

S.No.3

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – II  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
21.05.2026 AT 10:30 A.M.**

**Company Petition IB/06/66/HDB/2026  
U/s 66 of Companies Act**

**IN THE MATTER OF:**

**TSI Business Parks (Hyderabad) Pvt Ltd**

**...Petitioner**

**C O R A M:-**

**SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)**

**SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

**ORDER**

Orders pronounced, recorded vide separate sheets. In the result, this Petition is allowed.

**Sd/-**

**MEMBER (T)**

**Sd/-**

**MEMBER (J)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**HYDERABAD BENCH – II**

**CP No.06/66/HDB/2026**

**In the matter of:**

**M/S TSI BUSINESS PARKS (HYDERABAD) PRIVATE LIMITED**

M/s TSI Business Parks (Hyderabad) Private Limited,  
(CIN: U45201TG2006PTC072536),  
Regd Office : Sy No. 115 (Part),  
Waverock Building, APIIC IT/ITES SEZ,  
Nanakramguda Village, Serilingampally Mandal,  
Hyderabad – 500 008.

....Petitioner

**Date of order : 21.05.2026**

**CORAM:**

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

**Counsel present:**

Mr Inbaraju, Ld. Counsel for the Petitioner

Ms Kusum Yadav, Deputy Director from RD's Office

1. This present Petition is filed under Section 66 of the Companies Act, 2013 by **M/S TSI BUSINESS PARKS (HYDERABAD) PRIVATE LIMITED**. The Petitioner herein is seeking orders for reduction of share capital as set out in para 14 of the Special Resolution dated 14.01.2026.

**The Petition**

2. The Petitioner Company was incorporated<sup>1</sup> on 10.03.2006 under the provisions of Companies Act 1956 with the Registrar of Companies,

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<sup>1</sup> Pages 26-27 of the petition

Bengaluru. Subsequently, during the year 2011, the Company was shifted to the State of the then Andhra Pradesh, and is engaged in the business of development and leasing of commercial properties.

3. The details of authorized, issued, subscribed and paid-up capital of the Company are as below:

<b>Particulars</b>	<b>Amount (Rs)</b>
<b>As on 31.03.2025:</b>	
Authorized Capital: 125,00,10,000 equity shares of Rs 10 each.	1250,01,00,000
Issued, Subscribed and Paid-up Capital – 10,000 equity shares of Rs 10/- each.	1,00,000
<b>As on 31.10.2025:</b>	
Issued, Subscribed and Paid-up Capital: 54,45,01,000 equity shares of Rs 10 each.	544,50,10,000

4. It is asserted that, for the purpose of executing its project namely Information Technology Park ('WaveRock'), the Company augmented funds from shareholders through issuance of equity shares and CCDs. Since the project is fully completed, and the capital currently available with the Company exceeds its present operational requirements, the Company do not require substantial capital investment. Hence, this Petition is filed, to reduce the paid-up capital of the Company from Rs 544,50,10,000 to Rs 203,40,95,070 cancelling/extinguishing 34,10,91,493 equity shares of Rs 10 each, by making a payment of Rs 12.46 per equity share involving payment of Rs 83,90,85,073 over and above the amount of capital reduced. The total payout pursuant to proposed reduction of capital, works out to Rs 425,00,00,003.
5. That on 30.10.2025, the Company issued 54,44,91,000 equity shares of Rs 10 each increasing the paid-up capital from Rs 1,00,000 to Rs 544,50,10,000, pursuant to conversion of Compulsory Convertible Debentures (CCDs) at the pre-existing ratio of 1:1. The

entire paid-up capital of the Company is held by its holding Company M/s Katter Kich Holdings Pte. Ltd.

6. It is submitted that, Under Article 39<sup>2</sup> of the Articles of Association of the Petitioner Company, the Company may from time-to-time by Special Resolution, reduce its capital in any manner permitted by law.

**Article 39:**

***“The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:***

- i) its share capital  
 ii) any capital redemption reserve account; or  
 iii) any share premium account.”***

7. Summary of financial details<sup>3</sup> of the Company as on 31.10.2025 is as below:

**(Rupees in Crores)**

<b>Liabilities</b>	<b>31.10.2025</b>	<b>31.03.2025</b>	<b>Assets</b>	<b>31.10.2025</b>	<b>31.03.2025</b>
Equity share capital	544.50	0.01	Non-current assets	1,733.70	1,848.58
Retained earnings	(336.45)	(295.17)	Current assets	61.83	17.81
Equity component of CCDs	271.00	494.11			
Non-current liabilities	1,212.04	1,366.45			
Current liabilities	104.44	300.99			
<b>Total :</b>	<b>1,795.53</b>	<b>1866.39</b>	<b>Total :</b>	<b>1,795.53</b>	<b>1866.39</b>

8. It is submitted that, the equity shareholders of the Petitioner Company duly passed below **Special Resolution**<sup>4</sup> in accordance with Section 66(1) read with Section 114 of the Act at the

<sup>2</sup> Pages 28-56 of the petition

<sup>3</sup> Pages 158-215 of the petition

<sup>4</sup> Pages 235-237 of the petition

Extraordinary General Meeting (**EGM**) held on 14.01.2026, unanimously:

**“RESOLVED THAT** pursuant to the provisions of Section 66 and all other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules made thereunder read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules 2016 (including any statutory modifications, amendment or re-enactment thereof for the time being in force) and in terms of Article 39 of the Articles of Association of the Company and subject to confirmation/sanction of the Hon’ble National Company Law Tribunal, Hyderabad Bench and subject to the sanction and/or approvals of the appropriate authorities as may be considered necessary, and such other terms and conditions and modifications, if any, as may be prescribed by such authorities while granting approval or consents or permissions, approval of the shareholders of the Company be and is hereby accorded to reduce the paid up share capital (equity capital) of the Company (the "Capital Reduction") from INR 544,50,10,000/- (Indian Rupees Five Hundred and Forty-Four Crores Fifty lakhs and Ten Thousand only) to INR 203,40,95,070 (Indian Rupees Two Hundred and Three Crores Forty Lakhs and Ninety Five Thousand and Seventy only) thereby effecting a reduction of INR 341,09,14,930 (Indian Rupees Three Forty One Crores Nine Lakhs Fourteen thousand Nine Hundred and Thirty Only) by cancelling/extinguishing 34,10,91,493 (Thirty-Four Crores Ten Lakhs Ninety One Thousand Four Hundred and Ninety Three only) equity shares of INR 10 each, the details of which are set out in the table below:

S No	Name of the equity shareholder	Shareholding prior to reduction of share capital	Shareholding post reduction of share capital	No. of shares proposed to be cancelled /extinguished
1	Katter Kich Holdings Pte Ltd	544,500,999	203,409,506	341,091,493
2	Artemis Investment Holdings Pte Ltd (Nominee Shareholder of Katter Kich Holdings Pte Ltd)	1	1	--
	<b>Total :</b>	<b>544,501,000</b>	<b>203,409,507</b>	<b>341,091,493</b>

**RESOLVED FURTHER THAT** the proposed reduction shall involve a payment of INR 12.46/- per equity share, which includes INR 83,90,85,073/- over and above the amount of capital reduced, resulting in a total payout of INR 425,00,00,003/- to the shareholders of the Company.

**RESOLVED FURTHER THAT** the balances in the shareholders funds post the proposed Capital Reduction shall be as follows:

<b>S No</b>	<b>Shareholders funds</b>	<b>Balance as on 31.10.2025</b>	<b>Proposed utilization</b>	<b>Balance post capital reduction</b>
		<b>(Rs)</b>	<b>(Rs)</b>	<b>(Rs)</b>
1	Paid-up equity share capital	5,445,010,000	(3,410,914,930)	2,034,095,070
2	Balance in the statement of Profit and Loss (i.e. debit balance of retained earnings included within Reserves and Surplus).	(3,364,544,060)	(83,90,85,073)	(4,203,629,133)
	<b>Total :</b>	<b>2,080,465,940</b>	<b>(4,250,000,003)</b>	<b>(2,169,534,063)</b>

9. That, the Board of Directors have recommended the amount payable on proposed reduction of capital on the basis of Valuation Report<sup>5</sup> dated 10.12.2025 submitted by Mr Kunal L Kalantri, Registered Valuer, and the Company intends to pay Rs 12.46 per equity share which would result in payment of Rs 2.46 over and above the face value of shares cancelled/extinguished.
10. It is asserted that, the proposed reduction of share capital would not affect the operations and creditors of the Company, during the course of its business.
11. It is submitted that, as on 13.01.2026 there are:
- One secured creditor, having value of Rs 690 crores.
  - Three unsecured creditors, having value of Rs 1,64,64,283
12. That, the Auditor's Certificate<sup>6</sup> certifying that the accounting treatment for the reduction is in conformity with the applicable accounting standards under Section 133 of the Companies Act 2013.
13. That, since the Petitioner Company has more than adequate assets including cash and bank balance or available facilities to satisfy all

<sup>5</sup> Pages 219-223 of the petition

<sup>6</sup> Pages 284-287 of the petition

its creditors, the words “and reduced” be not added to the name of the Company.

14. It is submitted that, there is no pending inspection, inquiry or investigation against the Company under the Companies Act. There is no winding up proceedings or insolvency proceedings filed or are pending against the Company under the Act. The shares of the Company are not listed on any stock-exchange, the MCA master data is enclosed as Annexure 16.<sup>7</sup>
15. Further submitted that, Mr Kethineni Mahesh Babu, Vice President (Finance & Accounts) or Mr Rajesh Prakash Satale, Finance Controller or Mr Sanjay Bhardwaj, Property Head are the Authorized Signatories of the Petitioner Company.
16. **The Affidavit filed by the Regional Director (SER), and the Reply Affidavit filed by the Petitioner, are summarized below:**

Para No.	Affidavit dated 22.04.2026 filed by the Regional Director (SER)	Reply Affidavit dated 12.05.2026 filed by the Petitioner
7 (a)	As per the shareholding pattern of the petitioner company as on 31.03.2025, 100% shareholding is held by a foreign body corporate and subsequently on 31.10.2025, the company has issued 54,45,01,000 equity shares of Rs 10/-each amounting to Rs 544,50,10,000/- by converting CCDs at the pre-existing ratio of 1:1. Further, as at 31.03.2024, 100% equity share capital was held by SPREE II Pte. Ltd. and subsequently, during the year 2025, the shares have been transferred to Katter Kich Holdings Pte. Ltd. and accordingly, there was a change of management.	The above statement is partially incorrect. Shares of the Petitioner Company have been transferred to Katterkich Holdings Pte Ltd on 29.05.2024 and not during the year 2025. It is further submitted that the change in shareholding and consequent change in management occurred pursuant to transfer of shares in the ordinary course of business and does not have any bearing on the proposed reduction of share capital.

<sup>7</sup> Pages 288-290 of the petition

7 (b)	As seen from the petition, the company intends to pay out a sum of Rs 425,00,00,003/-. The company has informed that it is taking a loan from Bajaj Housing Finance Limited who has sanctioned the same for the purpose. Copy of the sanction letter dated 9.6.2025 is annexed as Annexure-A.	The statement made in the Common Report is true to the best of my knowledge and not required to be traversed.
7 (d)	The present proposed reduction of share capital does not involve the extinction/reduction of any liability in respect of unpaid capital and it only entails cancellation of paid-up capital which is in excess of the wants of the Petitioner Company.	The statement made in the Common Report is true to the best of my knowledge and not required to be traversed.
7 (e)	The petitioner company ought to have opted for buy back of shares instead of coming before the Tribunal with the present Scheme of Reduction of Capital. The company has explained the same and stated that buy back is subject to various restrictions including maximum of 25% of the paid-up capital.	The statement made in the Common Report is factual. Buyback of shares is subject to various statutory restrictions, including a limit of 25% of the paid-up share capital and free reserves in a financial year and is required to be undertaken out of free reserves or securities premium which the Petitioner Company does not have, as reflected in its latest audited financial statements. Whereas reduction of share capital under Section 66 of the Companies Act, 2013 is governed by a separate legal framework wherein the approval of NCLT shall be obtained and is not subject to the specific limitations applicable to buyback under Section 68 of the Companies Act, 2013. Accordingly, the Petitioner Company has opted for the said route as legally permissible mechanism for the proposed capital restructuring, which does not in any manner deter its ability to meet its liabilities and when they become due.

7 (i)	<p>As seen from the Balance Sheet of the Company as at 31-03-2025, there are disputed statutory dues payable towards Income Tax pertaining to the years 2008-09, 2009-10, 2017-18 and 2018-19. Hence, the petitioner company may be directed to settle and pay the dues as and when demand is made by the said statutory authorities.</p>	<p>The above statement is partially incorrect. Disputed statutory dues payable towards income tax pertains to the assessment years 2017-18, 2018-19 and 2021-22. The correct details have already been appropriately disclosed in the Auditor's Report forming part of the audited financial statements of the Petitioner Company for the Financial Year 2024-25 (Page No. 65 of the Petition, Paragraph No. VII(b), Part 1 of 2 of the Petition).</p> <p>Further, upon crystallization of any liability pursuant to final orders of the competent authorities, the same shall be duly discharged in accordance with law. An undertaking affidavit of petitioner company to give effect to the above statement herewith enclosed and marked as Annexure - 5.</p> <p>The proposed reduction of share capital shall not in any manner affect the ability of the Petitioner Company to discharge such when they become payable.</p>
7 (j)	<p>As seen from the Balance Sheet of the petitioner company 11.03.2025 the company has incurred cash losses during the last two years Further, the total liabilities of the Company is Rs 13,165 million excluding equity and other equity of Rs 4790 million. this regard, the Petitioner Company has stated that as per the audited financial statements as on 31.03.2025, the fair value of the investment in properties is recognized at INR 22,786 million, which is 1.73 times of the total liabilities of the company (including shareholder liability) of INR 13,165 million.</p>	<p>The statement made in the Common Report is true to the best of my knowledge and not required to be traversed. The marginal lasses incurred in the past, and considering the expected future cash flows and strengthened capital structure, the Petitioner Company is adequately positioned to meet its liabilities and continue its operations on a going-concern basis. The proposed reduction of share capital therefore does not adversely impact the financial stability or solvency of the Company.</p>
7 (k)	<p>The company has shown a due amount of Rs 5 million towards</p>	<p>The aforesaid dues payable to Micro, Small and Medium</p>

	<p>MSME. Hence, the company may be directed to settle the dues if not settled so far.</p>	<p>Enterprises (MSMEs), have been duly settled. The Petitioner Company further undertakes and confirms that any outstanding dues payable to MSME creditors, if any, shall be paid in the ordinary course of business and in full compliance with all applicable laws. An undertaking affidavit of the Petitioner Company to give effect to the above statement is enclosed herewith as Annexure-5.</p>
7 (l)	<p>The company intends to pay off the foreign body corporate shareholder through the present scheme of reduction of capital and hence, the company may be directed to comply with FEMA Regulations and also furnish an undertaking before the Hon'ble Tribunal. Further, upon approval of the Scheme, the company may be directed to deduct taxes before the payment is made to the foreign shareholder.</p>	<p>The payment proposed to be made to the foreign body corporate shareholder pursuant to the reduction of share capital shall be in compliance with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. The Petitioner Company hereby undertakes to comply with all FEMA rules and regulations (as applicable) upon approval of the Scheme. The Petitioner Company further undertakes that applicable taxes, including withholding tax, shall be deducted in accordance with the provisions of the Income-tax Act and other applicable laws before making payment to the foreign shareholder. An undertaking affidavit of Petitioner Company to give effect to the above statement is enclosed herewith and marked as Annexure-5.</p>
7 (m)	<p>The company has stated in its reply dated 11.03.2026 that the petitioner company shall account for the capital reduction by debiting equity share capital account to the extent of the face value of shares cancelled for the proposed reduction amounting to Rs 341,09,14,930/- and the difference between the face value of shares so cancelled and the amount to be paid to the</p>	<p>The statement made in the Common Report is true to the best of my knowledge and not required to be traversed. A certificate from M/s Deloitte Haskins and Sells, have confirmed that the accounting treatment proposed to be followed by the Petitioner Company is in compliance with the Indian Accounting Standards notified under</p>

	<p>shareholders amounting to Rs 83,90,85,073/-shall be debited to the Balance in the Statement of Profit and Loss A/c i.e. debit balance of retained earnings included within Reserves and Surplus. The company has stated in its reply that the excess over the face value is proposed to be adjusted solely against retained earnings, in accordance with applicable accounting principles and the provisions of the Companies Act, 2013.</p>	<p>Section 133 of the Act, as applicable, read with the rules made as applicable. thereunder, and other generally accepted accounting principles in India, as applicable.</p>
<p>8</p>	<p>The company has proposed that the reduction of capital will be funded through by taking loan amounting to Rs 1200 Crores from BIHFL under Lease Rental Discounting facility and paying quarterly interest of 8.10% resulting into annual flow of Rs.97.2 crores as Interest standalone besides payment of the principal amount. Though the turnover of the company was Rs.2188 million for the year ended as at 31.3.2025 it had negative profit and in light of the same, the cash outflow does not support the total outflow including interest and principal thereof for reduction of capital. A clarification in this regard was sought from the company and the company has replied vide letter dated 10.04.2026 stating that the petitioner company that it is a going concern, with adequate and sustainable cash flow arrangements to undertake the proposed reduction of share capital and the negative balance reflected in the books of accounts is not indicative of liquidity constraints and does not in any manner impair the company's ability to meet its obligations towards its shareholders or creditors, should the proposed reduction be carried out and the company has rental receipts of Rs.218.8 cr as per the financial statements as on 31.3.2025. The Company has also stated that</p>	<p>The statement made in the Common Report is true to the best of my knowledge. The Petitioner Company reiterates and adopts the clarification already placed on record. The aforesaid paragraph contains an inadvertent clerical error concerning the rate of interest. The report mistakenly records the Interest rate as 8.10% on a quarterly basis, whereas the loan was actually sanctioned at 8.10% per annum, with quarterly resets. The Tribunal is requested to take note of this correction. In support thereof, the sanction letter issued by Bajaj Finance Limited, clearly evidencing the correct interest terms, has already been annexed to the RD Report as Annexure-4 for ready reference.</p>

	<p>Section 66 of the Companies Act, 2013 does not expressly prohibit any company for opting the scheme of reduction of capital merely on account of negative balances or accumulated losses and on the contrary, a reduction of share capital is a legally recognized mechanism available to the company to rationalize its capital structure and address past losses, subject to compliance with the procedural safeguards prescribed under the Act. Further, the Company has placed reliance on the decision of the Hon'ble National Company Law Appellate Tribunal (NCLAT) in <i>Precious Energy Services Limited v. Registrar of Companies</i>, Company Appeal (AT) No. 17 of 2021, arising out of the order dated 11.12.2020 passed by the Hon'ble NCLT, Ahmedabad Bench in CP No.4/66/NCLT/AHM/2020, wherein objections to a scheme of reduction of capital on the grounds of negative net worth and borrowings was expressly rejected, and the scheme was ultimately approved on appeal and the said decision clearly affirms that negative net worth, per se, cannot be a ground to deny approval of a capital reduction under Section 66 of the Act. Copy of the Judgement is attached as Annexure - 8.</p>	
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No further report is filed by RD on Petitioner's reply.

### **The Decision**

17. We have heard the Counsel for the Petitioner and perused the records.
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. As seen from the records, this Tribunal had directed the Petitioner Company to order notices to Statutory Authorities and to notify in the newspapers. We have gone through the explanation given by the Petitioner Company vide reply Affidavit dated 12.05.2026 on the observations pointed out by Regional Director.
20. Considering the entire facts and circumstances of the case, reports filed by Regional Director and in response the reply Affidavit 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. There has been no objection from any creditors. Hence, we hereby allow the Company Petition for reduction of share capital as resolved on 14.01.2026 by Special Resolution, with the following directions:

**ORDER**

21. 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 same newspaper in which the notices of the Petition were published in the prescribed format within a period of 30 days from the date of this order.
22. All concerned Regulatory Authorities to act on the certified copy of the order duly certified by the Registrar of National Company Law Tribunal.

23. 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.
24. Accordingly, the present Petition stands allowed and disposed of in the above terms. Let a copy of this order be served to the parties.
25. **The FORM OF MINUTE<sup>8</sup> proposed to be registered under section 66(5) is as follows:**

*"The Paid-up Share capital (equity capital) of the TSI Business Parks (HYDERABAD) Private Limited (the "Capital Reduction") is henceforth INR 203,40,95,070/- (Indian Rupees Two Hundred and Three Crores Forty Lakhs Ninety Five Thousand and Seventy only) divided into 20,34,09,507 (Twenty Crores Thirty Four Lakhs Nine Thousand Five hundred and Seven only) equity shares of INR 10/- each (Rupees Ten only), reduced from INR 544,50,10,000/- (Indian Rupees Five Hundred and Forty Four Crores Fifty Lakhs and Ten Thousand only) divided into 54,45,01,000 (Fifty Four Crores Forty Five Lakhs and One Thousand only) equity shares of INR 10/- each (Indian Rupees Ten Only). At the date of the registration of this minute, 203,409,507 shares having face value of INR 10/- have been issued and are deemed to be fully paid up (and the remaining 341,091,493 shares are reduced)."*

**Sd/-**  
**(SANJAY PURI)**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**(RAJEEV BHARDWAJ)**  
**MEMBER (JUDICIAL)**

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<sup>8</sup> Page 254 of the petition.