



BSE Limited
First Floor, New Trading Ring
Rotunda Building, P J Towers,
Dalal Street, Fort, Mumbai 400 001
Scrip Code: 500570 and 570001

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra(E), Mumbai 400 051
Symbol: TATAMOTORS and TATAMTRDVR

August 02, 2024
Sc no. - 18379

Dear Sirs/Madam,

Sub: Intimation regarding sanction of the Scheme of Arrangement of Tata Motors Limited and its shareholders and creditors by the Hon'ble National Company Law Tribunal, Mumbai Bench

Pursuant to Regulations 30 and 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and further to our letters bearing sc nos. 17629, 18201, 18247 and 18320 dated July 25, 2023, March 29, 2024, April 30, 2024 and June 26, 2024, respectively, we wish to inform you that the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Hon'ble NCLT**") has today, *i.e.* August 02, 2024 passed an order ("**Order**") sanctioning the Scheme of Arrangement of Tata Motors Limited ("**the Company**") and its shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for reduction of share capital through cancellation and extinguishment of the 'A' Ordinary Share Capital of the Company ("**Scheme**").

The certified copy of the aforesaid Order is awaited. The Scheme will come into effect upon filing of the certified copy of the Order with the Registrar of Companies, Ministry of Corporate Affairs, Government of India. The Record Date for ascertaining the eligibility of the holders of 'A' Ordinary Shares of the Company who shall be entitled to receive New Ordinary Shares as defined under the Scheme as a consideration for reduction and cancellation of the 'A' Ordinary Shares, will be intimated by the Company in due course.

We are enclosing herewith a copy of the aforesaid Order, as uploaded on the website of the Hon'ble NCLT.

This is for information of the Exchanges and Members.

Yours faithfully,
Tata Motors Limited

Maloy Kumar Gupta
Company Secretary

Encl: as above

TATA MOTORS LIMITED

Bombay House 24 Horni Mody Street Mumbai 400 001

Tel 91 22 6665 8282

www.tatamotors.com CIN L28920MH1945PLC004520



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV**

**CP (CAA)/107/MB-IV/2024
IN
CA (CAA)/09/MB/2024**

*In the matter of
the Companies Act, 2013;*

AND

In the Matter of

*Section 230-232 of the Companies Act, 2013
and other applicable provisions of the
Companies Act, 2013 read with the
Companies (Compromises, Arrangements
and Amalgamations) Rules, 2016;*

AND

*In the matter of Arrangement
of*

***Tata Motors Limited
and
Shareholders and Creditors***

Tata Motors Limited
[CIN: L28920MH1945PLC004520]

... First Petitioner Company

Order delivered on: **02.08.2024**

Coram:

Smt. Anu Jagmohan Singh
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances :

For the Petitioner

: Mr. Venkatesh Dhond, Senior
Advocate a/w Mr. Tapan
Deshpande and Mr. Aekaanth



Nair i/b M/s. Cyril
Amarchand Mangaldas,
Advocates for the Petitioner
Company.

For the Regional Director (WR) : Mr. Bhagwati Prasad, Deputy
Director.

ORDER

1. Heard Learned Counsel for the Petitioner Companies and the representative of the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai and Counsel for the Enforcement Directorate (ED).
2. The Senior Advocate for the Petitioner Company submits that the Petitioner Company has filed the present Company Scheme Petition seeking sanction to the Scheme of Arrangement of **Tata Motors Limited** and its **Shareholders and Creditors** (“Scheme”).
3. The Senior Advocate for the Petitioner Company submits that the Scheme provides, inter alia, for:
 - a. Reduction through cancellation of the ‘A’ Ordinary Shares and the consequent issuance and allotment of the Ordinary Shares (hereinafter also referred to as “**New Ordinary Shares**”), as consideration other than cash for such reduction;
 - b. Amendments to the Memorandum of Association of the Petitioner Company, Articles of Association of the Petitioner Company and the Authorised Share Capital of the Petitioner Company; and



- c. Various other matters incidental to, consequential to and/ or otherwise connected with the above, under Sections 230-232 and other provisions of the Companies Act, 2013 (“Act”), the SEBI Scheme Circular and the SEBI Scheme Circular- Debt.
4. Ld. Sr. Counsel for the Petitioner Company submits that in terms of the Scheme based on the Valuation Report, the **consideration** under the Scheme is for *every 10 (ten) cancelled and extinguished fully paid up ‘A’ Ordinary Shares of face value of INR 2/- (Indian Rupees Two Only) each, 7 (seven) fully paid up Ordinary Share(s) of face value of INR 2 (Indian Rupees Two only) each, i.e. 7:10.*
5. Ld. Sr. Counsel for the Petitioner Company submits that the **Rationale** for the Scheme is as follows:
- i. The Petitioner Company issued the ‘A’ Ordinary Shares in 2008 as part of a rights issue with the objective of, inter alia, funding certain overseas investments. The ‘A’ Ordinary Shares were issued at a discount to the Ordinary Shares.
 - ii. The rights attached to the ‘A’ Ordinary Shares are similar to the rights attached to the Ordinary Shares in all respects except as to voting and dividend, as detailed in Clause 1.1(e) of the Scheme.
 - iii. This was the first issuance of ‘A’ Ordinary Shares by the Petitioner Company and as on the date of issuance of the ‘A’ Ordinary Shares, there were limited instances of issuances of equity shares with differential rights as to



voting and dividend by Indian listed companies of the Petitioner Company's market capitalization and size.

- iv. Subsequent regulatory changes restricted the issuance of shares with differential voting rights, resulting in a narrow market for similar instruments. The discount in the price at which the 'A' Ordinary Shares trade vis-a-vis the Ordinary Shares has increased since the date of listing of the 'A' Ordinary Shares. This has the effect of significantly understating the Petitioner Company's market capitalization, contributes to a complex capital structure and increases administrative complexity vis-a-vis maintaining 2 (two) separate classes of shares.
- v. In light of this background, the Petitioner Company seeks to reorganize its share capital in accordance with Section 230 - Section 232 of the Act by cancelling and extinguishing 'A' Ordinary Shares and paying consideration to the holders of the 'A' Ordinary Shares in the form of New Ordinary Shares. The reorganization of share capital envisaged by this Scheme is expected to:
 - i. simplifies and consolidate the Petitioner Company's capital structure and preserve liquidity for the Petitioner Company's growth; and
 - ii. be value accretive and beneficial for all shareholders of the Petitioner Company and allow the holders of the 'A' Ordinary Shares and Ordinary Shares to



continue to participate in the Petitioner Company's performance.

- vi. The Net Worth of the Petitioner Company as on September 30, 2023, is INR 21,876.82/- Crore (Rupees Twenty-One Thousand Eight Hundred and Seventy-Six Crore and Eighty-Two Lakhs). The reduction of the 'A' Ordinary Shares contemplated by this Scheme will not affect the ability or liquidity of the Petitioner Company to meet any of its financial obligations/ commitments. The Scheme will not have any adverse impact on the creditors as further elaborated in Clause 11 of the Scheme.
6. Ld. Sr. Counsel for the Petitioner Company submits that the **Board of Directors** of Petitioner Company in its Board Meeting, held on **July 25, 2023**, has approved the Scheme. The Appointed Date for the Scheme is the Effective Date which means the date on which the certified copy of the order of this Tribunal sanctioning the Scheme is filed with the concerned Registrar of Companies by the Petitioner Company.
7. Ld. Sr. Counsel for the Petitioner Company submits that the Company Scheme Petition is filed in consonance with Section 230 to 232 of the Companies Act, 2013 and the order dated March 22, 2024 read with order dated *March 28, 2024* passed in the Company Scheme Application i.e. *CA(CAA)9/MB/2024*, by this Tribunal.



8. Ld. Sr. Counsel for the Petitioner Company submits that by an order dated June 13, 2024, the present Company Scheme Petition was admitted and fixed for final hearing on July 19, 2024. The Petitioner Company was *inter alia* directed to issue notices to the statutory authorities and publish joint notice of admission and date of final hearing in 2 (two) newspapers. Further, states that the Petitioner Company has complied with all the requirements as per the directions of this Tribunal and filed an Affidavit dated July 9, 2024 proving compliance of the said order.
9. The Regional Director (“RD”) has filed its Report dated **July 16, 2024** with this Tribunal. The observations of the RD in the Report and the reply of the Petitioner Company in their Affidavit in Reply dated **July 17, 2024** are mentioned here in below:

Sr. No.	RD Observations in Report	Reply of the Petitioner Company
1.	<i>2 (a) That on examination of the report of the Registrar of Companies, Mumbai dated 09.07.2024 (Annexed as Annexure A-1), the Petitioner Company falls within the jurisdiction of ROC, Mumbai. It is submitted that no representation regarding</i>	4. So far as the observation in paragraph 2(a) of the Report is concerned, I say that the contents thereof are correct factual observations and thus, do not require any response.



	<p><i>against the proposed scheme of Arrangement has been received in the matter of Petitioner Company. Further, the Petitioner Company has filed Financial Statements up to 31.03.2023.</i></p>	
2.	<p><i>(2)(a) The ROC has further submitted that in his report dated 09.07.2024 which are as under :-</i></p> <p><i>i. That the ROC Mumbai in his report dated 09.07.2024 has also stated that No Inquiry, Inspection, Investigations, Prosecutions, Technical Scrutiny under CA, 2013 have been pending against the Petitioner Companies.</i></p>	5. So far as the observation in paragraph 2(a)(i) of the Report is concerned, I say that the contents thereof are correct factual observations and thus, do not require any response.
3.	<p><i>(2)(a) ii. As mentioned at para 24 of this report 3 complaints are</i></p>	6. So far as the observation in paragraph 2(a)(ii) of the Report is concerned, I say that



	<p><i>pending against the Company.</i></p>	<p>upon the effectiveness of the Scheme, the Petitioner Company shall continue to remain in existence as a going concern. As such, the complaints set out in the report of the Registrar of Companies, Mumbai which are pending against the Petitioner Company shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme. I say that the complaints mentioned in the report of the Registrar of Companies shall continue against the Petitioner Company and will be dealt with and resolved in accordance with law. I further say and submit that the pending complaints do not relate to the proposed Scheme and cannot be an objection to the approval of the Scheme</p>
--	--	--



		herein.
4.	<i>(2)(a) iii. Interest of the creditors should be protected.</i>	<p>7. So far as the observation in paragraph 2(a)(iii) of the Report is concerned, I say and submit that:</p> <p>a. The Scheme is in no manner prejudicial to the interests of the creditors of the Petitioner Company;</p> <p>b. In no manner whatsoever is the liabilities of the creditors proposed to be reduced, altered, modified or extinguished, as specifically stated in clause II (6) and clause 11 of the Scheme, and hence, the Scheme will not have any impact on the creditors;</p> <p>c. The Scheme does not contemplate any variation in the rights of the creditors of Petitioner</p>



		<p>Company;</p> <p>d. The Net Worth of Petitioner Company is positive being INR 21,876.82 Crore as on 30th September, 2023 which is sufficient to meet the liabilities of/ towards its creditors;</p> <p>e. The Scheme will not adversely impact the debt repayment capacity of the Petitioner Company;</p> <p>f. The Petitioner Company has operational assets that service its obligations today and such assets will be available to service the liabilities to all the creditors of the Petitioner Company.</p> <p>g. This Hon'ble Tribunal has previously dispensed with the meeting of the Petitioner Company's creditors vide its Order</p>
--	--	---



		<p>dated 22nd March, 2024 read with the Order dated 28th March, 2024 in the captioned Company Scheme Application (“CA Orders”), on account of the affidavits of consent to the Scheme of 2 of its 3 secured creditors. Moreover, individual notices were served by the Petitioner Company to all the 3 secured creditors by Registered Post AD, as recorded by this tribunal in its Order dated 13th June 2024;</p> <p>h. Pursuant to the CA Orders, notices have also been issued to the unsecured creditors (including debenture holders) of Petitioner Company as directed.</p> <p>I further say that upon the Scheme becoming effective, the Petitioner Company, shall</p>
--	--	--



		continue to remain as a going concern and pay its creditors in the ordinary course of its business.
5.	<p><i>(2)(a) iv. May be decided on its merits.</i></p> <p><i>Hence, the Petitioner Company shall undertake to submit detailed reply against observations mentioned above.</i></p>	<p>8. So far as the observation in paragraph 2(a)(iv) of the Report is concerned, I submit that the Scheme is just, fair, and reasonable to the shareholders and creditors of the Petitioner Company. The Petitioner Company submits that the Scheme ought to be and should be sanctioned by this Hon'ble Tribunal.</p>
6.	<p><i>2 (b) In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the Petitioner company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc.</i></p>	<p>9. So far as the observation in paragraph 2(b) of the Report is concerned, I say that the Petitioner Company undertakes that in compliance of Accounting Standard-14 / IND AS-103, as applicable, it shall pass such accounting entries which are necessary in connection with the Scheme to comply with the said accounting standards and</p>



		other applicable Accounting Standards including AS-5 or IND AS-8 etc., as and where applicable.
7.	<i>2 (c) The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i>	10. So far as the observation in paragraph 2(c) of the Report is concerned, the Petitioner Company undertakes that the Scheme enclosed as Annexure "A" to Company Scheme Application No. CA(CAA)9/MB/2024 and as Annexure "A" to the present Company Scheme Petition are one and the same and further, there is no discrepancy or change made therein.
8.	<i>2 (d) The Petitioner Company under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the</i>	11. So far as the observation in paragraph 2(d) of the Report is concerned, I submit that the Petitioner Company has served notices under the provisions of Section 230(5) of the Companies Act, 2013 to the concerned authorities (i.e. (a) The Central Government through the office of the



<p><i>approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i></p>	<p>Regional Director; (b) Registrar of Companies, Maharashtra, Mumbai; (c) The Ministry of Corporate Affairs; (d) Jurisdictional Income Tax Officer within whose jurisdiction the Petitioner Company's assessments are made; (e) the Nodal Officer in the Income Tax Department; (f) Jurisdictional Goods and Service Tax Authority (Proper Officer), with whom the Petitioner Company is assessed to tax under GST law; (g) Securities and Exchange Board of India; (h) The National Stock Exchange of India Limited; (i) BSE Limited; and (j) The Competition Commission of India, as directed by this Hon'ble Tribunal. Moreover, it is submitted that there are no other Sectoral/Regulatory Authorities relevant to the Petitioner Company or its business, to which notices</p>
--	---



		<p>need to be served, other than the authorities to whom its notices have already been served as mentioned hereinabove. It is further submitted that the approval of the Scheme by this Hon'ble Tribunal would not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. I further say that the issues, if any, arising out of the Scheme shall, in any event, will be subject to the final decision of such authorities and the final orders, if any, in any appeals that may be preferred therein. The Petitioner Company undertakes to this Hon'ble Tribunal that the decision of such authorities would be binding on the Petitioner Company subject to the outcome, in accordance with applicable law.</p>
9.	<i>2 (e) As per Definition of the</i>	12. So far as the observation



<p><i>Scheme,</i></p> <p><i>“Appointed Date” means the Effective Date;</i></p> <p><i>“Effective Date” means the date on which the certified copy of the order of the NCLT sanctioning the Scheme is filed by the Company with the Registrar of Companies;</i></p> <p><i>Reference in this Scheme to the date of ‘coming into effect of this Scheme’ or the ‘effectiveness of this Scheme’ or the ‘Scheme coming into effect’ shall mean the Effective Date;</i></p> <p><i>“Record Date” means the date to be fixed by the Board of Directors for the purpose of determining the names of the holders of ‘A’ Ordinary Share who shall be entitled to receive consideration under Clause 6;</i></p>	<p>in paragraph 2(e) of the Report is concerned, I submit that the “Appointed Date” as defined in the Scheme, is in compliance with Circular no. F. No. 7/12/2019/CL-I dated August 21, 2019 (“Circular”) issued by the Ministry of Corporate Affairs. The Circular clarifies that the Scheme may identify the “Appointed Date” based on the occurrence of a trigger event which is key to the proposed scheme and agreed upon by the parties to the scheme and that this event would have to be indicated in the scheme itself upon occurrence of which the scheme would become effective. The Scheme, in compliance with this circular, specifies that the “Appointed Date” (clause 1.1(h) of the Scheme) shall be the “Effective Date” (clause 1.1(n) of the Scheme), i.e., the date on which the certified copy of the</p>
---	--



<p><i>It is submitted that the Petitioner may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	<p>order of this Hon'ble Tribunal sanctioning the Scheme is filed by the Petitioner Company with the Registrar of Companies. Accordingly, the trigger event, i.e., the filing of the certified copy of the order of this Hon'ble Tribunal sanctioning the scheme with the Registrar of Companies, is both relevant to the Scheme and clearly indicated in the Scheme. I further say that the Scheme has been approved by the Board of Directors of the Petitioner Company and no objections have been received from the Securities and Exchange Board of India through the stock exchanges in this regard. I further say that the Scheme in its entirety was voted upon and approved by the Ordinary Shareholders of the Petitioner Company and 'A' Ordinary Shareholders of the Petitioner Company in their respective separate</p>
---	--



		meetings. I further say that the contours of the Scheme are for the Petitioner Company and/or its shareholders to decide. Thus, the Appointed Date under the Scheme is in compliance with the Circular..
10.	<i>(2) (f) Petitioner Company shall undertake to comply with the directions of the Income Tax Department, if any.</i>	13. So far as the observation in paragraph 2(f) of the Report is concerned, the Petitioner Company submits that it has served notices under Section 230(5) of the Companies Act, 2013 upon the jurisdictional Income Tax Authority. The Petitioner Company undertakes to comply with the directions of the Income Tax Department, if any, in accordance with law. Additionally, the Petitioner Company has served notice under Section 230(5) of the Companies Act, 2013 upon the concerned GST Authority of the Petitioner Company. The concerned central GST



		Authority has submitted its no objection to the Scheme by a representation dated April 22, 2024 to the Hon'ble Tribunal. The Petitioner Company undertakes to comply with the directions of concerned GST Authorities, if any, in accordance with law.
11.	<i>(2) (g) Petitioner Company shall undertake to comply with the directions of the concerned sectoral Regulatory, if any.</i>	14. So far as the observation in paragraph 2(g) of the Report is concerned, I submit that the Petitioner Company has served notices under the provisions of Section 230(5) of the Companies Act, 2013 to the concerned authorities (i.e. (a) The Central Government through the office of the Regional Director; (b) Registrar of Companies, Maharashtra, Mumbai; (c) The Ministry of Corporate Affairs; (d) Jurisdictional Income Tax Officer within whose jurisdiction the Petitioner Company's assessments are



		<p>made; (e) the Nodal Officer in the Income Tax Department; (f) Jurisdictional Goods and Service Tax Authority (Proper Officer), with whom the Petitioner Company is assessed to tax under GST law; (g) Securities and Exchange Board of India (“SEBI”); (h) The National Stock Exchange of India Limited (“NSE”); (i) BSE Limited (“BSE”); and (j) The Competition Commission of India, as directed by this Hon’ble Tribunal. Moreover, it is submitted that there are no other Sectoral/Regulatory Authorities relevant to the Petitioner Company or its business, to which notices need to be served, other than the authorities to whom its notices have already been served as mentioned hereinabove. It is further submitted that the approval of the Scheme by this Hon’ble</p>
--	--	---



		<p>Tribunal would not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. I further say that the issues, if any, arising out of the Scheme shall, in any event, be subject to the final decision of such authorities and the final orders, if any, in any appeals that may be preferred therein. The Petitioner Company undertakes to this Hon'ble Tribunal that the decision of such authorities would be binding on the Petitioner Company subject to the outcome, in accordance with applicable law.</p>
12.	<p><i>(2) (h) Petitioner Company shall undertake to comply with the directions / observations of NSE/BSE/SEBI on the Scheme.</i></p>	<p>15. So far as the observation in paragraph 2(h) of the Report is concerned, the Petitioner Company submits that it has already served notices under Section 230(5) of the Companies Act, 2013 upon the NSE, BSE and SEBI. The</p>



		<p>Petitioner Company undertakes to comply with the directions of NSE, BSE and SEBI in accordance with law, including pursuant to the observation letter dated December 20, 2023 received from the BSE and the observation letter dated December 21, 2023 received from the NSE.</p>
13.	<p>(2) (i) <i>Petitioner Company proposes at Part C clause 5 & 6 of the scheme of</i> REDUCTION OF THE 'A' ORDINARY SHARES: -</p> <p>5.1 <i>Upon the Scheme becoming effective, the share capital of the Company pertaining to the 'A' Ordinary Shares (including the subscribed, issued and paid up share capital pertaining to the 'A' Ordinary Shares) as on</i></p>	<p>16. So far as the observation in paragraph 2(i)(i.) of the Report is concerned, I submit that the Scheme is in compliance with the Income Tax laws and that the approval of the Scheme by this Hon'ble Tribunal would not deter the Income Tax Authorities to deal with any of the issues arising after giving effect to the Scheme. I further say that the issues, if any, arising out of the Scheme, in any event, will be subject to the final decision of the Income Tax Authorities</p>



<p><i>the Effective Date will be reduced on the Effective Date, i.e., by cancelling and extinguishing all 'A' Ordinary Shares held by the relevant holders of the 'A' Ordinary Shares as on the Record Date, for the consideration mentioned in Clause 6.</i></p> <p><i>5.4 The approvals obtained by the company in relation to this Scheme (including approvals from the shareholders of the Company pursuant to Section 230 - Section 232 of the Act shall deemed to be sufficient approvals(s) for giving effect to the provisions of Clause 5 and Clause 6 of this Scheme and for the avoidance of doubt, the Company shall not be required to obtained any separate approvals</i></p>	<p>and the final orders, if any, in any appeals that may be preferred therein. I say and submit that the Petitioner Company undertakes to comply with the directions of the Income Tax Department, if any, in accordance with law.</p>
---	--



	<p><i>under Section 52, Section 66 and the other related provisions of the Act to effect the reduction by way of cancellation and extinguishment of 'A' Ordinary Shares. The Company shall not, nor shall be obliged to: (a) in addition to the approvals obtained by the Company in relation to this Scheme, call for separate meeting of its shareholders and creditors for obtaining their approval for sanctioning the reduction of the 'A' Ordinary Shares or any other steps contemplated under this Scheme; or (b) obtain any additional approvals / compliances, under Section 66 of the Act.</i></p> <p><i>5.5 The Scheme will not have any adverse</i></p>	
--	--	--



<p><i>impact on the creditors as further elaborated in Clause 11. There will be no change in the general reserves of the Company as a result of the reduction of 'A' Ordinary Shares pursuant to this Clause 5 of the Scheme. The company shall not be required to add the words "And Reduced" as a suffix to its name consequent upon such reduction.</i></p> <p><i>6.1 The consideration for reduction of the 'A' Ordinary Shares pursuant to Clause 5, is payable by way of consideration other than cash. Upon effectiveness of the Scheme and in accordance with the terms hereof, including Clause 5, the Company</i></p>	
---	--



	<p><i>shall issue New Ordinary Shares to the holders of the 'A' Ordinary Shares as consideration for the reduction and cancellation of the 'A' Ordinary Shares. The issuance of consideration in the form of New Ordinary Shares rather than cash will have various benefits, including: (a) preserving liquidity for the Company's growth; (b) allowing the holders of the 'A' Ordinary Shares to continue to participate in the Company's performance; and (c) the benefits set out in paragraph II.5 Part A of the Scheme.</i></p> <p><i>6.4 The consideration specified under this Clause 6, for every 10 cancelled and</i></p>	
--	---	--



	<p><i>extinguished fully paid-up ‘A” Ordinary Shares of face value of INR 2 (Indian Rupees Two only) each shall be:</i></p> <p><i>“7 fully paid-up Ordinary Shares(s) of face value of INR 2 (Indian Rupees Two Only each” (“Capital Reduction Consideration”)</i></p> <p><i>Immediately post issuance and allotment, the Company shall take necessary steps for obtaining the listing and trading approvals for the issued in accordance with this Scheme.</i></p> <p><i>In this regard, it is submitted that:</i></p> <p><i>i. The tax implication if any arising out of the proposal for reduction is subject to final decision of Income Tax</i></p>	
--	--	--



	<p><i>Authorities. The approval of the Company Petition by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the Company after giving effect to the proposed reduction. The decision of the Income Tax Authority is binding on the petitioner Company. Further the payment made to the shareholders shall be subject to payment of Income Tax or Capital Gain Tax, as the case may be in the hands of recipients shareholders.</i></p>	
14.	<p><i>(2) (i) ii. The Petitioner Company undertakes to protect the interest of the creditors, all stakeholders</i></p>	17. So far as the observation in paragraph 2(i)(ii.) of the Report is concerned, I submit that upon the Scheme



	<p><i>and Government Revenue as well as statutory dues are paid off.</i></p>	<p>becoming effective, the Petitioner Company shall continue to remain as a going concern and pay its creditors in the ordinary course of business. I further say that the Scheme in its entirety was voted upon and approved by the Ordinary Shareholders of the Petitioner Company and 'A' Ordinary Shareholders of the Petitioner Company in their respective separate meetings and their interests are protected. I further submit that the Petitioner Company undertakes to pay all its statutory dues, if any, in accordance with law.</p>
15.	<p><i>(2) (i) iii. The Petitioner Company has not given the Post reduction Balance Sheet and also not specified appointed date to implement the scheme and to clearly understand the impact of said reduction of</i></p>	<p>18. So far as the observation in paragraph (2)(i)(iii.) of the Report is concerned, I submit that the "Appointed Date" is defined in Clause 1.1 (h) of the Scheme which specifies that the "Appointed Date" shall be the "Effective Date" (<i>defined in</i></p>



<p><i>capital., However at Clause 5 of the Scheme says that Scheme will be effective on receipt of certified copy of order u/s 230 r/w 66 of the Companies Act, 2013 sanctioning the scheme. The Clause 5.5 is reproduced as under:</i></p> <p><i>“Effective Date means last of the dates on which the certified copies of the order sanctioning this Scheme, passed by the Hon’ble National Company Law Tribunal, Mumbai Bench, is filed with the Registrar of Companies, Maharashtra at Pune by the Company. Any references in this Scheme to the date of “coming into effect of this Scheme” or “upon</i></p>	<p><i>Clause 1.1 (n) of the Scheme), i.e., the date on which the certified copy of the order of this Hon’ble Tribunal sanctioning the Scheme is filed by the Petitioner Company with the Registrar of Companies, and the Appointed Date so identified under the Scheme is in compliance with the Circular. I reiterate the submissions made in this regard in Paragraph 12 hereinabove. I further submit that the present Scheme is under Sections 230 – 232 of the Companies Act, 2013 and has been presented to this Hon’ble Tribunal under the aforesaid sections and is not presented under Section 66 of the Companies Act, 2013. The Explanation to Section 230 of the Companies Act, 2013 clearly and categorically stipulates as under:</i></p>
---	---



<p><i>the Scheme becoming effective” shall mean the Effective Date.</i></p> <p><i>Hence, the petitioner company may satisfy Hon’ble NCLT that as to how the petitioner company is complying with provisions of section 66 of the Companies Act, 2013 also as the subject matter of Petition is reduction of Capital and return of capital to the shareholders.</i></p>	<p><i>“Explanation. -- For the removal of doubts, it is hereby declared that the provisions of section 66 shall not apply to the reduction of share capital effected in pursuance of the order of the Tribunal under this section.”</i></p> <p>Thus, in order to satisfy this Hon’ble Tribunal, the Petitioner Company states that the Petitioner Company is not required to comply with the provisions of section 66 of the Companies Act, 2013 and the Scheme is under Sections 230 – 232 of the Companies Act, 2013. However, the Petitioner Company undertakes to comply with the procedure to file the requisite forms with the concerned Registrar of Companies, Ministry of Corporate Affairs. However, the Petitioner Company undertakes to comply with the procedure to</p>
---	--



		file the requisite forms with the concerned Registrar of Companies, Ministry of Corporate Affairs
16.	<i>(2) (j) The Hon'ble NCLT may kindly direct the petitioner company to amend the MOA & AOA in relation to its Authorized Share Capital & file the requisite forms with ROC for alteration of MOA & AOA.</i>	19. So far as the observation in paragraph 2(j) of the Report is concerned, the Petitioner Company undertakes to amend the Memorandum of Association ("MOA") and Articles of Associations ("AOA") in relation to its authorised share capital and file the requisite forms with the Registrar of Companies for the alteration of MOA and AOA, as applicable in law.

10. During the course of arguments, Ld. Authorised Representative for the Regional Director Mr. Bhagwati Prasad appeared through virtual mode and submitted that their observations/ objections have been satisfactorily explained by the Petitioner Company and are acceptable to them. Hence, the Regional Director does not have any further objection to the proposed Scheme Company Petition.

11. This Tribunal has received a representation dated **April 22, 2024** from the concerned **Central GST Authority** of the

Petitioner Company stating that it has no objections to the Scheme and to consider the matter on merits.

12. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this scheme in relation to tax or any other kind of obligations of Transferor Company against the Transferee Company, as permissible under the Income Tax Law.
13. From the material on record, the Scheme annexed as Annexure A to the Company Scheme Petition appears to be fair and reasonable and is not violate of any provisions of law and is not contrary to public policy.
14. Since all the requisite statutory compliances have been fulfilled, the said Company Scheme Petition No. *CP(CAA) 107/MB/2024* is made absolute in terms of prayer clauses (a) and (b) thereof.
15. The Petitioner Company is directed to file a certified copy of this order along with a copy of the sanctioned Scheme with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 (thirty) days of the receipt of the certified copy of this order and the sanctioned Scheme by the Petitioner Company.
16. The Petitioner Company to lodge a certified copy of this order along with the sanctioned Scheme duly authenticated / certified by the designated Registrar of the National Company Law Tribunal, Mumbai Bench, with the concerned Collector / Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 (sixty) days from the

date of receipt of the certified copy of this order along with a copy of the sanctioned Scheme from the Registry of this Tribunal.

17. All concerned Regulatory Authorities, stock exchanges and depositories (including National Stock Exchange of India Limited, BSE Limited, National Securities Depository Limited and Central Depository Services (India) Limited) to act on a certified copy of this Order along with Scheme duly certified by the designated Registrar of the National Company Law Tribunal, Mumbai Bench.
18. Any person interested is at liberty to apply to this Hon'ble Tribunal in the above matters for any directions that may be necessary.
19. Any concerned Authorities are at liberty to approach this Hon'ble Tribunal for any further clarification as may be necessary.
20. Accordingly, the present Company Petition i.e. CP (CAA)/107/MB-IV/2024 is **allowed** and disposed of.

Sd/-
Anu Jagmohan Singh
Member (Technical)

/Dubey/

Sd/-
Kishore Vemulapalli
Member (Judicial)