

SECURITIES AND EXCHANGE BOARD OF INDIA

**SETTLEMENT ORDER
IN SETTLEMENT APPLICATION NO. 7140/2023 [PAN: AAAC3092N]
FILED BY TATA TECHNOLOGIES LIMITED**

1. Tata Technologies Limited (hereinafter referred to as “**Applicant**”) filed a *suo motu* settlement application (hereinafter referred to as “**Application**”) in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying any conclusions of law, the enforcement proceedings that may be initiated against it, for the alleged violation of Section 67(3) of the Companies Act, 1956 read with corresponding provisions of the Companies Act, 2013 and the provisions of the repealed Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (hereinafter referred to as “**SEBI (DIP) Guidelines, 2000**”).
2. The Applicant is stated to have made preferential allotments on December 27, 2000, March 08, 2001, March 31, 2001, August 17, 2006, December 20, 2006, January 22, 2008, February 05, 2008, August 01, 2007, March 31, 2008, and March 13, 2008, which resulted in the issuance of shares to more than 49 shareholders in one financial year in violation of Section 67(3) of the Companies Act, 1956 and the SEBI (DIP) Guidelines, 2000.
3. Tata Motors Limited, the promoter of the Applicant, was designated to make an offer to all existing eligible equity shareholders, except itself, of the Applicant as on November 11, 2022 to tender their shares and obtain refund. However, none of the eligible shareholders tendered their shares to the promoter. This was certified by an independent peer reviewed Chartered Accountant M/s Manian and Rao.

4. The Applicant had also filed a compounding application for breach of Section 67(3) of the Companies Act, 1956 with National Company Law Tribunal (hereinafter referred to as “**NCLT**”). NCLT vide its order dated May 08, 2023 had disposed of the Compounding Petition by passing an order in terms of which, compounding was approved subject to the payment of compounding fees of ₹3,42,11,500 (Rupees Three Crore Forty Two Lakhs Eleven Thousand Five Hundred only) by the Applicant, the payment of which has been confirmed by it.
5. Pursuant to the receipt of the application, the authorized representatives of the Applicant had a meeting with the Internal Committee of SEBI on June 16, 2023 wherein the issues detailed above were deliberated along with the terms of the settlement. Thereafter, vide email dated June 16, 2023, the Applicant proposed revised settlement terms to settle any enforcement proceedings that may be initiated against it for the violations stated above at paragraph 1.
6. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on July 14, 2023, considered the revised settlement terms proposed by the Applicant and recommended the case for settlement upon payment of ₹25,00,000 (Rupees Twenty Five Lakh only). The recommendation of the HPAC was accepted by the Panel of WTMs on August 03, 2023. Subsequently, notice of demand was issued to the Applicant on August 10, 2023 who informed about the remittance of the aforesaid settlement amount on August 12, 2023 and SEBI has confirmed credit of the same.
7. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned in paragraph 1 are settled in respect of the Applicant on the following terms:
 - i. SEBI shall not initiate any enforcement action against the Applicant for the said violations, and

ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicant, if SEBI finds that:

(a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;

(b) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and

(c) there was a discrepancy while arriving at the settlement terms.

8. This Settlement Order is passed on this 27th day of September, 2023 and shall come into force with immediate effect.

9. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

Sd/-

ANANTH NARAYAN G
WHOLE TIME MEMBER

Sd/-

AMARJEET SINGH
WHOLE TIME MEMBER