

**SCHEME OF REDUCTION OF CAPITAL**  
**OF**  
**BURNPUR CEMENT LTD**  
**AND ITS RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**UNDER SECTION 66 OF THE COMPANIES ACT, 2013**

**A. Preamble of the Scheme:**

This Scheme of Reduction of Capital is made by **Burnpur Cement Ltd (the Company)**, pursuant to the provisions of section 66 of the Companies Act, 2013, read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions, if any. The Scheme provides for the reduction of paid up share capital of Burnpur Cement Ltd by 80%, on proportionate basis and writing off accumulated losses against such reduction of capital.

Burnpur Cement Ltd is a Company registered under the provisions of the Companies Act, 1956 and having its registered office situated at Village: Palashdiha, Panchgachia Road, Kanyapur, Asansol-713341, West Bengal. The Company is engaged in the business of manufacturing and sale of cement and other related activities.

The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 86,12,43,630 divided into 8,61,24,363 Equity Shares of Rs. 10/- each.

The Financial Highlights of the Company as per the Audited Financial Statements for the financial year ended March 31, 2018 is given below:

<b>Particulars</b>	<b>Amount (Rs. in lakhs)</b>
<b>Paid-up Share Capital</b>	<b>8612.44</b>
Capital Reserves	10.09
Securities Premium Account	1161.04
General Reserves	10.00
Revaluation Reserves	462.17
Profit & Loss A/c (Accumulated Losses)	(10297.34)
<b>Total Reserves &amp; Surplus</b>	<b>(8654.04)</b>

For BURNPUR CEMENT LIMITED

Company Secretary



Revenue from Operations	5383.55
Total Revenue	5399.11
<b>Profit/ (loss) for the year</b>	<b>(4449.44)</b>

Due to heavy losses in the Company in the last few years, the capital of the Company has been eroded and the accumulated losses in the Company is at Rs. 10297.34 lakhs as on March 31, 2018.

#### **B. Rational and purpose of the Scheme:**

The present issued, subscribed and paid-up share capital of the Company is Rs. 86,12,43,630 (Rupees eighty-six crores twelve lakhs forty-three thousand six hundred and thirty only) divided into 8,61,24,363 Equity Shares of Rs. 10 each.

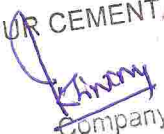
As on 31<sup>st</sup> March, 2018, the Company has accumulated losses (debit balance of Profit & Loss Account) to the tune of Rs. 10297.34 lakhs.

In order to re-align the relation between capital & assets; and to accurately and fairly reflect the liabilities & assets of the Company in its books of accounts; and for better presentation of the financial position of the Company, the Board of Directors has decided to write off the accumulated losses against reduction in the paid up share capital of the Company in accordance with section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions.

#### **C. Parts of the Scheme of Reduction of Share Capital:**

This Scheme provides for matters connected with the aforesaid reduction of capital. Accordingly, this Scheme is divided into the following parts:

- i. **Part-1** which deals with the Definitions and Share Capital;
- ii. **Part-2** which deals with the Reduction of Share Capital;
- iii. **Part-3** which deals with the General Clause, other Terms and Conditions;

For BURNPUR CEMENT LIMITED  
  
 Company Secretary

## PART 1

### DEFINITIONS AND SHARE CAPITAL

#### DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under:

- 1.1 "Act"** means the Companies Act, 2013 and the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016.
- 1.2 "Board of Directors"** in relation to the Petitioner Company, shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorised by the Board of Directors or such Committee of Directors.
- 1.3 "BSE"** means the BSE Limited;
- 1.4 "NSE"** means the National Stock Exchange of India Limited;
- 1.5 "Petitioner Company" or "the Company"** means **Burnpur Cement Ltd** [Corporate Identification No. (CIN): L 27104 WB 1986 PLC 040831] was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Ashoka Concrete & Allied Industries Pvt Ltd' vide Certificate of Incorporation dated 19<sup>th</sup> June, 1986 issued by the Registrar of Companies, West Bengal.
- Name of the Company was changed to 'Burnpur Cement Pvt Ltd' vide Fresh Certificate of Incorporation dated 18<sup>th</sup> September, 2001 issued by the Registrar of Companies, West Bengal.
- The Company was converted into a public limited company and name of the Company was changed to 'Burnpur Cement Ltd' vide Fresh Certificate of Incorporation dated 12<sup>th</sup> November, 2001.
- 1.6 "Effective Date"** means the date on which the certified copy of the order passed by the Hon'ble National Company Law Tribunal, Kolkata, sanctioning the Reduction of Capital is filed with the Registrar of Companies, West Bengal, Kolkata. Any reference in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the

For BURNPUR CEMENT LIMITED  
*K. Swamy*  
Company Secretary



Scheme" or "Scheme coming into effect" shall mean the "Effective Date".

- 1.7 "Record Date"** means the date to be decided by the Board of Directors or a committee for the purpose of giving effect to the orders of the Hon'ble National Company Law Tribunal sanctioning the Scheme.
- 1.8 "Scheme"** means this Scheme of Reduction of Capital as provided herein in its present form or with such alterations/ modifications as may be approved or imposed or directed by the any of the Regulatory Authorities and may be approved by Hon'ble National Company Law Tribunal.
- 1.9 "Shareholders"** means the person registered (whether registered owner of the shares or beneficial owner of the shares) as holder of equity shares of the Company. The word "Shareholder" and "Member" are used to denote the same meaning and are used interchangeably.
- 1.10 "Shares"** means the equity shares of Rs. 10 each of the Company unless otherwise specified in the context thereof.

All terms and words not defined in the Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Regulations, Listing Agreement and other applicable Laws, rules and regulations, bye – laws as the case may be or any statutory modifications or re-enactments thereof from time to time.

## **SHARE CAPITAL**

The present Authorised Share Capital of the Petitioner Company is Rs. 103,00,00,000 divided into 10,30,00,000 Equity Shares of Rs. 10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 86,12,43,630 divided into 8,61,24,363 Equity Shares of Rs. 10 each.

All the equity shares of the Company are fully paid-up and there is no partly paid-up share in the Company.

For BURNPUR CEMENT LIMITED  
  
Company Secretary



## **PART 2**

### **REDUCTION OF CAPITAL**

#### **2.1 Reduction of Capital of the Company**

- a. Upon the Scheme coming into effect, the issued and paid-up share capital of the Company will be reduced by 80%, on proportionate basis. Accordingly, the paid-up value of each Equity Share of the Company will be reduced from Rs. 10 per share to Rs. 2 per share. Subsequent to reduction in issued and paid up value of equity shares of the Company from Rs. 10 to Rs. 2 per equity share and in terms of the provisions of section 94 of the Companies Act, 1956, section 61 of the Companies Act, 2013, and other applicable provisions, if any, every five equity shares of Rs. 2 each will be consolidated into one equity share of Rs. 10 each, fully paid up. Approval of this Scheme by the Shareholders and/or Creditors of the Company, as the case may be, and sanction by the Hon'ble National Company law Tribunal shall be sufficient compliance with the provisions of sections 61 and 64 of the Companies Act, 2013, and other applicable provisions, if any, relating to the aforesaid consolidation of face value of equity shares. It is clarified that the reduction of share capital from Rs. 10 per share to Rs. 2 per share and consolidation of every five equity shares of Rs. 2 each into one equity share of Rs. 10 each, will be executed simultaneously. The Company will issue Equity Shares (in physical or dematerialized form) having face value and paid up value of Rs. 10 per share.

Accordingly, upon coming into effect the Scheme of Reduction of Capital, the total issued and paid up Equity Share Capital of the Company shall be reduced from Rs. 86,12,43,630 divided into 8,61,24,363 Equity Shares of Rs. 10 each, fully paid-up, to Rs. 17,22,48,730 divided into 1,72,24,873 Equity Shares of Rs. 10 each, fully paid-up.

- b. Simultaneously, the debit balance of Profit & Loss Account of the Company will be written off to the extent of amount of the aforesaid reduction of share capital. Any amount left after writing off the debit balance of Profit & Loss Account will be credited to the Capital Reserve Account in the books of the Company.
- c. The Reduction of Capital shall be on proportionate basis and all the pre-Scheme shareholders will remain as the shareholders of the Company even after the Scheme in the same proportion, except the

For BURNPUR CEMENT LIMITED  
  
Company Secretary

shareholders who are entitled to fractional shares which will be paid in terms of the Scheme.

- d. In case any shareholder holding equity shares in the Company is such that the member becomes entitled to a fraction of an equity share of the Company, upon coming into effect the Scheme of Reduction of Capital, then the Company shall not issue fractional share to such shareholder but shall instead consolidate all such fractional entitlements to which the Shareholders of the Company may be entitled and issue consolidated equity shares to a Director or any other Key managerial Personnel of the Company as may be nominated by the Board of Directors in that behalf.

The said Director or any other Key managerial Personnel of the Company as may be nominated by the Board of Directors in that behalf shall hold the shares issued due to fractional entitlements in trust of the shareholders entitled for fractional entitlement and shall, at his discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

- e. The Pre and Post Reduction Shareholding Pattern of the Company will be as follow:

Sl. No.	Category	Pre-Scheme (Equity Shares of Rs. 10 each)		Post-Scheme (Equity Shares of Rs. 10 each)	
		No. of Shares	%	No. of Shares	%
1.	Promoter	2,37,90,973	27.62	47,58,195	27.62
2.	Non-Promoter (Public)	6,23,33,390	72.38	1,24,66,678	72.38
	<b>Total</b>	<b>8,61,24,363</b>	<b>100.00</b>	<b>1,72,24,873</b>	<b>100.00</b>

- f. In respect of the equity shares in the Company already held in dematerialized form, as on the Record Date, necessary corporate action shall be executed with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for effecting the aforesaid reduction of capital.

In respect of the equity shares of the Company held in physical form, as on the Record date, each such equity shareholders of the Company holding such share shall have the option, to be exercised by way of giving a notice to the Company on or before the Record

For BURNPUR CEMENT LIMITED

Company Secretary



Date, to record the Equity Shares of Rs. 10/- each of the Company, either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Company in respect of any equity shareholder, the Equity Shares of Rs. 10/- each of the Company shall be issued to such shareholders in physical form.

- g.** Those Equity shareholders, who continue to hold their equity shares in physical form as on the record date shall be issued fresh share certificates consequent upon the reduction of capital. Their original share certificates shall be deemed to be Cancelled and non-useable and not tradable from and after the record date. The new share certificates of Company issued pursuant to this Scheme shall be delivered to such equity shareholders who hold their equity shares in physical form, irrespective of whether such equity shareholders surrender their old share certificates or not.
- h.** The present Scheme is proposed for reduction of capital of the Company in terms of Section 66 of the Companies Act, 2013, the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions, if any. The Scheme does not envisage transfer or vesting of any of the properties and/or liabilities of the Company to any person or entity. The Scheme also does not involve any conveyance or transfer of any property of the Company.

## **2.2 Compliance**

- a.** The consent of the members of the Company to this Scheme shall be taken through a special resolution under the provisions of the Section 66 of the Companies Act, 2013 and rules made thereunder.
- b.** The Scheme, if sanctioned, shall be fully in compliance with the Securities and Exchange Board of India Act ("SEBI") Act, and the Rules and Regulations made and the Circulars issued thereunder.

## **2.3 Accounting treatment**

Upon the Scheme becoming effective, Reduction of Capital Company of the Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted

For BURNPUR CEMENT LIMITED  
  
Company Secretary

Accounting Principles in India (Indian GAAP), as the case may be. Following are the salient features of the accounting treatment to be given:

- a. Upon reduction of Capital, the total issued and paid up Equity Share Capital of the Company shall be reduced from Rs. 86,12,43,630 divided into 8,61,24,363 Equity Shares of Rs. 10 each, fully paid-up, to Rs. 17,22,48,730 divided into 1,72,24,873 Equity Shares of Rs. 10 each, fully paid-up.
- b. The debit balance of Profit & Loss Account of the Company will be written off to the extent of amount of the aforesaid reduction of share capital. Any amount left after writing off the debit balance of Profit & Loss Account will be credited to the Capital Reserve Account in the books of the Company.

**2.4** The form of minutes proposed to be registered under section 66(5) of the Companies Act, 2013 is as follows:

*"The paid-up equity share capital of Burnpur Cement Ltd is henceforth Rs. 17,22,48,730 (Rupees seventeen crore twenty-two lakhs forty-eight thousand seven hundred and thirty) divided into 1,72,24,873 (one crore seventy two lakhs, twenty four thousand eight hundred and seventy three) Equity Shares of Rs. 10/- (Rupees ten only) each".*

For BURNPUR CEMENT LIMITED  
  
Company Secretary



## **PART 3**

### **General Clause and Terms & Conditions**

#### **3.1 Conduct of business**

Nothing contained in the Scheme shall affect the conduct of the business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a Party and/ or any legal or other proceedings by or against the Company.

#### **3.2 Impact of the Scheme on Employees/ Workers**

The Scheme shall not have any adverse impact on the employees/workers of the Company and they would, in fact be generally benefited as Scheme would help in improving the financial position of the Company.

#### **3.3 Impact of the Scheme on creditors/ lenders/ financial institutions**

The proposed Reduction of Capital would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital. Hence, no creditor of the Company will be adversely affected by the proposed reduction of Capital, rather the proposed Reduction of Capital would help in improving the financial position of the Company.

#### **3.4 Legal Proceedings**

The Scheme would not affect any legal or other proceedings by or against the Company.

#### **3.5 Application to the Hon'ble National Company Law Tribunal**

The Company shall make application(s)/petition(s) under the provisions of sections 66 of the Companies Act, 2013, the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions, if any, to the Hon'ble Company Law Tribunal at Kolkata, and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

For BURNPUR CEMENT LIMITED  
  
Company Secretary

### **3.6 Modifications/Amendments to the Scheme**

The Company through its Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Court(s) and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.

In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.

The Company shall be at liberty to withdraw from this Scheme in case any condition, alteration or modification, imposed or suggested by the Court(s) or any other competent authority, is not acceptable to them; or as may otherwise be deemed fit or proper by the Company.

### **3.7 Miscellaneous**

- a. Notwithstanding the reduction of Capital of the Company, the listing benefit of the Company on all the Stock exchanges where the existing equity shares of the Company are listed, shall continue.
  - b. Notwithstanding the reduction of Capital of the Company in pursuance of the Scheme, the Company shall not be required to add the word "And Reduced" to its name as the last words thereof.
- 

For BURNPUR CEMENT LIMITED  
*Kolwary.*  
Company Secretary