

PRIMA INDUSTRIES LTD.



CORPORATE & REGD. OFFICE
Industrial Development Area
Muppathadam P. O., Edayar, Cochin - 683 110
Kerala State, India
Tel: 91-484-2551533 (4 Lines)
CIN: L15142KL 1994PLC008368
E-mail: primagroupcompanies@gmail.com
www.primaindustries.in

Ref: PIL/SEC/2025-26/66

22nd January, 2026

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001

Stock Code: BSE: 531246
ISIN: INE723N01012

Dear Sir/Madam,

Subject: Disclosure under Regulation 30 SEBI (LODR), 2015 - Intimation of Order passed by Hon'ble NCLT for further issue Unlisted Preference Shares.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that the Hon'ble National Company Law Tribunal, Kochi Bench, has vide its Order no. CP(C/Act)/9/KOB/2025 dated 21st January, 2026 approved the further issue of unlisted preference shares of the Company for the purpose of giving effect to the redemption of the existing preference shares of the Company.

The Company shall take necessary steps to implement the aforesaid order in accordance with the provisions of the Companies Act, 2013 and other applicable laws.

A copy of the said order is enclosed herewith for your information and records.

Thanking you,

Yours faithfully
For **Prima Industries Limited**

Nayana V B
Company Secretary & Compliance Officer
Membership No. A76822

Encl. As above

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH**

CP (C/Act)/9/KOB/2025

*(Under Section 55 of the
Companies Act, 2013, r/w
Rule 69 of the NCLT Rules,
2016)*

Date of Institution: 24.03.2025

Order delivered on: 21.01.2026

In the matter of:

M/s Prima Industries Limited

Memo of parties:

M/s PRIMA INDUSTRIES LIMITED

CIN L15142KL1994PLC008368

S Door No. V-679/C, Industrial
Development Area Muppathadam, Edayar,
Cochin, Kerala, India, 683110

... Petitioner

-Vs-

1. Ministry of Corporate Affairs

Represented by Registrar of Companies,
Kerala and Lakshadweep, Company Law
Bhawan, Thrikkakara Ernakulam, Kerala.

2. Ayyappa Roller Flour Mills Limited

Door No.V-679/C, Industrial Development
Area Muppathadam P.O, Edayar,
Ernakulam, Cochin, Kerala, India, 683110

... Respondents

Coram:

HON'BLE MEMBER (JUDICIAL)

SHRI. VINAY GOEL



Appearances:

For the Petitioner : PCS, Mr. Yogindunath S
For the Respondent No.1 : Representative of RoC.
For the Respondent No. 2 : Ms. Siji Abraham, Advocate.

ORDER

Per Coram

1. The present Company Petition under section 55 of the Companies Act, 2013, has been filed by the Petitioner Company seeking the following reliefs: -

1. *To allow the Applicant Company to further issue redeemable preference shares for a period of 20 years (i.e., 24.07.2022 to 23.07.2042) equal to the amount due, in respect of the unredeemed preference shares and allow to treat the unredeemed preference shares to be deemed to have been redeemed.*
2. *That such other order may be made in the circumstances of the case, as the Hon'ble Tribunal, Kochi Bench may deem fit.*

3. The petitioner is a company incorporated under the Companies Act, 1956, on 17.11.1994, with an authorized share capital of Rs. 25 crore, comprising 1.35 crore equity shares of Rs. 10 each and 1.15 crore preference shares of Rs. 10 each. The paid-up capital is Rs. 21.98 crore, consisting of 1.08 crore equity shares and 1.12 crore preference shares of Rs. 10 each. The company's equity shares have been listed on the Bombay Stock Exchange since 22.11.1995, while its Non-Convertible Cumulative Redeemable Preference Shares remain unlisted. Clause V of the Memorandum of Association, read with Clause 3 of the Articles of Association, empowers the company to alter its capital structure, including the issue and redemption of preference shares.



4. The petitioner stated that as per the Articles of Association, the Company issued 51,97,403 Nos. of 10% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10 each to Industrial Development Bank of India (IDBI) on 24.07.2002. IDBI transferred these shares to Ayyappa Roller Flour Mills Limited on 04.04.2012. Subsequently, on 27.03.2013, the Company issued an additional 60,00,000 Nos. of 10% CRPS of Rs. 10 each to Ayyappa Roller Flour Mills Limited, making it the sole holder of all issued 10% CRPS of the Company. In accordance with the Articles, which authorize the issuance of redeemable preference shares, the first batch of 51,97,403 Nos. of CRPS became due for redemption on 23.07.2022.
5. It is further submitted that under Proviso (a) to Clause (2) of Section 55 read with Section 48 of the Companies Act, 2013, preference shares can be redeemed only out of (i) profits available for dividend or (ii) proceeds from a fresh issue of shares made for the purpose of redemption. Since the Petitioner Company has not earned profits available for dividend, the redemption of its preference shares can be carried out only through the proceeds of a fresh issue of shares made specifically for this purpose.
6. The petitioner stated that in its Board Meeting held on 30.05.2024, the Petitioner Company decided to redeem its preference shares by raising additional funds through further issue of shares, invoking Section 55(3) of the Companies Act, 2013, to ease the financial burden on both the Company and the preference shareholders. The Board also approved, subject to members' approval, the extension of the tenure of the 10% Non-Convertible Cumulative Redeemable Preference Shares (CRPS) by an additional 20 years. This extension was subsequently approved at the Annual General Meeting held on 22.08.2024.



7. Further, it is submitted that the Petitioner Company, Prima Industries Ltd., has obtained the consent of Ayyappa Roller Flour Mills Limited through a special resolution approved by equity shareholders at their Annual General Meeting. The Company has also confirmed that it will continue to pay dividends on the extended tenure of the 10% Non-Convertible Cumulative Redeemable Preference Shares at the existing rate, ensuring that no hardship will be caused to the preference shareholders due to the proposed actions.
8. The Registrar of Companies, in its report, submitted that in accordance with Section 55(2) of the Companies Act, 2013, the preference shares originally issued on 24.07.2002 were required to be redeemed by 23.07.2022. Hence, this redemption was not completed on time, which constitutes a contravention of Section 55 of the Act.
9. It is further submitted by the RoC that the statutory auditor, in their report for the financial year 2023-24, highlighted that the Company has not redeemed preference shares issued on 24.07.2002, amounting to Rs.5,19,74,030 held by Ayyappa Roller Flour Mills Limited, which were due for redemption in July 2022, noting non-compliance with Section 55 of the Companies Act, 2013. The Board of Directors has informed the auditors that a proposal is under consideration to seek approval for the redemption of these unredeemed preference shares and the issue of an additional 51,97,403 cumulative redeemable preference shares of Rs.10 each to the existing shareholder for a further term of 20 years on the same terms and conditions.
10. RoC in its report further stated that the non-redemption of the preference shares within the prescribed period constitutes a violation of Section 55 of



the Companies Act, 2013. Consequently, the Company is required to seek adjudication of penalty for the default under Section 454(1) read with Rule 3(2) of the Companies (Adjudication of Penalties) Rules, 2014, and Section 450 of the Companies Act, 2013. The Company may approach the Registrar of Companies, Kerala, for voluntary adjudication of the default. The RoC requests that the Tribunal take note of these facts and direct it to first rectify the default through the adjudication proceedings before the Registrar of Companies, Kerala.

Findings & Observations: -

13. This Adjudicating Authority has heard both sides and has also perused the pleadings, documents, and materials available on record.
14. The present Company Petition has been filed under Section 55 of the Companies Act, 2013, seeking permission of this Tribunal to allow the petitioner company to issue further Non-Convertible Cumulative Redeemable Preference Shares for a further period of 20 years, equal to the amount due in respect of the unredeemed preference shares, and to treat the existing unredeemed preference shares as deemed to have been redeemed.
15. The petitioner, Prima Industries Ltd., is a company incorporated in 1994 under the Companies Act, 1956, having listed equity shares and unlisted 10% Non-Convertible Cumulative Redeemable Preference Shares (CRPS). In terms of its Memorandum and Articles of Association, the Company issued CRPS to Industrial Development Bank of India on 24.07.2002, which were later transferred, along with additional CRPS issued on 27.03.2013, to Ayyappa Roller Flour Mills Limited, making it the sole preference shareholder. The first tranche of CRPS became due for redemption on



23.07.2022. As the Company has no profits available for dividend, the preference shares can be redeemed only from the proceeds of a fresh issue of shares under Section 55 of the Companies Act, 2013.

16. Accordingly, the Board, in its meeting dated 30.05.2024, resolved to redeem the preference shares through a fresh issue and also proposed extension of the tenure of the CRPS by 20 years to reduce financial burden. The relevant portion of the resolution passed by the Board is reproduced hereunder: -

"RESOLVED THAT, pursuant to the provisions of section 55(3) of the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014, consent of the Board be and is hereby accorded subject to the approval of the members at the ensuing Annual General Meeting and subject to the approval of the preference shareholder to place petition before the Hon'ble National Company Law Tribunal (NCLT), for further issue of 10% 5197403 non-convertible cumulative redeemable preference shares of Rs. 10/- each to the existing shareholder in respect of the unredeemed preference shares, for a term of 20 years from the date of issue on the same terms and conditions along with the waiver of balance arrear cumulative dividend for six years amounting to Rs. 3,11,84,418/-."

"RESOLVED FURTHER THAT, on the approval of the Hon'ble NCLT for the further issue of 10% 5197403 non-convertible cumulative redeemable preference shares of Rs. 10 /- each to the existing shareholder together with the waiver of arrear dividend, the unredeemed preference shares of 10% 5197403 non-convertible cumulative redeemable preference shares of Rs. 10/-each along with the cumulative dividend aggregating to Rs. 8,31,58,448/- would be deemed to be redeemed."

"RESOLVED FURTHER to submit a request before the Preference Shareholder for obtaining their consent to place the petition before the Hon'ble NCLT for further issue of preference shares for an extended period of redemption of 20 years."

"ALSO RESOLVED TO, waive unpaid accrued dividend of Rs. 3,11,84,418/ on the recommendation of the Audit Committee and subject to the consent of Ayyappa Roller Flour Mills Limited (the sole preference shareholder)."

"RESOLVED FURTHER THAT Any Director of the Company be and is hereby severally authorized to do all acts and deeds in order to carry out the decision of the Board of Directors of the Company and to execute all documents, affidavits, submissions and any other matter as are required to file the application with the Hon'ble National Company Law Tribunal (NCLT) and any other Governmental authorities in this regard."

17. The said proposal was approved by the shareholders at the Annual General Meeting held on 22.08.2024, with the consent of the sole preference



shareholder, and the Company has agreed to continue paying dividend at the existing rate during the extended period.

18. Vide order dated 01.04.2025, this Tribunal directed the petitioner to issue notice to the respondents and thereafter to file its report/response, if any, within a period of 15 days.

19. Subsequently, on 21.04.2025, the Registrar of Companies filed a report stating that the preference shares issued by the petitioner company on 24.07.2002 were required to be redeemed on or before 23.07.2022 in terms of Section 55(2) of the Companies Act, 2013. Since the redemption was not carried out within the prescribed period, the Company is in contravention of Section 55 of the Act. The RoC further noted that the statutory auditor, in the audit report for the financial year 2023-24, reported non-redemption of preference shares amounting to Rs.5,19,74,030/-. The RoC has submitted that the Company is liable for adjudication of penalty under Section 454 read with Section 450 of the Act and has requested this Tribunal to direct the Company to first regularize the default by approaching the Registrar of Companies, Kerala, for voluntary adjudication.

20. Pursuant to the objections raised, the RoC passed an adjudication order dated 22.09.2025, holding that the petitioner company had violated the provisions of Section 55(2) of the Companies Act, 2013, due to the delay in redemption of preference shares and the delay in approaching this Tribunal for extension of the redemption period. The adjudication proceedings were initiated by the RoC by issuance of a show cause notice dated 02.07.2025, followed by an e-hearing held on 19.08.2025 and consideration of the written submissions filed by the Company. By the said order, the Company and its Managing Director were held liable for the violation, and in



compliance therewith, the petitioner company has paid the total penalty of Rs. 2,50,000/- as imposed by the RoC and has filed a memo evidencing the same before this Tribunal. In response to the memo filed by the petitioner, the RoC has submitted its no-objection to the relief sought in the present petition.

21. At this juncture, it is appropriate to refer to Section 55(3) of the Companies Act, 2013, which is reproduced hereunder for ready reference: -

"(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 subsection, 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."

22. In view of the entire facts and circumstances and on consideration of the documents produced on record, it appears that all the requirements of Section 55(3) of the Companies Act, 2013, 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.



23. On Perusal of records, it is observed that the first tranche of 10% Non-Convertible Cumulative Redeemable Preference Shares (CRPS) of the petitioner company became due for redemption on 23.07.2022. However, the petitioner company obtained the consent of Ayyappa Roller Flour Mills Limited, the sole preference shareholder, only on 16.10.2023. Subsequently, the petitioner company conducted its Board Meeting on 30.05.2024 and its Annual General Meeting on 22.08.2024 to approve the extension of the tenure of the said CRPS by a further period of 20 years. Thereafter, the present petition was filed on 24.03.2025. It is, therefore, evident that there was a delay in obtaining the requisite shareholder approval and in initiating steps for the extension of the redemption period, as required under Sections 55(2) and 55(3) of the Companies Act, 2013. Notwithstanding the delay, considering the facts and for fair adjudication of the matter, this Tribunal is of the view that the petition deserves to be **allowed**, subject to the payment of **costs of Rs.1,00,000/- to be deposited into the National Defence Fund**. Accordingly, this Adjudicating Authority passes the following orders:

- a. The Petitioner Company is permitted to issue redeemable preference shares for a period of 20 years, i.e., from 24.07.2022 to 23.07.2042, equal to the amount due in respect of the unredeemed preference shares
- b. On the issue of further redeemable preference shares (NCRPS), the original unredeemed preference shares (OCRPS) shall be deemed to have been redeemed.
- c. In light of the judgment of the Company Law Board (CLB) dated 30.03.1994 in the matter of *Rishi Gases Private Limited*, the Petitioner



Company is directed to issue further redeemable preference shares equal to the amount due (including arrears of dividend), if any, to the concerned shareholder.

- d. The issue of further redeemable preference shares or the redemption of preference shares under Section 55(3) of the Companies Act, 2013 shall not be deemed to be an increase or, as the case may be, a reduction in the share capital of the Petitioner company.
- e. The Petitioner Company is directed to file a copy of this order, along with proof of payment of the cost of Rs.1,00,000/- deposited with the National Defence Fund, before the concerned Registrar of Companies, in accordance with the relevant provisions of the Companies Act, 2013.

24. With the aforesaid orders, this Company Petition bearing No. CP(C/ACT)/09/KOB/2025 stands **allowed and disposed of**.

25. The Registry is hereby directed to send e-mail copies of this order forthwith to all the parties and their counsel for information and to take necessary steps.

26. Let the certified copy of the order be issued upon compliance with requisite formalities.

27. File be consigned to records.

Sd/-
VINAY GOEL
(MEMBER JUDICIAL)

Signed on this the 21st day of January, 2025.

