IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 606 OF 2016

In the matter of Companies Act, 1956 (1 of 1956) and Companies Act, 2013;

AND

In the matter of Section 52 of the Companies Act, 2013 and Sections 100 to 103 of the Companies Act, 1956;

AND

In the matter of Reduction of Share Capital (Securities Premium Account) of Tata Capital Financial Services Limited.

**Tata Capital Financial Services Limited**, )
a company incorporated under the )
Companies Act, 1956 and having its )
Registered Office at One Forbes, Dr. V. B. )
Gandhi Marg, Fort, Mumbai – 400001 ) … Applicant Company

**<u>Called Summons for Direction for hearing</u>**

Ms. Alpana Ghone with Mr. Rajesh Shah i/b Rajesh Shah & Co, Advocates for the Applicant Company.

CORAM: B. P. Colabawalla, J

DATE: 8th JULY, 2016

**MINUTES OF ORDER**

UPON THE APPLICATION of the above named Applicant Company by a Company Summons for Direction AND UPON HEARING Mr. Rajesh Shah, instructed by M/s. Rajesh Shah & Co., Advocates for the Applicant Company AND UPON READING the Affidavit of Ms. Shivangi Rajpopat, Deputy Company Secretary of the Applicant Company dated 1st day of July, 2016 in support of Company Summons for Direction AND Article 74 of the Articles of Association of the Applicant Company that empowers the Applicant Company to reduce its Share Capital (Securities Premium Account) from time to time by passing a Special Resolution in any manner for the time being authorised by law AND the Applicant Company having passed Special Resolution with requisite majority at its Extraordinary General Meeting held on 24th June, 2016 being Exhibit-D2 to the Affidavit in Support of Company Summons for Direction, approving the reduction of securities premium account of the Applicant Company not exceeding Rs.5,43,00,00,000 Crores (Rupees Five Hundred Forty Three Crores Only) and that such reduction to be utilised for adjustment of the debit (expense) to the Statement of Profit and Loss, arising on account of the provision and/or writing-off of certain investments (gross and/or net of provisions), goodwill, loans (gross and/or net of provisions) and credit substitutes (gross and/or net of provisions) by appropriating from and thereby reducing the amount standing to the credit of the Securities Premium

Account (net of tax, if applicable) by crediting the Statement of Profit and Loss of the Applicant Company for an amount not exceeding Rs. 5,430,000,000 (Rupees Five Hundred and Forty Three Crore Only). AND in view of the averment made in Paragraph 13 of the Affidavit in support of Summons for Direction it is further stated that the rights of the Secured Creditors are not affected since the proposed Reduction neither involves any financial outlay/outgo on the part of the Applicant Company nor does it directly or indirectly involve any outflow of the Applicant Company's assets to its Members and is only in the nature of a book entry. Further, there is no dilution of securities provided to the Secured Creditors since non-performing assets are excluded from security provided and they will continue to hold charge over the respective assets post Reduction of Share Capital (Securities Premium Account) AND in view of the averment made in Paragraph 14 of the Affidavit in support of Summons for Direction it is further stated that the proposed Reduction neither involves any financial outlay/outgo on the part of the Applicant Company nor does it directly or indirectly involve any outflow of the Applicant Company's assets to its Members and is only in the nature of a book entry. Consequently, such Reduction will not prejudice the creditors of the Applicant Company. For the sake of clarity, it is specified that the Reduction of Share Capital (Securities Premium Account) does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. The proposed Reduction would not in any way adversely affect the operations of the Applicant Company or the ability of the Applicant Company to honour its commitments or to pay its debts in the ordinary course of business. Further, no compromise or arrangement is contemplated to be made with the creditors under the proposed Reduction. In view of the above, the procedure prescribed under Section 101(2) of the Companies Act, 1956 is dispensed with.

(B. P. Colabawalla, J.)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed order.

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