

Capital Reduction Agreement – Capital Clause Amendment

Date: [Insert date]

Parties:

Company Name	[Insert Company Name]
CIN	[Insert Corporate Identification Number]
Registered Office	[Insert Registered Office Address]

Recitals

WHEREAS the Company is a [Public/Private] Limited Company incorporated under the Companies Act, 2013 and having its registered office at the address mentioned above.

WHEREAS the authorized share capital of the Company is Rs. [Insert Current Authorized Capital] divided into [Insert Number] equity shares of Rs. [Face Value] each.

WHEREAS the Board of Directors, in its meeting held on [Insert Date of Board Meeting], has proposed to reduce the paid-up share capital of the Company from Rs. [Existing Paid-up Capital] to Rs. [Reduced Paid-up Capital], subject to the approval of the shareholders and confirmation by the National Company Law Tribunal (NCLT).

Agreement

1. Reduction of Capital

The Parties hereby agree that, subject to approval of the shareholders and confirmation by NCLT, the subscribed and paid-up share capital of the Company shall be reduced from Rs. [Existing Paid-up Capital] to Rs. [Reduced Paid-up Capital] by [Specify method, e.g., return of capital, cancellation of shares, etc.], in accordance with the provisions of the Companies Act, 2013.

2. Amendment of Capital Clause

Upon confirmation of the reduction of capital by the NCLT, Clause V (Capital Clause) of the Memorandum of Association of the Company shall be amended to read as follows:

"V. The authorized share capital of the Company is Rs. [Insert New Authorized Capital] divided into [Insert Revised Number] equity shares of Rs. [Face Value] each."

3. Filing and Other Formalities

The Company undertakes to file necessary forms and documents with the Registrar of Companies and comply with all applicable legal and regulatory requirements in connection with the reduction of capital and amendment of the Memorandum of Association.

4. Miscellaneous

This Agreement shall be binding upon and inure to the benefit of the Company and its successors and permitted assigns.

For and on behalf of [Company Name]

Name: _____

Designation: _____

Important Notes:

- The reduction of share capital must be in compliance with applicable provisions of the Companies Act, 2013 and approval from NCLT is mandatory.
- Shareholders' approval by a special resolution is required before applying to the NCLT.
- Amendment to the capital clause of the Memorandum of Association should be filed with the Registrar of Companies post-approval.
- This template is a basic sample; consult a legal expert for case-specific drafting.
- Check for any restrictions or requirements from lenders or regulatory authorities before proceeding.