IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 575 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 707 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 Limited.

Tata Capital 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)))) … Petitioner Company

Called For Hearing

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

CORAM: A. K Menon, J.

DATE: 8th September, 2016

1. Heard counsel for the Petitioner. No objector has come before the Court to oppose the Reduction of Share Capital (Securities Premium Account) and nor any party has controverted any averments made in the Petition.

2. The sanction of the Court has been sought for the Reduction of Share Capital (Securities Premium Account) of the Petitioner Company, under Section 52 of the Companies Act, 2013 and Section 100 to 103 of the Companies Act, 1956, as approved in the Special Resolution passed by its members at the Annual General Meeting held on 22nd July, 2016.

3. Learned Counsel for the Petitioner states that the reasons for Reduction of Share Capital (Securities Premium Account) has been stated in paragraph 8 of the Petition.

4. Learned Counsel for the Petitioner submits that Article 73 of the Articles of Association of the Petitioner Company permits the Petitioner Company to reduce its Share Capital from time to time by passing a Special Resolution in any manner for the time being authorized by law and the Petitioner Company having passed Special Resolution with requisite majority at its Annual General Meeting held on 22nd July, 2016 being Exhibit-'D-2' to the Company Scheme Petition, for Reduction of Share Capital (Securities Premium Account), in the standalone financial statements of the Company and/or the consolidated financial statements (including Goodwill related to identified investments), the Securities Premium Account of the Company as on March 31, 2016 be reduced by an amount not exceeding Rs. 136,00,00,000 (Rupees One Hundred and Thirty Six Crore Only) out of the balance of Rs. 288,00,00,000 (Rupees Two Hundred and Eighty Eight Crore Only) (amount rounded off to the nearest crore) standing to the credit of the Securities Premium Account (net of tax, if applicable) by crediting the Statement of Profit and Loss to adjust the debit (expense) to the Statement of Profit and Loss arising from the writing off and / or providing for identified investments (gross and / or net of provisions) of the Company AND in view of the averment made in Paragraph 13 of the Affidavit in support of Company Summons for Direction it is stated that there are no Secured Creditors in the Petitioner Company AND in view of the averment made in Paragraph 14 of the Affidavit in support of Company Summons for Direction, it is stated that there are Unsecured Creditors in the Petitioner Company and the proposed reduction neither involves any financial outlay/outgo on the part of the Petitioner

Company nor does it directly or indirectly involve any outflow of the Petitioner Company's assets to its shareholders and is only in the nature of book entry. Consequently, such reduction will not prejudice the unsecured creditors of the Petitioner Company. 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 Petitioner Company or the ability of the Petitioner 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. Hence, the procedure prescribed under Section 101(2) of the Companies Act, 1956 was dispensed with vide order dated 5th August, 2016 passed in Company Summons for Direction No. 707 of 2016. Further, in view of the averment made in Paragraph 16 of the Affidavit in support of Company Summons for Direction, it is stated that the Petitioner Company is restructuring its capital in the interest of all stakeholders and in case the words "And Reduced" are added with its name, it would have negative impact and act as a hindrance in the smooth growth of the Petitioner Company and therefore, adding of these words be dispensed with.

5. Counsel appearing on behalf of the Petitioner states that they have complied with all the statutory requirements as per the directions of this Court and they have filed necessary affidavit of compliance in the Court. Moreover, Petitioner Company undertakes to comply with statutory requirements, if any, as required under the Companies Act, 1956/ 2013 and the Rules made thereunder. The Undertaking is accepted.

6. None of the parties concerned have come forward to oppose the proposed Reduction of Share capital (Securities Premium Account). Since the requisite statutory procedure has been fulfilled, the Petition is made absolute in terms of prayer clauses (a), (b) and (c).

7. Petitioner is directed to file a copy of this order alongwith a copy of the Form of Minutes with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per the relevant provisions of the Act.

8. All concerned regulatory authorities to act on a copy of this order and the Form of Minutes annexed as Exhibit- 'G' to the Petition, duly authenticated by the Company Registrar, High Court, Bombay.

9. Publication of notice in Maharashtra Government Gazette is dispensed with.

10. The Petitioner to publish notices of registration of the Order and form of minutes of Reduction of Share Capital (Securities Premium Account) by the concerned Registrar of Companies, one each in the two local newspapers viz. “Free Press Journal”, in English language and translation thereof in “Navshakti”, in Marathi language, both having circulation in Mumbai within 14 days of registration.

11. Filing and issuance of the drawn up order is dispensed with.

(A. K Menon, J)

CERTIFICATE

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

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