

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT-II**

CP/133(MB)2023

*In the matter of Section 66 of the
Companies Act, 2013 read with
Rule 2 of the National Company
Law Tribunal (Procedure for
reduction of share capital of
company) Rules, 2016;*

AND

*In the matter of Reduction of
Capital Redemption Reserve of ITI
Finance Limited (formerly known
as Fortune Integrated Assets
Finance Limited)*

**ITI Finance Limited (formerly
known as Fortune Integrated
Assets Finance Limited)**

(CIN:

U65923MH2012PLC235450)

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a company incorporated under
the provisions of the Companies
Act, 1956, having its registered
office at ITI House 36, Dr. R.K.
Shirodkar Marg, Parel, Mumbai -
400 012, Maharashtra, India

..... **Petitioner /**
Petitioner Company

Order delivered on: 10.05.2024

Coram:

Anil Raj Chellan

Kuldip Kumar Kareer

Member (Technical)

Member (Judicial)

Appearances:

For the Applicant Company: - Counsel, Simran Kasat

ORDER:

Per: Coram

1. The Learned Counsel for the Petitioner Company submits that
this Company Petition is filed u/s. 66 of the Companies Act,

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2013 for confirmation of special resolution passed by the shareholders of the Petitioner Company approving the reduction of capital involving the reduction / utilization of the capital redemption reserve standing in the books of the Petitioner Company as on the date of passing of the resolution (**“Appointed Date”**) in the following manner (**“Capital Reduction Scheme”**): -

- i. the entire amount standing to the credit of the capital redemption reserve in the books of the Petitioner Company as on the Appointed Date (Rs. 8,51,09,00,000 /-) shall be transferred / credited to ‘Capital Restructuring Account 2023’, to be created for the purpose of giving effect to the Capital Reduction Scheme;
- ii. the entire amount standing to the debit of the (i) ‘Goodwill on merger’, and (ii) ‘Other Intangible Assets’, in the books of the Petitioner Company as on the Appointed Date shall be transferred / debited to ‘Capital Restructuring Account 2023’;
- iii. the amount standing to the debit of ‘Retained Earnings’ in the books of the Petitioner Company as on the Appointed

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Date, if any, shall be transferred / debited to 'Capital Restructuring Account 2023'; and

- iv. the balance remaining in 'Capital Restructuring Account 2023' after giving effect to provisions of clause i) to iii) above as on the Appointed Date, shall be credited or debited, as the case may be, to the 'Retained Earnings'.

2. The special resolution confirming the Capital Reduction Scheme was approved unanimously by the equity shareholders of the Petitioner Company in their extra-ordinary general meeting held on 21st March 2023.

3. The Learned Counsel for the Petitioner Company submits that pursuant to the Capital Reduction Scheme, there is no outflow of / payout of funds of the Petitioner Company and hence, the interest of the shareholders/creditors is not adversely affected.

4. The Learned Counsel for the Petitioner Company submits that there are 4 (four) secured creditors and 68 (sixty-eight) unsecured creditors as on 09th March 2023 viz. not older than 15 days from

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the date of filing of the captioned Company Petition before this Court. In this regard, the Learned Counsel for the Petitioner Company submits that all small unsecured creditors of the Petitioner Company viz. individual creditor with an outstanding amount payable of less than INR 25,000/- (Indian Rupees Twenty-Five Thousand only), have been grouped and disclosed as 'Other small creditors' as a single line item. There are 302 (three hundred two) such small creditors with an aggregate outstanding amount of INR 15,58,828/- (Indian Rupees Fifteen Lakhs Fifty-Eight Thousand Eight Hundred Twenty-Eight only), which represents around 0.02% of the total of identifiable Unsecured Creditors. It has been submitted that the amount payable to such small creditors is usually regularly paid-off in the ordinary course of business. Accordingly, the list of Secured Creditors and list of Unsecured Creditors as on 9th March, 2023, certified by two directors of the Company along with a certificate from the statutory auditor of the Petitioner Company, certifying that the list of secured and unsecured creditors certified by the directors of the Petitioner Company, is annexed to the Company Petition.

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5. Within 7 (Seven) days from the date of receipt of a certified copy of this order, the Petitioner Company, pursuant to section 66(2) of the Companies Act, 2013, is directed to serve a notice in Form RSC-3 of the hearing of the Petition, by hand delivery / courier / registered post / speed post / electronic mail, upon all the secured and unsecured creditors of the Petitioner Company as on 09th March 2023, and as on available latest data with a direction that they may submit their representations, if any, to the Tribunal within a period of 3 (three) months from the date of receipt of such notice and a copy of such representations shall simultaneously be served upon the Petitioner Company, failing which, it shall be presumed that such Secured and Unsecured creditors have no objection or representations to make on the proposed Capital Reduction Scheme.
6. Within 7 (Seven) days from the date of receipt of a certified copy of this order, the Petitioner Company is also directed to serve notices in Form RSC-2 along with copy of Petition upon: -
- (i) the Registrar of Companies (ROC), Maharashtra, Mumbai;

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(ii) Central government through the office of Regional Director,
Western Region;

(iii) Reserve Bank of India, NBFC Department, Mumbai; and

(iv) concerned Income Tax Authority within whose
jurisdiction the Petitioner Company is covered;

with a direction that they may submit their representations to the
Tribunal, if any, within a period of 3 (three) months from the
date of receipt of such notice and a copy of such representations
shall simultaneously be served upon the Petitioner Company,
failing which, it shall be presumed that the authorities have no
representations to make on the proposed Capital Reduction
Scheme.

7. The Petitioner Company is directed to publish notice of the date
of hearing of Petition in Form RSC-4 in two local newspapers: i)
Free Press Journal in English language and translation thereof ii)
Mumbai Lakshdeep in Marathi language, both having wide
circulation in the state of Maharashtra not later than 7 days from
the date of receipt of certified copy of this order.

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8. The Petitioner Company is directed to file an affidavit in Form RSC-5 to the Tribunal not later than 7 days from the date of issuance of such notices as stated in paragraphs 5 and 6 above and publication of notices as stated in paragraph 7 above.
9. With the above directions, the present Petition is admitted.
10. Petition is fixed for hearing on 14.08.2024.

Sd/-
ANIL RAJ CHELLAN
MEMBER TECHNICAL

Sd/-
KULDIP KUMAR KAREER
MEMBER JUDICIAL