

S.No.2

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
19-12-2025 AT 10:30 A.M.**

Company Petition IB/24/66/HDB/2025
U/s 66 of Companies Act

IN THE MATTER OF:

Kalburgi Cement Pvt Ltd

...Petitioner

AND

RoC and RD of Telangana

...Respondent

C O R A M:-

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

ORDER

Company Petition IB/24/66/HDB/2025

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, HYDERABAD**

C.P.No.24/66/HDB/2025

*Application under Section 66 and other provisions of the
Companies Act, 2013 Read with Rule 2 of National Company
Law Tribunal (Procedure for reductions of Share Capital of Company)*

In the matter of: Kalburgi Cement Private Limited

**M/s.Kalburgi Cement Private Limited,
[CIN: U26941TG2008FTC060595]**

Regd Office: Reliance Majestic,
Road No.10, Banjara Hills,
Hyderabad – 500 034,
Telangana, India – 500 081.
Represented by its Company
Secretary Ms.Susri Mulukalapelly.

...Petitioner

V e r s u s

1. The Registrar of Companies,
Ministry of Corporate Affairs,
2nd Floor, Corporate Bhawan,
GSI Post, Tattianaram, Nagole,
Bandlaguda, Hyderabad-500068.
2. The Regional Director,
Ministry of Corporate Affairs,
3rd Floor, Corporate Bhawan,
GSI Post, Tattianaram, Nagole,
Bandlaguda, Hyderabad-500068

...Respondents

Date of order: 19.12.2025

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)
Sri Sanjay Puri, Hon'ble Member (Technical)

Counsel/Parties present:

For the Petitioner : Ms.Susri Mulukalapelly, Ld.PCS
For the Respondents : Mr.Ravi Metta, Deputy RoC Office,
RoC Office
Mr.Gokulnath, Dy. Director, RD Office
Ms.Rakshita, Ld.Counsel, O/o.Ms.B.Sapna
Reddy, Ld.Counsel for the IT Department.

[P E R: B E N C H]

ORDER

1. The Company Petition has been filed on behalf of Petitioner Company under Section 66 of the Companies Act, 2013 read with Rule 2 of National Company Law Tribunal (Procedure for reductions of Share Capital of Company) for the purpose of reduction of capital in pursuance of Special Resolution passed on 16th May, 2025.
2. The Petitioner Company was originally incorporated as a Private Limited Company “Vicat Sagar Cement Private Limited” under the provisions of the Companies Act, 1956 by the Registrar of Companies, Andhra Pradesh, erstwhile, now state of Telangana. Subsequently, the name of the Company was changed to “Kalburgi Cement Private Limited”, a Company limited by shares by following the due process under the provisions of the Companies Act, 1956 vide Corporate Identification Number No. **U26941TG2008FTC060595**.
(Copies of Certificate of Incorporation, Memorandum and Articles of Association of the Company are at Annexure – A1 of the Petition).
3. The Petitioner is being represented by its Company Secretary

Ms. Susri Mulukalapelly. The Registered Office of the Company is situated at Reliance Majestic, Road No.10, Banjara Hills, Hyderabad, Telangana, India – 500 034.

4. **The Main Objects of the Petitioner Company:**

- i) To produce, manufacture, prepare, process, purchase, transport, import, export, sell and generally to deal in all kinds of cement, cement products of any description, limestone, clay, gypsum, clinker and/or byproducts thereof and in connection therewith to acquire, erect, construct, establish, operate and maintain cement factories, quarries, workshops and other work relating thereto.
- ii) To fabricate, manufacture and deal in all kinds of cement plants, packing, apparatus, mining equipment, tools, utensils and materials and things necessary or convenient for carrying on the manufacture of cement and mining operations.
- iii) To own, explore, take on lease, or otherwise acquire any area, mining lease and quarries.
- iv) To carry on the business of buying and selling cement, concrete, packing, aggregates, bricks, limestone, clay, sand or other earthy material or manufactured product such as tiles, pavement and roofing materials. To deal in fly ash, slag, lime, plaster, clay, pet coke, coke, coal, fuel, timber, artificial stone and builders requisites and appliances.
- v) To acquire the quarries and mines of limestone, clay, aggregates

and all kinds of other stones and quarry the same directly or through contractors and to act as dealers, distributors, merchants, exporters, importers, stockists and agents of raw finished, semi-finished stones and all kind of stones.

- vi) To acquire, amalgamate, absorb or merge with any other Company or Companies or to form, promote subsidiaries, joint ventures, partnerships and arrangements with other entities.

(Copy of the Memorandum of Association and Articles of Association of the Company is annexed herewith and marked as Annexure – A1 of the Petition).

5. **Capital Structure of the Petitioner Company:**

It is submitted that the Authorized share Capital of the company is Rs.610,05,13,450/- (Rupees Six hundred and ten crore five lakh thirteen thousand four hundred and fifty only) divided into 610,051,345 (Sixty-one crore fifty-one thousand three hundred and forty-five) Equity Shares of Rs. 10/- each. The Paid-up Share Capital of the Company is Rs.483,71,02,500/- (Rupees four hundred and eighty-three crores seventy-one lakh two thousand and five hundred only) divided into 48,37,10,250 (Forty-eight crore thirty-seven lakh ten thousand two hundred and fifty) Equity Shares of Rs. 10/- each.

6. By article 17.4 of the Articles of Association of the Company, it is provided that the company may, from time to time, by special resolution, reduce its capital in any manner permitted by law.

7. Brief information in respect of Financial Position of the Company, Qualification, Reservation or Adverse Remark or Disclaimer made by the Auditor in his report, if any, details of any pending inspection, inquiry or investigation against the company under the Companies Act, 2013 are reproduced below:

i) **Financial Position of the Company as on 31.12.2024:**

P a r t i c u l a r s	A m o u n t (Rs.)
<u>Non-Current Assets</u>	
(a) Property, Plant and Equipment	14,51,73,36,141
(b) <u>Intangible Assets</u>	
Others	3,47,19,067
(c) Financial Assets	38,34,55,521
(d) <u>Tax Assets</u>	
Income Tax Asset (Net)	12,26,40,116
Total Non-Current Assets	15,05,81,50,845
<u>Current Assets</u>	
(a) Cash and Cash equivalents	7,60,41,31,169
(b) Other Financial Assets	4,01,54,07,412
(c) Other Tax Assets (Net)	8,17,39,000
Total Current Assets	11,70,12,77,581
Total Assets	26,75,94,28,426
<u>Equity and Liabilities</u>	
(a) Equity share capital	4,83,71,02,500
(b) Other Equity (Securities premium account and retained earnings)	15,72,98,82,364
Total Equity	20,56,69,84,864
<u>Non-Current Liabilities</u>	
(a) Borrowings	17,61,23,020
(b) Others	2,00,36,32,665
(c) Deferred Tax Liability (Net)	68,41,71,000
Total Non-current Liabilities	2,86,39,26,685
<u>Current Liabilities</u>	
(a) Borrowings	4,97,38,847
(b) Other Financial Liabilities	3,27,87,78,030
Total Current Liabilities	3,32,85,16,877
Total Liabilities	6,19,24,43,562
Total Equity and Liabilities	26,75,94,28,426

(Certified copy of the latest Audited Financial Statements as on 31.12.2024 is at Annexure-A2 of the Petition)

ii) **Qualification, Reservation or Adverse Remark or Disclaimer made by the Auditor in his Report, if any:**

There is no Qualification, Reservation or Adverse Remark of Disclaimer made by the Auditor in their report.

iii) **Details of any pending Inspection, Inquiry or Investigation against the Company under the Companies Act, 2013:**

There is no pending Inspection, Inquiry or Investigation against the Company under the Companies Act, 2013.

8. **Reasons for Reduction of Share Capital:**

The Reasons for Reduction of the Capital are as detailed below:

- i) It is submitted that the Company has Amalgamation Deficit Account amounting to Rs.213,41,49,699/- (Rupees two hundred and thirteen crores forty-one lakhs forty-nine thousand six hundred and ninety-nine only) as per the Audited Balance Sheet as at 31st December, 2024.
- ii) It is submitted that in order to re-align the relation between other equity & assets and to accurately and fairly reflect the liabilities & assets of the Company in its books of accounts; and for better presentation of the financial position of the Company, the Board of Directors has decided to set off Rs.213,41,49,699/- (Rupees two hundred and thirteen crores forty-one lakhs forty-nine thousand six hundred and ninety-nine only) of Amalgamation Deficit Account against reduction in the other equity (Securities Premium Account) of the Company in

accordance with section 66 of the Companies Act, 2013 and other applicable provisions.

- iii) It is submitted that the Proposed Scheme of Reduction of Capital would enable the Company to reflect the better financial position in its balance sheet and thereby enhance the stakeholder's value.

(Copy of the Scheme of Reduction is at Annexure - A3 of the Petition).

9. **Extra-ordinary General Meeting:**

It is submitted that in the Extra-ordinary General Meeting held on 16th May, 2025 in accordance with Section 66(1) of the Companies Act, 2013, it was resolved that:

"RESOLVED THAT pursuant to the provisions of Section 66 read with other applicable provisions of the Companies Act, 2013 and rules made there under and subject to (a) the consent of other appropriate authorities, if any; and (b) the confirmation by The National Company Law Tribunal and/or any other regulatory authority as may be prescribed under the Companies Act, 2013 as the case may be in this regard and such other approvals as may be required and Pursuant to the Article 17.4 of the Article of the Association of the Company, the consent of the members of the Company be and is hereby accorded for the set off of amalgamation Deficit Amount against Securities Premium as on 31st December, 2024 through scheme of Reduction of Capital (Scheme).

RESOLVED FURTHER THAT the terms and conditions of such Reduction of Capital which, inter-alia, include the following:

The Amalgamation Adjustment Deficit Account of Rs.213,41,49,699/- (Rupees two hundred and thirteen crores forty-one lakhs forty-nine thousand six hundred and ninety-nine only) in Liabilities side shall stand cancelled and adjusted the same to the Share Premium Account. After the said adjustment, the balance in the Share Premium Account be Rs.1327,84,90,221/- be and is hereby approved.

RESOLVED FURTHER THAT any Director of the Company and/or Mrs.Susri Mulukalapelly (M. No. A47676), Company Secretary, be and

are hereby authorized severally 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 Scheme as placed before the Board or to any modification thereof, in particular:

- a) File application with the Hon'ble National Company Law Tribunal, Hyderabad Bench for directions and confirmation of the proposed Scheme, signing, affirming and verifying affidavit, applications, petitions, vakalatnama etc. in the Hon'ble National Company Law Tribunal, Hyderabad bench.*
- b) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and perfect all deeds, declarations, instruments, affidavits, applications, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient.*
- c) Sign all documents as certified true copies.*
- d) To make or prepare any applications, petitions, appeals and judges summons before any court, tribunal, or all relevant authorities and respond to the appropriate authorities.*
- e) Make representation on their own or through legal counsels before Hon'ble National Company Law Tribunal, Hyderabad bench or other authorities for confirmation of the proposed Scheme and*
- f) Do all such acts and things necessary and convenient in relation thereto and to give effect to this resolution as the Board of Directors in their absolute discretion consider necessary, expedient and proper.*

RESOLVED FURTHER THAT *the Board of Directors be and is hereby authorized, in their absolute discretion, to bring into effect the proposed Scheme as afore-said on such other terms and conditions as they may consider appropriate and to accept such other conditions and modifications as may be prescribed by the National Company Law Tribunal, Hyderabad Bench, Banks, Financial Institutions and other appropriate bodies/authorities while according their sanction or consent to the proposed Scheme.*

RESOLVED FURTHER THAT *for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized on behalf of the Company inter alia to evolve, decide upon and bring into effect the proposed Scheme as afore-said and make and give effect to any modifications, changes, variations, alterations or revision in the proposal for the proposed Scheme from time to time or to suspend, withdraw or*

review the proposal for the proposed Scheme from time to time as may be specified by any statutory authority or as the Board of Directors may Suo Moto decide in its absolute discretion and to do all such acts, deeds, matters and things whatsoever, including settling any question, doubt or difficulty that may arise, as it may in its absolute discretion consider necessary, expedient, fit and proper."

(Copies of the Notice of Extra-ordinary General Meeting along with Explanatory Statement and Extract of the Special Resolution duly passed on 16th May, 2025 are at Annexures A4 and A5 of the Petition).

10. **Details of the EGM Meeting:**

- i) The number of members present and voting at such meeting and number of shares or voting power held by them - 2 members present and voted physically who hold together 483,710,250 Equity Shares of Rs.10/- each, holding 100% of shareholding of the Company.
- ii) The number of members who voted in favour of the resolution for reduction of shares capital and the number of shares or voting power held by them - 2 members voted physically who hold together 483,710,250 Equity Shares of Re. 10/- each, holding 100% of shareholding of the Company.
- iii) The number of members who voted against the resolution and the number of shares or voting power held by them is NIL.

11. **THE FORM OF THE MINUTE PROPOSED TO BE REGISTERED UNDER SECTION 66(5) OF THE COMPANIES ACT, 2013, READ WITH RULE 6 OF THE NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016, IS AS FOLLOWS:**

“The Amalgamation Adjustment Deficit Account of Rs.213,41,49,699/- (Rupees two hundred and

thirteen crores forty-one lakhs forty-nine thousand six hundred and ninety-nine only) in Liabilities side shall stand cancelled and adjusted the same to Share Premium Account. After the said adjustment, the balance in the Share Premium Account will be Rs.1,327,84,90,221/- “.

12. The Regional Director (SER), Ministry of Corporate Affairs vide its report dated 13.09.2025 (14.11.2025) has raised some observations and based on the replies of the Petitioner Company, Additional Report 04.12.2025 (04.12.2025) has been filed. The same are reproduced below:

Para No.	Report dated 13.09.25 (14.11.25)	Additional Report dated 04.12.25 based on reply of the Petitioner Company
Paras Nos.1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11	Factual in nature and need not be traversed	Factual in nature and need not be traversed
Para 12(a)	As per the certificate dated 24.05.2025 from the Auditor of the Company Sri. Mahesh Reddy, Partner of M/s. Sanath and Rajasekhara, Chartered Accountants, certifying the list of unsecured creditors as on 30.04.2025 certifying that the company has 1614 creditors, of Rs.3,790,976,991/- and there is no mention regarding the details of Secured Creditors. Whereas, as per Company Master Data, index of charges, the company has one open pending charge against M/s. BNP Paribas amounting to Rs.1,32,00,000/-.	It is stated by the applicant that notices were served on the Unsecured Creditors (in Form No. RSC-3) on 30.07.2025 (Through e-mails and Speed Post where ever and whichever means to reach the concerned Unsecured Creditors). Similarly, notices were served on Statutory Authorities on 30.07.2025 (In Form No. RSC-2). An Affidavit to this effect has been filed on 08.08.2025 in FORM No. RSC-5 before the Hon'ble Tribunal.

Para 12(b)	Registrar of Companies in his report has stated that the company has not furnished the NOCs of the Unsecured Creditors. The Hon'ble Tribunal may be pleased to direct the Petitioner Company to state whether the company has served any notice to Secured and Unsecured Creditors, if so to furnish the details of the acknowledgments, before the scheme is allowed	Further stated that notices were served on all the Unsecured Creditors as described above and there has not been received any objection from any of the Unsecured Creditors. And hence, obtaining NOCs from the Unsecured Creditors doesn't arise since the notices were issued as per Rule 3 (1) (iii) of the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016. Further also stated that with regard to the Secured Creditors, it is nothing but Bank Guarantee issued by BNP Paribas in favour of Karnataka Power Corporation Limited for which a Fixed Deposit was placed with and lien marked in favour of BNP Paribas for an amount of Rs. 1,32,00,000/- for which a charge ID has been created vide no. 100458838. And therefore, it is not purely a Secured Loan. However, a no objection dated .19.11.2025 issued by M/ s. BNP Paribas is furnished by the Petitioner Company.
Para 12(c)	ROC has stated that there is no prosecution, complaint against the company and no inspection has been carried out against the company	Factual in nature and need not be traversed
Para 12(d)	Article 17.4 of the Articles of Association of the Company provides for reduction of share capital of the company.	Factual in nature and need not be traversed
Para 12(e)	Company has filed its Annual	Factual in nature and need

	Return and Financial Statement for the financial year 2025	not be traversed
Para 12(f)	The company may be directed to make necessary compliance with provisions under Foreign Exchange Management Act, 1999 and other applicable provisions, including RBI guidelines, if any required to be complied with.	It is stated by the applicant that the Scheme of Merger and Share Valuation Report approved vide order dated 24.03.2017 has been furnished and enclosed a certificate date 17.11.2025 issued by the Statutory Auditor that the Amalgamation Deficit has arisen from the merging of the accounts of the amalgamating Companies has been furnished to the reply.
Para 12(g)	It is surprising how such a huge amount of amalgamation adjustment deficit has arisen. The company may be asked to submit the scheme of merger and share valuation report approved vide order dated 24.03.2017 and a certificate from the Statutory Auditor that the deficit has arisen from the merging of accounts of the amalgamating companies.	That with regard to the observations of the Regional Director at Para No. 12(g) of the affidavit, it is stated by the applicant that the Scheme of Merger and Share Valuation Report approved vide order dated 24.03.2017 has been furnished and enclosed a certificate date 17.11.2025 issued by the Statutory Auditor that the Amalgamation Deficit has arisen from the merging of the accounts of the amalgamating Companies has been furnished to the reply.

From the above report of the Regional Director (RD), it can be understood that there are no tenable objections raised and that the queries posed to the companies were also answered. Hence, the directions as sought for by the RD would stand complied.

13. The Income Tax Department filed its report dated 29.08.2025 (22.09.2025) wherein the Deputy Commissioner of Income Tax

has raised some observations and based on the replies of the Petitioner Company, Additional Report 29.08.2025 (10.11.2025) has been filed. The same are reproduced below:

Para No.	Report dated 13.09.25 (14.11.25)	Additional Report dated 04.12.25 based on reply of the Petitioner Company
Paras 3.1	As per available records, there is an outstanding TDS demand of Rs.31,77,453/- in the case of M/s.Kalburgi Cement Private Limited (Applicant Company)	That upon service of notice on the Designated Nodal Officer, Income Tax Department, an Affidavit dated 29.08.2025 has been filed by the Dy. Commissioner of Income Tax (TDS), Circle 1(1), Hyderabad, stating that there is outstanding TDS demand of Rs.31,77,453/- (Rupees Thirty-One Lakhs Seventy-Seven Thousand Four Hundred and Fifty-Three Only). The said authority has also enclosed the photocopy of TDS / TRACES along with the Affidavit. 14 (The copy of the Affidavit filed by the Dy. Commissioner of Income Tax (TDS) is enclosed as Annexure-A of the Report)
Paras 3.2	The screenshot of TRACES is enclosed in which the TDS demand of Rs.31,77,453/- is being reflected in the case of M/s. M/s.Kalburgi Cement Private Limited (Applicant Company) for favour of information.	That upon reconciliation, the TDS/TRACES obtained by me through the portal on 28.10.2025 revealed that the outstanding TDS demand is Rs.7,66,880/- (Rupees Seven Lakhs Sixty-Six Thousand Eight Hundred and Eighty Only). The TDS deductions are regular part and course of business of the Petitioner Company and are taken care from time to time by the Company and

		therefore, being the authorized representative of the Petitioner Company, I hereby undertake, on behalf of the Company, to pay the Income Tax Dues including TDS from time to time at various intervals during the financial year and any kind of fresh tax/TDS/claims/demands will be addressed as a regular course of business. (Copy of the TDS/TRACES obtained from the portal on 28.10.2025 is enclosed with this Affidavit as Annexure-B of the report)
Paras 3.3	The above information is shared as per data on record. However, in case of any adverse finding or tax implication arising in future, the applicant company shall be liable for the same as per GAAR provisions/Income Tax Act, 1961	That the Petitioner Company herein undertakes to pay any dues, such as TDS, claims or demands, that may be legally enforceable as per law, if received from the Income Tax Authorities or any corporates/individuals in future.

Therefore, from the reports of the Income Tax Department filed by Deputy Commissioner of Income Tax and reply filed by the Petitioner Company, it can be understood that there are no tenable objections raised and that the queries posed to the companies were also answered.

14. Heard the submissions made by the Learned Counsel for Petitioner Company. It is pertinent to note here that according to 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, Court will confirm it, except in situations like unfair or inequitable transaction or objection by creditors.

15. Considering the entire facts and circumstances of the case 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 Company Petition with the following directions:

ORDER

16. The Petitioner Company to publish notices about registration of order and form of minutes of reduction of share capital by concerned Registrar of Companies in the same newspaper in which notices of the Application were published, within 14 days of registration.
17. That a certified copy of this order including the minutes approved is to be delivered to the Registrar of Companies within 30 days of the receipt of the order.
18. All concerned Regulatory Authorities to act on the certified copy of the order duly certified by the Registrar of National Company

Law Tribunal.

19. This order should not be construed to convey the compliance of any laws or regulations, in case further approval or permission is required from any other regulatory authority or Government under the relevant laws or regulations.
20. This order should not be construed as regularizing or validating any irregularities, contravention of or other lapses if any under the provisions of any other laws including tax laws/regulations including FEMA.
21. The **FORM OF MINUTE** proposed to be registered under section 66(5) is as follows:

“The Amalgamation Adjustment Deficit Account of Rs.213,41,49,699/- (Rupees two hundred and thirteen crores forty-one lakhs forty-nine thousand six hundred and ninety-nine only) in Liabilities side shall stand cancelled and adjusted the same to Share Premium Account. After the said adjustment, the balance in the Share Premium Account will be Rs.1,327,84,90,221/-.”

Sd/-

(Sanjay Puri)
Member (Technical)

Vinod

Sd/-

(Rajeev Bhardwaj)
Member(Judicial)