

# Gujarat TOOLROOM LIMITED

402, Sheel Complex, 4th Floor, Mayur Colony, Nr. Mithakhali Under Bridge, Navrangpura, AHMEDABAD - 380 009.  
Tel No. : 079 - 2640 3311, 2640 1304, Tel-Fax : 079 - 2640 1304, Email: info@gujarattoolroom.com, Website : www.gujarattoolroom.com

**CIN: L45208GJ1983PLC006056**

**12<sup>th</sup> January, 2016**

<b>TO,</b> <b>BSE Limited</b> P. J. TOWERS DALAL STREET, MUMBAI-400 001. <b>SCRIP CODE: 513337</b>	<b>TO,</b> <b>AHMEDABAD STOCK EXCHANGE LTD</b> KAMDHENU COMPLEX, PANJRAPOLE, AMBAWADI, AHMEDABAD- 380 015. <b>SCRIP CODE: 22800</b>
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Dear Sir,

**SUB: DISCLOSURE OF MATERIAL EVENT UNDER REGULATION 30(2) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION, 2015**

This is to inform you that Our Company filed petition under section 100 to 104 of Companies Act, 1956 and corresponding provisions of Companies Act 2013 for confirmation of special resolution passed by the shareholders of the Company for reduction of share capital to the Hon'ble High Court of Gujarat, Ahmedabad on 12<sup>th</sup> October, 2015. In this matter, the Hon'ble High Court of Gujarat passed an order on 11<sup>th</sup> January, 2016 providing its approval/confirmation to the scheme of Capital Reduction.

Therefore pursuant to provisions of Regulation 30(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (Regulation), the Company hereby disclose the material event as provided in the Schedule III of Listing Regulations.

<b>Sl. No.</b>	<b>Particular of material event</b>	<b>Disclosure time frame</b>
<b>a.</b>	<b><u>Details of Restructuring</u></b> The paid-up share capital of the Gujarat Toolroom Ltd. shall be reduced from Rs.3,47,68,000/- divided into 34,76,800 equity shares of Rs.10/- each fully paid-up to Rs.69,53,600/- divided into 34,76,800 equity shares of Rs.2/- each fully paid-up and that such reduction be effected by cancelling the capital which has lost or is unrepresented by available tangible assets, to the extent of Rs.8/- per share upon each of the 34,76,800 equity shares which have been issued by	<b>Occurrence of event:</b> <b>11<sup>th</sup> January, 2016.</b>  <b>Date of Disclosure :</b> <b>12<sup>th</sup></b>

	<p>reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Rs.2/- per share and thereafter consolidation of face value of Rs.2/- per share to Rs.10/- per share by issuing 1 equity share of Rs.10/- each fully paid-up against 5 equity shares of Rs.2/- per share.</p>	<p>January, 2016.</p>
<p>b.</p>	<p><b><u>Reasons for Restructuring</u></b>  The Company has accumulated loss of Rs.2,78,74,830/- as on 30<sup>th</sup> September, 2014. The Continues losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company. For ensuring that the financial statements of the Company reflects the real picture and the Capital which is lost is not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of capital of the Company. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a scheme of capital reduction exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share Capital. The reduction of Capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets. Hence, the proposed reduction will be for the benefit of the Company and its shareholder, creditors and all concerned as a whole.</p>	
<p>c.</p>	<p><b><u>Quantitative and/or Qualitative effect of restructuring</u></b>  The company has been incurring continuous losses and the chances of recovery are remote. Hence it is prudent to write off part of the debit balance in Profit &amp; Loss account to the extent of Rs.2,78,14,400/- by cancelling the capital which has lost or is unrepresented by available tangible assets, to the extent of Rs.8/- per share upon each of the 34,76,800 equity shares which have been issued by reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Rs.2/- per share, in accordance with the provisions of Sections 100 to 104 and other</p>	




	<p>applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the act"). The resultant paid-up capital of the Company will be Rs.69,53,600/- divided into 34,76,800 equity shares of Rs.2/- each fully paid-up. After reduction of capital, to consolidate face value of equity shares, the Company will issue 1 equity share of Rs.10/- each fully paid-up against every 5 equity shares of Rs.2/- each fully paid-up and after such consolidation of face value, the paid up capital of the Company will be Rs. 69,53,600/- divided into 6,95,360 equity shares of Rs.10/- each fully paid up.</p>	
d.	<p><b><u>Details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring</u></b>  There is no benefit to the promoter/promoter group/group companies from such proposed restructuring</p>	
e.	<p><b><u>Brief details of change in shareholding pattern (if any) of all entities</u></b>  There is no change in the pre and post reduction shareholding pattern of the Company.</p>	

You are requested to take the same on your record.

Thanking you

Yours faithfully,

For, GUJARAT TOOLROOM LIMITED

  
SURYAKANT H. PARIKH  
Managing director  
(DIN: 00038136)

