulated carry forward losses of Rs.1,45,43,46,526/- as on 31.03.2017 which has substantially wiped off the value represented by the share capital and reserves of the Company and that the Financial Statement and Balance-sheet of the company is not reflecting the true health and position of the Company and in order to ensure that the Financial Statement of the Company reflect the true and real state of affairs and the position of the Company, and that the capital which is lost due to accumulated losses is no longer reflects in and continued to be shown on the fact of the Balance-sheet of the Company, it is necessary to write off the capital which is lost and not represented by any tangible assets and that the Reduction of Capital in the



manner proposed will enable the Company to have a rational structure which is commensurate with its business and assets and reflection of real value of the Company in the Financial Statement will be beneficial to Company and all its stake holder and concern as a whole.

4. The Board of Directors of the Petitioner Company at its meeting held on 08.02.2018 approved the reduction that the entire Capital Reserve of Rs. 30,00,000/- and General Reserve of Rs. 63,03,51,763/- shall stand reduced, written off and adjusted and that the subscribed, issued and paid-up Capital shall stand reduced or otherwise altered from Rs. 82,79,80,420 /- divided into 8,27,98,042 equity shares of Rs. 10/- each to Rs. 4,13,99,020 divided into 8,27,98,042 equity shares of Rs. 0.50/- each whereby 19/20 or 95% of existing share capital of Rs. 82,79,80,420/- amounting to Rs. 78,65,81,400/- is extinguished and cancelled and that the aggregate amount of Capital Reduction will be utilized to set off/ write off the accumulated carried forward losses to the extent of Rs. 141,99,33,163/- and upon Reduction, the issued, subscribed and paid-up capital of Rs. 4,13,99,020/- divided into 8,27,98,042 Equity Shares of Rs. 0.50/- each fully paid-up shall be consolidated into 41,39,902 Equity Shares of Rs. 10/- each fully paid up in such a manner that every 100 (Hundred) equity shares of Rs. 0.50/- each shall constitute 5 (Five) equity shares of Rs. 10/- each credited as fully paid up ("New Equity Shares")

5. The Regional Director report dated 08.05.2019 was filed with the NCLT Mumbai, Bench. The observations by the Regional Director are laid down in para 7 of his report, which are mentioned below:

- a. *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.*
- b. *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 to scrutinize 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.*

6. In so far as observation of the Regional Director as stated in Para 7(a) of his Report is concerned, the Petitioner Company through its Learned Counsel states that interest of the creditors and all stake holders of the Petitioner Company and Government Revenues are protected as well as statutory dues are paid off.



7. In so far as observation of the Regional Director as stated in Para 7(b) of his Report is concerned, the Petitioner Company through its Learned Counsel states that it shall comply with all applicable provisions of the Income Tax Act, 1961 and all tax issues, if any, arising out of the Petition will be met and answered in accordance with law and further, the decision of the Income tax Authority will be binding on Petitioner Company, subject to right of appeal available to the Petitioner Company under applicable laws. Also, the approval of the Petition by this 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.

8. The Counsel appearing on behalf of the Petitioner Company further submits that the Petitioner Company has complied with all statutory requirements as per the directions of the Tribunal and they have filed the necessary affidavit in the Tribunal. Moreover, the Petitioner Company also undertakes to comply with statutory requirements, if any under the Companies Act, 2013 and the Rules made thereunder, as may be applicable.

9. Since the requisite statutory procedure has been fulfilled, the Petition is made absolute in terms of the prayer clauses of the Petition.

10. All concerned regulatory authorities to act on certified copy of the order duly certified by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal. The Petitioner Company is to file the same with the Registrar of Companies within 30days from the date of the receipt of the order.

11. The Petitioner Company to publish notices about registration of order and minutes of reduction by the concerned Registrar of Companies, Maharashtra, in two newspapers namely, 'Free Press Journal' in English and 'Navshakti' in Marathi, having circulation in Maharashtra, within 30 days of registration.

FORM OF MINUTES

"the entire Capital Reserve of Rs. 30,00,000/- and General Reserve of Rs. 63,03,51,763/- shall stand reduced, written off and adjusted and that the subscribed, issued and paid-up Capital shall stand reduced or otherwise altered from Rs.82,79,80,420 /-divided into 8,27,98,042 equity shares of Rs.10/- each to Rs. 4,13,99,020/- divided into 8,27,98,042 equity shares of Rs.0.50/- each whereby 19/20 or 95% of existing share capital of Rs



82,79,80,420/- amounting to Rs,78,65,81,400/- is extinguished and cancelled and that the aggregate amount of Capital Reduction will be utilized to set off/ write off the accumulated carried forward losses to the extent of Rs. 141,99,33,163/-

upon Reduction, the issued, subscribed and paid-up capital of Rs. 4,13,99,020/- divided into 8,27,98,042 Equity Shares of Rs. 0.50/- each fully paid-up shall be consolidated into 41,39,902 Equity Shares of Rs. 10/- each fully paid up in such a manner that every 100 (Hundred) equity shares of Rs. 0.50/- each shall constitute 5 (Five) equity shares of Rs. 10/- each credited as fully paid up ("New Equity Shares")."

SD/-

Suchitra Kanuparthi
Member (Judicial)

Certified True Copy
Date of Application 04-09-2019
Number of Pages 4
Fee Paid Rs. 20
Applicant called for collection copy on 16-10-2019
Copy prepared on 16-10-2019
Copy Issued on 16-10-2019

B. A. Patel
By.

Assistant Registrar

National Company Law Tribunal, Mumbai Bench

