

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
18-06-2026 AT 12:45 PM**

**CP No. 03/66/HDB/ 2026**  
U/s. 66 of Companies Act, 2013

**IN THE MATTER OF:**

M/s. CDK Global (India) Pvt Ltd., & it's Shareholders

**...Petitioner**

**C O R A M:-**

SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)

SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

**ORDER**

**Present:** Mr. DVM Gopal, Ld. PCS for the Petitioner.

**Orders pronounced, recorded vide separate sheets.**

**In the result, this petition is allowed and disposed of.**

**Sd/-**

**MEMBER (T)**

**Sd/-**

**MEMBER (J)**

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH-1**

**C.P. No. 3/66/HDB/2026**

*Petition under Section 66 of the Companies Act, 2013*

**IN THE MATTER OF CDK GLOBAL (INDIA) PRIVATE LIMITED  
CIN: U72900TG2014PTC103685**

Filed by: -

CDK Global (India) Private Limited  
5<sup>th</sup> & 7<sup>th</sup> Floor, Building No. 12B  
Sundew Properties Limited-SEZ  
Raheja Mindspace, Madhapur  
Hyderabad- 500081 Telangana

..... Petitioner

**Date of Order: 18.06.2026**

**Coram:**

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

**Appearance:**

**For Petitioner: Shri D.V.M. Gopal, PCS**

**For RD: Ms. Kusum Yadav, Dy. Director, O/o RD, SEZ**

1. The present Petition has been filed by **CDK Global (India) Private Limited** ("Applicant Company") under Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 seeking

confirmation of reduction of the share capital in pursuance of Special Resolution passed at the Extra-ordinary General Meeting held on 22.12.2025.

2. **Details of the Petitioner Company: -**

The Applicant Company was incorporated on 08.08.2014 under the name and style of Robpov Systems and Consultancy Private Limited and subsequently the name was changed to CDK Global (India) Private Limited with effect from 23.10.2024. The Company is presently engaged in the business of providing software development and information technology enabled support services to its associated enterprises. The registered office of the Company is situated at Hyderabad, Telangana.

3. **Share Capital:**

The authorised share capital of the Applicant Company is Rs. 275,00,00,000/- divided into 27,50,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the Company is Rs.159,63,32,850/- divided into 15,96,33,285 equity shares of Rs.10/- each fully paid-up. Article 10 of the Articles of Association authorises the Company to reduce its share capital by way of special resolution in accordance with law.

4. **Board of Directors approval:**

The Board of Directors at its meeting held on 19.12.2025 approved the Scheme of Reduction of Capital and proposed reduction of the issued, subscribed and paid-up equity share capital from

Rs.159,63,32,850/- divided into 15,96,33,285 equity shares of Rs.10/- each to Rs.9,63,32,850/- divided into 96,33,285 equity shares of Rs.10/- each by cancellation of 15,00,00,000 equity shares of Rs.10/- each and payment of Rs.150,00,00,000/- to the shareholders on a proportionate basis.

## 5. FINANCIAL POSITION OF THE COMPANY

The financial position of the Company is given below:

(Amount in Lakhs)

Particulars	Unaudited Financial statements for the period 01.04.2025 to 30.11.2025As at 31 <sup>st</sup> March 2023 (INR in million)	Audited financial statements as on 31.03.2025
Revenue from operations	32,539.74	38,663.69
Profit before tax	4,540.24	5,390.45
Profit after tax	3,404.78	3,975.91
Share capital	15,963.32	15,963.32
Retained earnings/reserves	4,420.60	915.27
Net worth	20,383.92	16,878.59
Cash and Cash equivalents	17,788.62	14,116.89

A copy of audited financial statement as on 31.03.2025 is annexed and marked as Annexure-2 and unaudited provisional financials

statements for the period 01.04.2025 to 30.11.2025 is annexed and marked as Annexure-3.

**6. PENDING INSPECTION/INQUIRY/INVESTIGATION:**

The Petitioner states that there is no inspection/inquiry/investigation pending against the Company under the applicable provisions of the Companies Act, 2013.

**7. REASONS FOR THE REDUCTION OF SHARE CAPITAL**

The Applicant Company has submitted that, after taking into consideration its existing cash position, working capital requirements and future business plans, an amount of Rs.150,00,00,000/- was determined to be surplus to its operational needs and incapable of being effectively deployed in the business. Accordingly, the Board of Directors formed the opinion that the paid-up share capital of the Company was in excess of its present and anticipated requirements and that returning such excess capital to its shareholders would be a practical and efficient utilisation of funds. In pursuance thereof, the Board, at its meeting held on 19.12.2025, approved the Scheme of Reduction of Capital under Section 66 of the Companies Act, 2013 for reduction of the issued, subscribed and paid-up equity share capital of the Company from Rs.159,63,32,850/- divided into 15,96,33,285 equity shares of Rs.10/- each to Rs.9,63,32,850/- divided into 96,33,285 equity shares of Rs.10/- each by cancellation of 15,00,00,000 equity shares of Rs.10/- each and payment of Rs.150,00,00,000/- to the shareholders on a

proportionate basis. The proposed reduction does not involve any diminution of liability in respect of unpaid share capital and is intended solely for returning excess capital to the shareholders without adversely affecting the interests of creditors, employees or other stakeholders of the Company.

It is submitted that the Company has no secured creditors, unsecured creditors or trade creditors as on 24.12.2025. The list of creditors has been certified by the Directors and verified by the Statutory Auditors of the Company.

**8. BASIS OF DETERMINATION OF AMOUNT PAYABLE ON CAPITAL REDUCTION**

- (a) Mr. Prabhakar Reddy Palakolanu, IBBI Registered Valuer, was appointed to undertake valuation of the Equity Shares of the Petitioner Company for the purpose of the proposed reduction of Equity Share Capital and submitted the valuation report on 12.12.2025.
- (b) Based on the Valuation Report, as on 30.11.2025, the Equity Shares of the Applicant Company have been valued at Rs. 28.40 (Rupees Twenty-Eight and Paise Forty only) per Equity Share of Rs.10/-.
- (c) The equity shares proposed to be cancelled under the Scheme shall be extinguished upon payment of consideration at their

face value to the shareholders of the Petitioner Company holding such shares as on the Record Date, on a proportionate basis. It is further submitted that the consideration payable for the cancelled equity shares is within the fair value of the equity shares of the Company as determined by the Registered Valuer in the Valuation Report placed on record.

(d) The pre and post reduction shareholding pattern of the Company is as follows:-

Sl.No.	Name of the shareholder	Pre-capital reduction (No of shares)	Post-capital reduction (no. of shares)
1.	CDK Global (UK) LP	15,96,33,284	96,33,284
2.	CDK Global International Holdings. Inc*	15,96,33,285	96,33,285

\*Holding shares on behalf of CDK Global (UK) LP in terms of Section 89 of the Act.

9. The Applicant Company has further submitted that it has never accepted deposits and there are no arrears in repayment of deposits or interest thereon.

**10. SPECIAL RESOLUTION PASSED IN EXTRA ORDINARY GENERAL MEETING**

The following Special Resolution was passed in accordance with Section 66(1) of the Companies Act, 2013, at an Extra-Ordinary

General Meeting held on 22.12.2025 after circulating notice as provided in the Act.

***RESOLVED THAT*** pursuant to the provisions of Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and all other applicable provisions, if any, of the Companies Act, 2013, the Foreign Exchange Management Act, 1999 and Article 10 of the Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") and such other approvals, permissions and sanctions as may be required from the appropriate authorities, the consent of the Members be and is hereby accorded for reduction of the Issued, Subscribed and Paid-up Equity Share Capital of the Company from INR 159,63,32,850/- (Rupees One Hundred and Fifty Nine Crore Sixty Three Lakh Thirty Two Thousand Eight Hundred and Fifty only) divided into 15,96,33,285 Equity Shares of INR 10/- each to INR 9,63,32,850/- (Rupees Nine Crore Sixty Three Lakh Thirty Two Thousand Eight Hundred and Fifty only) divided into 96,33,285 Equity Shares of INR 10/- each by cancellation of 15,00,00,000 Equity Shares of INR 10/- each at par and paying a sum of INR 150,00,00,000/- (Rupees One Hundred and Fifty Crore only) to the shareholders of the Company as of the Record Date on a proportionate basis, subject to payment/withholding of applicable taxes, as embodied in the Scheme of Reduction of Capital between CDK Global (India) Private Limited ("Company") and its Shareholders ("Scheme"), placed before the meeting."

***"RESOLVED FURTHER THAT*** this reduction in paid-up equity share capital be effected by paying INR 10/- per equity share on 15,00,00,000 equity shares equivalent to INR 150,00,00,000/- from the existing paid-up equity capital."

***"RESOLVED FURTHER THAT*** the consideration per equity share reduced shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the relevant rules and regulations thereunder."

***“RESOLVED FURTHER THAT*** subject to the approval of the Hon'ble NCLT and other appropriate authorities, 15,00,00,000 Equity Shares of INR 10/- each so reduced shall stand cancelled, extinguished and rendered invalid, without any further act or deed by the shareholders of the Company.”

***“RESOLVED FURTHER THAT*** for the purposes of giving effect to the aforesaid capital reduction, the Board is hereby authorised to agree to any modifications or conditions that may be imposed or stipulated by the Hon'ble NCLT and to take all necessary steps and actions as the Board may in its discretion deem fit for the purposes and as directed by the Hon'ble NCLT or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise”.

***“RESOLVED FURTHER THAT*** the Board be and is hereby authorised to file necessary applications, petitions, forms, affidavits, interlocutory applications, addendums and other documents in connection with the aforesaid matter with the Hon'ble NCLT, including the withdrawal of scheme and to agree to such conditions and modifications that may be imposed, required or suggested by the Hon'ble NCLT and to do all such acts, matters, deeds and things as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the proposed reduction of Issued, Subscribed and paid up capital, the Scheme as placed before the meeting or to any modification thereof including for matters connected therewith incidental thereto and to give effect to this resolution, including but not limited to delegating all or any of its power to any of the Director(s), the Key Managerial Personnel(s) and/or Officer(s) of the Company.”

A copy of the Resolution passed at the Extra-ordinary General meeting dated 22.12.2025 is annexed and marked as **Annexure 9**.

## 11. DETAILS OF VOTING AT THE EXTRA-ORDINARY GENERAL MEETING

The voting results of the Extra-Ordinary General Meeting pursuant to Section 113 of the Companies Act, 2013 is as follows: -

Resolution	Vote for		Vote Against		Total Votes	
	Number	%	Number	%	Number	%
For capital reduction						
Number of shares	15,96,33,285	100	Nil	Nil	15,96,33,285	100

The Special Resolution passed unanimously by the members without any amendments with regard to capital reduction has been filed in Form MGT-14 vide SRN: AC0402945 dated 24.12.2025. Copy of Form MGT-14 and is annexed to the Petition and marked as **Annexure - 10**.

## 12. ACCOUNTING TREATMENT

The Petitioner Company has undertaken to comply with all relevant accounting policies and Accounting Standards as regards the Reduction of Capital. The Company has further undertaken to reduce the amount of equity share capital extinguished and refunded to the equity shareholders from the paid-up equity capital of the Company to the extent of nominal value of shares. Further the statutory Auditor of the Company has certified that the accounting treatment proposed for the reduction of capital is in conformity with the Accounting Standards prescribed under Section 133 of the Act.

**13. DECLARATIONS BY THE PETITIONER COMPANY**

- That the proposed reduction of equity share capital will not prejudicially affect the Company or its shareholders or creditors.
- The Board of Directors of the Company has no material interest in the proposed reduction of capital.
- No petition under Section 241 or 242 of the Act, has been filed against the Applicant Company and there has been no material change in the affairs of any of the Company, except for what was done in the normal course of business.
- No proceedings are pending under Section 210 to 227 of the Act, against the Company.
- The proposed reduction of capital is fair and reasonable and is not detrimental to the interest of the public.

**14. NOTICES TO THE STATUTORY AUTHORITIES: -**

This Tribunal vide order dated 22.01.2026 ordered notices to all Statutory Authorities as per Rule 3 of NCLT (Reduction of share capital of Company) Rules, 2016.

**15. REPORT OF REGIONAL DIRECTOR:**

The Regional Director (SER) filed his report dated 17.04.2026 on 12.05.2026. The observations of the Regional Director (SER) and the

compliance submitted by the Company vide Affidavit dated 28.08.2024 is mentioned against each hereunder: -

Para. No	Observation by the RD in his report dated 17.04.2026	Compliance by the Petitioner Company vide reply affidavit dated 30.04.2026
7(e)	<p>The Registrar of Companies has observed that, the Petitioner has not annexed copies of newspaper publications along with the Petition, as such it is not clear whether the requirements relating to publication of notice under Rule 3(3) of the NCLT (Procedure for Reduction of Share Capital of Company) Rules, 2016 have been duly complied with. Hence sought directions to the Petitioner Company to clarify the position.</p>	<p>The Company has clarified that, the Company did not have any secured creditors, unsecured creditors or trade creditors as on 24.12.2025. Consequently, the requirement of serving notices upon creditors in relation to the proposed reduction of share capital was not applicable. Taking note of the said position, this Tribunal, by order dated 22.01.2026, dispensed with the requirement of issuance/publication of notice to creditors.</p>
9.	<p>The Regional Director has observed that the cash and cash equivalents reflected in the audited financial statements of the Petitioner Company as on 31.03.2025 amount to ₹141.17 Crores, whereas the proposed payout towards reduction of share capital is ₹150 Crores. The Regional Director has further observed that the current cash flow position and financial information placed on record may not be sufficient to assess the impact of the proposed reduction on the financial position of the Company and its ability to continue as a going concern. Accordingly, the Regional Director has sought clarification from the Petitioner Company in this regard.</p>	<p>It is submitted that the Applicant Company, after considering its cash position, working capital requirements and future expansion plans, has determined that ₹150,00,00,000/- (Rupees One Hundred and Fifty Crore only) is surplus to its requirements and is proposed to be returned to shareholders by way of reduction of share capital.</p> <p>The observation regarding adequacy of cash balances is based on audited financials as on 31.03.2025 and does not reflect the subsequent financial position or the projected position as on the Effective Date. As per the provisional financial statements filed with Form RSC-1, the cash and cash equivalents stood at Rs.177.88 Crores for the period 01.04.2025 to 30.11.2025 and Rs.192.42 Crores for the financial year ended 31.03.2026.</p> <p>It is submitted that the aforesaid cash position is sufficient to meet the</p>

		proposed payout of Rs.150 Crores, while ensuring adequate funds for working capital and operational requirements. The proposed reduction is therefore limited to return of such excess capital and does not affect the Company's financial stability.
10(a)	That the reduction would not involve diminution of liability in respect of unpaid share capital but payment of paid-up equity share capital to the shareholders of the Company	It is clarified that, as on date, all the equity shares of the Company are fully paid-up
10(b)	The Company is having foreign shareholders, and sought directions to the Company to comply with FEMA Act 1999 and the rules and regulations made thereunder and sought further directions to furnish an undertaking before the Tribunal	<p>The Applicant Company undertakes to comply with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent applicable, in relation to the proposed reduction of share capital involving foreign shareholders.</p> <p>It is further undertaken that any remittance to foreign shareholders shall be effected only after due compliance with applicable FEMA requirements, deduction and deposit of applicable withholding taxes, and completion of all requisite filings, including Forms 15CA/Form No. 145 and 15CB/Form No. 146, as applicable under the Income-tax Act, 2025.</p>
10(c)	It is observed that 99.9% of the equity share capital of the Company is held by DK Global (UK) LP and through the present scheme of reduction of capital, the company intends to pay back to its foreign shareholder. As such, direction is sought to the Company to furnish an undertaking that tax deductions, if any, before pay out is made upon approval of the scheme.	<p>The Applicant Company undertakes to comply with all applicable provisions of the Income-tax Act, 2025, including deduction and withholding of taxes, if any, in respect of the proposed payout to its foreign shareholder pursuant to the reduction of share capital.</p> <p>It is further undertaken that remittance shall be made only after compliance with applicable FEMA regulations, deduction and deposit of withholding taxes, and filing of Forms 15CA/Form No. 145 and 15CB/Form No. 146, as applicable.</p>

10(d)	Though as per the valuation, the value per share is Rs. 28.40, the Company intends to pay off each share with a face value of Rs. 10/- only and has sought clarification for the same.	<p>It is submitted that the proposed reduction of share capital, including payment at ₹10 per equity share, is a bona fide commercial decision duly approved by the Board and shareholders, and is being implemented on a uniform basis without causing any prejudice to any shareholder.</p> <p>The valuation report dated 12 December 2025 issued by CA Prabhakar Reddy Palakolanu, Registered Valuer (IBBI Registration No. IBBI/RV/06/2018/10397), determining a fair value of ₹28.40 per share, is placed on record. The proposed payout at face value is well within such fair value and therefore does not result in any undervaluation or detriment to shareholders.</p> <p>It is further submitted that, under FEMA pricing guidelines, the valuation represents the ceiling for permissible pricing, and a transaction at a value below such valuation is compliant. The reduction of share capital at face value does not affect the Company's ability to declare dividends in future out of distributable reserves.</p> <p>Since the shareholding pattern remains unchanged and continues to vest entirely with the same shareholder, the payout does not result in any change in control or prejudice to any stakeholder. Without prejudice, the Applicant Company undertakes to comply with all applicable provisions of FEMA, the Income-tax Act, 2025, and the rules and regulations framed thereunder.</p>
10(e)	It is observed that the Applicant Company had, during the financial year 2023-24, undertaken a reduction of share capital pursuant to the order dated 22.12.2023 of this Hon'ble Tribunal for returning surplus funds aggregating to	The Company submitted that the earlier reduction of share capital approved by the Hon'ble Tribunal vide order dated 22 December 2023 and the present proposed reduction are independent transactions undertaken based on the financial position and business

	<p>Rs.240,00,00,000/-.  Consequent thereto, an amount of Rs.93,02,32,560/- was adjusted against the paid-up share capital and securities premium account, while Rs.141,41,67,440/- was adjusted against retained earnings.</p> <p>The Regional Director has further observed that, within a short period thereafter, the Applicant Company has again proposed a substantial reduction of share capital, involving payment of approximately 94% of its paid-up share capital to its sole foreign shareholder on the ground that the funds are surplus to its requirements. Accordingly, the Applicant Company has been called upon to justify the necessity for the present Scheme, particularly in view of the earlier capital reduction and the proposed return of substantial capital to its foreign shareholder.</p>	<p>requirements of the Applicant Company at the relevant points of time.</p> <p>The Applicant Company operates under a cost-plus business model and continues to generate stable revenues and substantial cash surpluses. Despite the earlier reduction, the Company has accumulated funds in excess of its operational, working capital and expansion requirements.</p> <p>Upon review of its current financial position and capital structure, the Board of Directors has determined that a substantial portion of the existing paid-up capital remains surplus to the Company's requirements and cannot be efficiently deployed in its business. Accordingly, the present proposal is a bona fide capital restructuring exercise aimed at returning excess capital to the shareholder.</p> <p>The proposed reduction will not adversely affect the Company's financial position, or the operations of the Company. The Scheme is therefore fair, reasonable and merits approval.</p>
<p>10(f)</p>	<p>The Regional Director has observed that, as per the Balance Sheet of the Applicant Company as on 31.03.2025, an amount of Rs.52.10 lakhs is outstanding towards MSME creditors. Accordingly, the Applicant Company has been directed to clarify the status of such dues and ensure that the same are duly settled, if not already paid.</p>	<p>It is submitted that the MSME dues reflected in the audited financial statements as on 31 March 2025 have been duly discharged in the ordinary course of business in compliance with the provisions of the MSMED Act, 2006. Details of payments made towards the outstanding MSME dues, along with MSME Form I for the period from 1 October 2025 to 31 March 2026 filed with the Registrar of Companies, are annexed as Annexure 2 to the reply. The said records establish that no amount remained outstanding beyond the statutory period of 45 days.</p> <p>It is further submitted that the list of creditors as on 24 December 2025, duly</p>

		certified by a Director, the Company Secretary and the statutory auditors, does not reflect any unsecured creditors. Details of payments made towards the trade payables outstanding as on 31 March 2025 are annexed as Annexure 3 to the reply.
10(g)	<p>The Regional Director has observed that the audited Balance Sheet of the Applicant Company as on 31.03.2025 reflects Trade Payables amounting to Rs.1,203.47 lakhs. However, as per the list of creditors and the certificate dated 24.12.2025 issued by the Company and its Chartered Accountant, the Applicant Company has stated that there are no unsecured creditors as on that date.</p> <p>Accordingly, the Applicant Company has been directed to clarify whether the dues have been settled as on the date of certificate i.e. 24.12.2025.</p>	<p>It is clarified that the amount of Rs.1,203.47 lakhs reflected under the head "Trade Payables" in the audited Balance Sheet as on 31 March 2025 represents current liabilities arising in the ordinary course of business. Subsequent thereto, the said trade payables have been duly settled in the normal course of operations.</p> <p>Accordingly, the list of creditors as on 24 December 2025, duly certified by a Director and the Company Secretary and further certified by the statutory auditors, does not reflect any unsecured creditors. Details of payments made towards the trade payables outstanding as on 31 March 2025 are annexed as Annexure 3 to the reply.</p> <p>In view of the above, there is no discrepancy between the trade payables disclosed as on 31 March 2025 and the certified position of creditors as on 24 December 2025.</p>
10(i)	<p>That the present scheme of reduction of capital, the company intends to pay off almost 94% of the paid up capital to the shareholder/ foreign body corporate. In this regard, directions are sought to the Company to furnish the details of source of funds from which the company intends to pay the amount.</p>	<p>The Company clarifies that the amount proposed to be distributed pursuant to the reduction of share capital shall be met out of surplus cash and cash equivalents available with the Company, which have been generated from its business operations over the years. It is further submitted that, as reflected in the Unaudited Provisional Financial Statements for the period from 01 April 2025 to 30 November 2025 filed along with the Application, as well as the Unaudited Provisional Financial Statements for FY 2025-26, the Company possesses sufficient cash</p>

		<p>and cash equivalents to meet the proposed payout. The said distribution shall be effected entirely out of internal accruals and shall not have any adverse impact on the ongoing operations of the Company.</p> <p>It is further submitted that, even after the proposed reduction of share capital, the Applicant Company will continue to maintain adequate cash and cash equivalents and shall remain in a position to generate sufficient internal accruals from its business operations to ensure the smooth conduct of its business activities.</p>
10(k)	<p>It is observed that the Company has shown an amount of Rs. 766.73 lakhs under the head "Statutory Liabilities" Hence direction is sought from the Company to confirm that the said statutory dues, as and when demanded by the concerned statutory authorities, shall be duly discharged.</p>	<p>It is submitted that the statutory liabilities of Rs.766.73 lakhs as reflected in the Audited Financial Statements of the Company for the financial year ended 31 March 2025 have been duly discharged in the ordinary course of business and within the applicable timelines, to the extent they have fallen due.</p>
10(l)	<p>A direction is sought to the Company to furnish confirmation of compliance with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, in respect of foreign exchange transactions aggregating to Rs. 38,663.69 lakhs, as reflected in the Balance Sheet as at 31 March 2025.</p>	<p>It is submitted that the foreign exchange transactions aggregating to INR 38,663.69 lakhs, as disclosed in the Audited Financial Statements for the financial year ended 31 March 2025, pertain exclusively to export of services undertaken with fellow subsidiaries in the ordinary course of business.</p> <p>It is further submitted that the said disclosure is made in compliance with the applicable accounting and auditing standards and statutory reporting requirements.</p> <p>The Company confirms that it has duly complied with the provisions of the Foreign Exchange Management Act, 1999, and the rules and regulations framed thereunder, and there has been no contravention or non-compliance in this regard. The Company has also duly</p>

		complied with its reporting obligations under FEMA, including filing of the Annual Return on Foreign Liabilities and Assets (FLA Return) within the prescribed timelines.
10(m)	A direction is sought for disclosure of the present status of adjudication of the Bilateral Advance Pricing Agreement (BAPA) application, along with the corresponding rollback application, stated to have been filed with the competent authorities in India on 27.01.2022, as referred to in Note 38 of the Balance Sheet as at 31.03.2025.	<p>It is submitted that the Applicant Company had filed a Bilateral Advance Pricing Agreement (BAPA) application covering the financial years 2022-23 to 2026-27, which is presently under consideration before the competent authorities.</p> <p>It is further submitted that a rollback application pertaining to the financial year 2021-22 was also filed; however, the same was subsequently withdrawn by the Applicant Company in December 2025, and such withdrawal has been duly accepted/approved by the Indian competent authorities.</p>
10(n)	It is observed that, based on the financial position of the Company over the last two years, the Company appears to be in a strong financial position and proposes to return funds to its foreign shareholder citing surplus funds. The proposal indicates that the underlying intent is effectively to withdraw capital through the process under Section 66 of the Companies Act, 2013. The same may be examined by the Hon'ble Tribunal.	<p>It is submitted that the proposed reduction of share capital is a bona fide commercial decision of the Board, duly approved by the shareholders and undertaken in strict compliance with Section 66 of the Companies Act, 2013 and the applicable rules. The proposal is based on a periodic review of the Company's capital structure, wherein it was observed that the existing paid-up share capital is in excess of its operational requirements and is not being efficiently deployed in the business.</p> <p>It is further submitted that the Applicant Company is presently constrained from returning surplus capital through other ordinary course mechanisms, and the present proposal seeks to optimise its capital structure by returning surplus funds to the shareholder. The exercise is independent of any prior reduction and has arisen due to continued</p>

		<p>accumulation of surplus funds and evolving business considerations.</p> <p>It is further submitted that the strong financial position of the Company ensures that the proposed reduction will not adversely impact its solvency, financial stability, or operations. The Company continues to maintain adequate cash flows and remains fully capable of meeting its obligations in the ordinary course of business.</p> <p>The process is being undertaken in a transparent and lawful manner, without prejudice to any stakeholders and subject to approval of the Hon'ble Tribunal. Accordingly, the Scheme is fair, reasonable, and merits approval.</p>
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16. Furtherance to above, the Regional Director vide report dated 12.06.2026 has filed his Additional Affidavit/report. The explanation given by the Petitioner Company in the reply affidavit dated 12.06.2026 is mentioned against each:

Para.No.	Observation by the RD in his report dated 12.06.2026	Compliance by the Petitioner Company vide reply affidavit dated 12.06.2026								
14 & 20	<p>The Company has failed to provide any document evidencing that it had sufficient cash balance as on 31.12.2025 to pay out Rs.150,00,00,000/-</p> <p>The Company has not produced any record to examine the cash flow and cash availability during the period from 01.04.2025 to 31.12.2025 to</p>	<p>The Company respectfully clarified that the proposed reduction of share capital amounting to INR 150,00,00,000/- (Indian Rupees One Hundred and Fifty Crores only) has been determined after duly considering its existing cash position, estimated working capital requirements, projected business expansion plans, operational expenditure, liabilities, and anticipated cash flows.</p> <p>It is further submitted that the cash and cash equivalents of the Applicant Company as on 31 May 2026 aggregate to INR 1,99,55,36,507.74/-, the details of which are as follows:</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Bank / Account</th> <th>Account No.</th> <th>Balance (INR)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Citibank N.A. - Current Account</td> <td>0521289023</td> <td>13,90,33,037.74</td> </tr> </tbody> </table>	S. No.	Bank / Account	Account No.	Balance (INR)	1	Citibank N.A. - Current Account	0521289023	13,90,33,037.74
S. No.	Bank / Account	Account No.	Balance (INR)							
1	Citibank N.A. - Current Account	0521289023	13,90,33,037.74							

ascertain the impact on finance of the Company as well as the fund availability, liabilities and implication on account of outflow of funds	2	Citibank N.A. - Current Account	0521289007	5,63,17,271.04
	3	Citibank N.A. - Fixed Deposit (Short Term)	D07TDWC261500001	1,80,00,00,000.00
	4	HSBC - Current Account	082617713001	1,00,000.96
	5	ICICI Bank - Account	059805005981	86,198.00
		<b>Total</b>		<b>1,99,55,36,507.74</b>
	<p>Copies of the relevant bank statements and balance confirmations are annexed and marked as Annexure-1 to the memo.</p> <p>Hence, the Company submitted that the proposed reduction shall not adversely impact the financial position, liquidity, operations, or going concern status of the Applicant Company. The Company shall continue to maintain adequate financial resources to meet all its liabilities, obligations, working capital requirements, and statutory dues in the ordinary course of business, and the proposed reduction will not prejudice the interests of any stakeholder.</p>			

17. We heard the submissions made by Shri D.V.M. Gopal, Learned PCS for the Company, Ms. Kusum Yadav, Dy. Director, O/o Regional Director, SEZ..
18. It is pertinent to note here that, in terms of Section 66 of the Companies Act, 2013, a Company having share capital, may by a special resolution, reduce the share capital in any manner and may extinguish or reduce its liability on any shares. It has been held in the case of Reckitt Benckiser (India) Limited (2005) 122 DLT 612 that the question of reduction of share capital is a domestic concern of the

Company and if the same is approved by majority of shareholders, the court will confirm it, except in situation like unfair or inequitable transaction or objection by creditors.

19. We have considered the explanation furnished by the Petitioner Company vide its reply affidavit dated 12.06.2026 to the observations raised by the Regional Director in his additional report/affidavit dated 12.06.2026. We are satisfied with the clarification provided in respect of observations at point numbers 14 and 20 of Additional Affidavit of the Regional Director.
20. From the records placed before us, it is evident that the proposed reduction has been approved by the shareholders through a Special Resolution; the Company has sufficient assets and liquidity; there are no creditors whose interests may be prejudiced by the reduction; and the reduction does not involve any diminution of liability in respect of unpaid share capital. The reduction is proposed only for returning excess capital to the shareholders.
21. Considering the entire facts and circumstances of the case, reports filed by Regional Director and in response the reply Affidavits filed by the Petitioner Company and on perusal of the documents produced on record, the reduction of share capital appears to be fair and reasonable and is not contrary to public policy and does not violate any of the provisions of law. All the statutory compliances have been made under Section 66 of the Companies Act, 2013. Hence, we hereby allow the petition with the following directions: -

## ORDER

- A. That a certified copy of this order including the minutes approved shall be delivered to the Registrar of Companies within 30 days of the receipt of the order and paper publication confirming the reduction of share capital by this Tribunal shall also be issued in the newspaper both in English and Vernacular language having wide circulation in the area where the Registered Office of the Company is situated, in the prescribed format, within a period of 30 days from the date of this order.
- B. All concerned Regulatory Authorities to act on the certified copy of the order duly certified by the Registrar of National Company Law Tribunal.
- C. While approving the Reduction of share capital as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes, including any withholding taxes arising out of the proposed reduction in capital or any other charges, if any payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law. Further all compliances if required to be undertaken by the Petitioner Company under FEMA, Income Tax and other applicable laws, upon this order confirming reduction of share capital, if any, shall be undertaken and duly complied with.

- D. Accordingly, CP No. 3/66/HDB/2026 stands allowed and disposed of in the above terms. Let a copy of this order be served to the parties.
- E. The FORM OF MINUTE proposed to be registered under section 66(5) is as follows:

***“The paid-up share capital of CDK Global (India) Private Limited henceforth is INR 9,63,32,850 (Rupees Nine Crore Sixty Three Lakh Thirty Two Thousand Eight Hundred and Fifty only) divided into 96,33,285 (Ninety Six Lakh Thirty Three Thousand Two Hundred and Eighty Five) equity shares of INR 10/- (Rupees Ten only) each, fully paid-up, reduced from INR 159,63,32,850 (Rupees One Hundred and Fifty Nine Crore Sixty Three Lakh Thirty Two Thousand Eight Hundred and Fifty only) divided into 15,96,33,285 (Fifteen Crore Ninety Six Lakh Thirty Three Thousand Two Hundred and Eighty Five) equity shares of INR 10/- (Rupees Ten only) each. At the date of registration of this Minute, 96,33,285 equity shares of INR 10/- each (Rupees 10 only) are issued and deemed to be fully paid-up.”***

**SD/-**

(SANJAY PURI)  
MEMBER (TECHNICAL)

**SD/-**

(RAJEEV BHARDWAJ)  
MEMBER (JUDICIAL)

*Binnu*