NATIONAL COMPANY LAW APPELLATE TRIBUNAL

PRINCIPAL BENCH

NEW DELHI

COMPANY APPEAL (AT) No.189/2026

(Against the Order dated 23 April 2026 passed by the Hon'ble National Company Law Tribunal, Allahabad Bench in, CA No. 05 of 2026 in CP No. 64 of 2023)

IN THE MATTER OF:

JAGRAN PRAKASHAN LIMITED ...APPELLANT

Versus

MAHENDRA MOHAN GUPTA & ORS. ....RESPONDENTS

For Appellant: Mr Kapil Sibal, Sr Advocate, Mr. Abhishek Malhotra, Sr Advocate, Ms Anushanaga Rajan, Ms Aakanksha Bhola, Mr Manav Saluja, Ms Anamika Singh, Ms Anukriti Trivedi, Ms Sumedha, Advocates.

For Respondent: Mr. Rajiv Nayar, Sr Advocate, Mr Darius Khambata, Sr Advocate, Mr. Abhijeet Sinha, Sr Advocate, Ms Ruchira Gupta, Ms Yashika Sharma, Ms Manjira, Ms Heena Kochar, Mr Shreya Maheshwari, Advocates for R21.

Dr Abhishek Manu Singhvi, Sr Advocate, Dr U.K. Chowdhury, Sr Advocate, Ms Ruby Singh Ahuja, Mr Arjun Sharma, Ms Megha Dugar, Mr. Piyush Sharma, Ms Varsha Himatsingka, Advocates.

Mr CA Sundaram, Sr Advocate, Mr Arun Kathpalia, Sr Advocate, Mr Krishnendu Dutta, Sr Advocate, Ms Rohini Musa, Mr Rajat Jariwal, Mr Abhishek Iyer, Ms Aayushi Khurana, Ms Angolika Awasthi, Mr Manish Barua, Ms A.M. Mathew, Advocates for R1 to 3.

ORDER

HYBRID MODE

26.05.2026:

This appeal challenges the order dated 23.04.2026 passed by the Ld. NCLT, Allahabad in CA No.5/2026 in CP No.64/2023 to the extent the impugned order dismissed the application C A No.5/2026 filed by the appellant.

2. The appellant company is a prominent public listed company engaged in the business of printing and publishing newspapers, magazines, journals and is listed on National Stock Exchange and Bombay Stock Exchange and has more than 70000 public shareholders, who hold roughly 31% of its paid-up share capital. M/s Jagran Media Network Investment Pvt LTd. (JMNIPL) is a holding company of the appellant and holds *67.97%* of appellants paid up equity share capital. It is submitted the JMNIPL is a family owned investment vehicle comprising six branches of Gupta family. Presently the appellant has 18 directors including 9 independent directors, 8 promoter directors and one employee posted as whole-time director.

3. The Respondent No.1 was the Chairman and Managing Director of the appellant company from 01.01.2005 till 30.09.2023 and the disputes arose amongst the promoter factions including objections concerning nomination rights under the Articles of Association of competing proposals for appointment of the Managing Director. It is submitted that CP No.64/2023 is pending before the Ld. NCLT Allahabad and it emanates from the disputes arising between the factions of Gupta family with primary bone of contention being JMNIPL voting authority.

4. As per Article *4.1* of the Articles of Association of JMNIPL, each of the promotor has appointed Respondent No.1 as “agent and attorney” for each of them to exercise “all rights of promotors” pursuant to these Articles and the promoters shall be acting as a ‘single unit’ in the exercise of their rights under

these Articles, and therefore all such rights of promoters shall be exercised by Mr. MM Gupta, who has been duly authorised to exercise such rights on behalf of each of the promoter. Article *4.1* of the Articles of Association is as under:-

> *POWER OF ATTORNEY*
>
> *4.1 Each of the Promotors undertakes that Mr. Mahendra Mohan Gupta has been irrevocably appointed as agent and attorney-in-fact for each such Promoter, for and on behalf of such Promoter, to agree and execute any amendments to the provisions of these Articles, to give and receive notices and communications to agree to negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to these Articles, and to take or exercise all rights of the Promotors under these Articles. It is clarified that the Promoters shall be acting as a 'single unit in the exercise of their rights under these Articles. and therefore all such rights of the promoters shall be exercised by Mr. Mahendra Mohan Gupta only and Mr. Mahendra Mohan Gupta has been duly authorized to exercise such rights on behalf of each such Promoter. All the Promoters shall be jointly and severally liable for all obligations of the Promoters pursuant to these Articles.*

5. Thus it is argued an irrevocable power is given to Respondent No.1 that he will act on behalf of the each promoter of JMNIPL and all actions of the holding company has to be through Respondent No.1. It is submitted on several occasions attempts have been made to amend Article *4.1* of the Articles of Association and even on 14.07.2023 a Resolution was passed whereby the Respondent No.1's authority to represent JMNIPL at the appellant's meeting was revoked and instead Mr. Dhirender Mohan Gupta and Mr. Sanjay Gupta were appointed as authorised representatives on behalf of JMNIPL.

6. The validity of Resolution dated 14.07.2023 was challenged by Respondent No.1 and 2 in CA No.30/2023 before Ld. NCLT which application is still pending disposal. Another application CA No.58/2023 was filed challenging the proposed amendment to the Articles of Association of JMNIPL particularly the proposed deletion/dilution of Article *4.1* which vests irrevocable authority in Respondent No.1 to exercise voting rights on behalf of JMNIPL at the general meeting of JPL. By an interim order dated 08.12.2023 the Ld. NCLT had directed that the proposed amendment to the Articles shall not be given effect to till further orders. The Respondents on the other hand sought clarification/direction to enforce the resolution dated 14.07.2023 vide CA No.*6/2024*, which was later not pressed in view of the final hearing.

7. It was also argued that on application CA 47/2023 seeking urgent directions regarding management of its affairs, through orders dated 27.09.2023 and 04.10.2023, a NCLT mandated governance framework was introduced where independent directors assumed a central role in facilitating engagement between the rival factions and undertaking governance and oversight functions, including the operational performance review processes initiated in December, 2025.

8. These independent directors were appointed/reappointed on 10.08.2024 with the approval of the members of the Board of JPL comprising of members from all factions of the Gupta Family. The appointment/reappointment were confirmed in general meetings of JPL held on 24.09.2024 and 19.09.2025.

9. It was argued the Board Meeting was held on 07.12.2025 to review the functioning and governance processes of JPL and it led to the disputes and *vide* communication dated 25.12.2025, certain respondent directors for the first time agitated and challenged the appointment of these independent directors alleging they were wrongly elected on a vote wrongly casted by Respondent No.1 On 12.02.2026 the Respondent issued the impugned special notice and requisition under Section 100 of the Companies Act, 2013 seeking removal of 7 independent directors and one whole time director on the basis of an alleged irregularity in exercise of voting rights by Respondent No.1 on behalf of JMNIPL at the AGM held on 24.09.2024 and 19.09.2025. The appellant company filed CA No.5/2026 in the main petition seeking protective directions against the requisition process which threatened the stability and statutory compliance of a listed entity, and whereas CA No.*4/2026* and CA No.*6/2026* also came to be filed by JMNIPL and certain other Respondents seeking directions the voting in the meeting of JPL be strictly in accordance with the resolution dated 14.07.2023 and through the persons authorised thereunder.

10. Though *vide* interim order dated 27.02.2026 the Ld. NCLT directed the requisition for EOGM dated 12.02.2026 be kept in abeyance, having regard to the institutional and governance concerns arising from the proposed removals as the Ld. NCLT held independent directors are the "only mouth piece left" for more than 70,000 public shareholders of JPL amidst the ongoing inter se promoter disputes and "larger public interest" cannot be put at stake.

11. It is argued the impugned order, however, removed the stay granted on 27.02.2026, and directed the parties to proceed as per the Act, which has infact enabled removal proceedings against 7 independent directors and one whole time director notwithstanding the very voting authority under Article *4.1* proposed removal both continue to remain sub-judice.

12. The Ld. senior counsel for the appellant has shown us correspondence issued by Mr. Sanjay Gupta to show the only ground to challenge the appointment of independent directors is the lack of authority of Respondent No.1 in the voting of resolutions appointing/reappointing such directors.

13. Reference was made to Section *178(2)* of the Companies Act, 2013 which as under: -

> ***"178.Nomination and Remuneration Committee and Stakeholders Relationship Committee.—***
>
> *(1)XXXX*
>
> *(2)The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance."*

14. It was argued the NRC i.e. Nomination and Remuneration Committee has vetted and recommended appointment of these independent directors and the whole time director (WTD), and NRC's recommendation is essentially required

for removal of such independent directors and WTD, which has not been obtained yet and thus any voting on the removal of independent directors and ETD without seeking recommendation of *NRC* would itself be void and any voting on the EOGM in violation of Article *4.1* of Article of Association would also be void. Reference was also made to Section 10(1) of the Companies Act, 2013 as under: -

> ***"10.Effect of memorandum and articles.—***
>
> *(1)Subject to the provisions of this Act, the memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been signed by the company and by each member, and contained covenants on its and his part to observe all the provisions of the memorandum and of the articles."*

15 Thus it was largely argued by the learned senior counsel for the appellant the contesting Respondents herein have moved the Ld. NCLT saying the voting in the appellant company should be as *per* resolution dated 14.07.2023, which had removed Respondent No.1 and has appointed Respondent No.5 and 8 as authorised representatives of the holding company, but then later did not press the said relief and though their application No.CA *4/2026* seeking directions that voting in the shareholders meeting of the appellant company be strictly in terms of the Board Resolution dated 14.07.2023 and by a person duly authorised by it, was also dismissed by the Ld. NCLT. Its appeal before us also stood withdrawn, hence it is argued now they are proposing to hold an EOGM in violation of the order, wherein Resolution dated 14.07.2023 has not been given

effect to. Further it is argued the application No.*58/2023 qua* the proposed amendment to the Article of Association of JMNIPL is also pending thus to supersede the impugned order, they cannot be allowed to proceed with the EOGM with voting rights as were changed *per* their resolution dated 14.07.2023, while ignoring Article *4.1* of the Articles of Association and this cannot be permitted.

16. The learned senior counsel for the Respondent on the other hand argued the question is not as to who shall vote on behalf of JMNIPL in the EOGM as it is for the said company to choose its representative for voting. No individual shareholder, either Mr. Sanjay Gupta or Mr. M.M. Gupta can challenge the holding of EOGM.

17. It is their submission, the JMNIPL who holds approximately *68%* shares in JPL had requisitioned the EOGM meeting and it shows the appellant had rather accepted the impugned order and like any other shareholder, JMNIPL is also entitled to vote by authorising any person on its behalf to vote in the meeting. It is argued the impugned order is now fully implemented and this appeal has become infructuous on account of the fact the appellant company itself had issued a notice dated 02.05.2026 for an EOGM to be held on 29.05.2026. Further notice dated 05.05.2026 was also served upon Bombay Stock Exchange and National Stock Exchange of India *qua* the holding of the EOGM on 29.05.2026. Then a Board Circular Resolution No.1/26-27 was signed by the Company Secretary giving procedure for voting. Admittedly all these

actions are in the knowledge and with the consent of the appellant company who has now appeared and have challenged the requisition dated 12.02.2026 of JMNIPL. It is also argued there exist no board resolution on record authorizing the Company Secretary Mr. Amit Jaiswal to file this appeal for stay of the EOGM after the appellant company *vide* its Board Resolution dated 02.05.2026, had gone ahead for holding of the EOGM dated 29.05.02026 in pursuance to the impugned order dated 23.04.2026.

18. Reference was then made to Section 113 of the Companies Act as under:-

> ***"113.Representation of corporations at meeting of companies and of creditors.—***
>
> *(1) A body corporate, whether a company within the meaning of this Act or not, may, —*
>
> > *(a) if it is a member of a company within the meaning of this Act, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the company, or at any meeting of any class of members of the company;*
> >
> > *(b) if it is a creditor, including a holder of debentures, of a company within the meaning of this Act, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.*
>
> *(2) A person authorised by resolution under sub-section (1) shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the company."*

19. It is argued per Section *113* above, the JMNIPL, since is a member of JPL, by resolution of its Board of Directors *may* authorise any person as it thinks fit to be the representative at any meeting of the appellant company and pursuant to the power given under Section *100(1)(a),* a Resolution dated 14.07.2023 was passed, and admittedly there is no stay to the said resolution dated 14.07.2023. Admittedly application CA No.*30/2023* against the said resolution is still pending.

20. Further it was argued so far as article *4.1* is concerned, the appellant company is not bound by this article of JMNIPL. Now whether they appoint Mr. M.M. Gupta or Mr. Sanjay Gupta or anyone else is the prerogative of JMNIPL. Thus it is argued ***a)*** Article 4.1 does not apply to the appellant company; ***b)*** the resolution dated 14.07.2023 is not stayed and none of the directors either Mr. M.M. Gupta or Mr. Sanjay Gujpta or Mr. Dhirender Gupta have come in appeal against the impugned order dated 23.04.2026 *qua* holding of the EOGM. Reference was also made to Section *169(1)* and *(4)* of the Companies Act, 2013.

It is argued *per* Section 169 of the Companies Act, 2013 a company may remove a director by ordinary resolution after giving an opportunity of being heard. As per proviso an independent director re-appointed for the second term can also be removed by passing a special resolution after giving opportunity of being heard. Admittedly representations have been made under Section *169(4)* of the Companies Act, 2013, duly signed by all 7 independent directors, annexed

at Page *41-44* of the Appeal Paper Book and these independent directors have accepted their participation. It is further argued JMNIPL is owned by Gupta Family, in which *84%* is held by the Respondents and whereas only *16%* is held by Respondent No.1's group and if the EOGM is stayed it will be against the corporate democracy. Moreso it is argued the company cannot challenge a resolution, it has passed on its own.

21. Thus the crux of the arguments are; **a)** Article *4.1* is applicable only to JMNIPL and not to the appellant company and resolution dated 14.07.2023 passed in pursuance of Section *100* of the Companies Act has not been stayed; **b)** the company secretary has no authority to file this appeal since there is no resolution which cancels the resolution dated 02.05.2026 of the company; and **c)** the appeal fails on the principle of corporate democracy.

22. Reference was made to para 95 of the judgment in *LIC of India Vs Escorts Ltd and Others (1986) 1 Supreme Court Cases 264* wherein the Court held as under:-

> ***95.*** *.....As already noticed, the only effective way the members in general meeting can exercise their control over the directorate in a democratic manner is to alter the articles so as to restrict the powers of the Directors for the future or to dismiss the directorate and appoint others in their place....."*

23. Further reliance was made upon *Invesco Developing Markets Fund and another (formerly Invesco Oppentheimer Developing Markets Fund) Vs Zee Entertainment Enterprises Ltd and another (2022) 232 Comp Cas 20* in para 62.

24. Learned senior counsel for the Respondent further argued if one peruse para *18* of CA No.*5/2026*, the appellant has itself stated the issue of JMNIPL authorised representative and the exercise of e-voting rights lies exclusively between ***a)*** JMNIPL Board, ***b)*** its depository participants as a Demat account holder and ***c)*** the depository and since the JMNIPL shares are held in demat forms, authority to appoint or modify the authorised signatory for e-voting is governed solely by the depository participants record.

25. It is thus argued since now the Depository Participant had recognized Mr Dhirender Gupta and Mr. Sanjay Gupta as an authorised representative of JMNIPL to vote in the meeting of JPL, nothing remains to be decided and it is only for this reason they have withdrawn their Company Appeal (AT) No.*187/2026*. Further it is argued the appellant company since has itself sent notices for holding of the meeting of *29.05.2026* it cannot now seek an injunction against such holding of the meeting as the company has complied with the provisions of Section *169* of the Companies Act, 2013 in toto. Further the independent directors have also given their representations and those representation would be considered in EOGM. It was argued even the compliance of Section *100* is done since JMNIPL has already appointed the authorised person other than Mr. M.M. Gupta, hence the meeting should be allowed to be held on the date fixed. It is submitted it is the will of the majority which must prevail in the working of the company. Reference was also made to the minutes of meeting dated September, 2024 and 5th September, 2025 wherein Mr. M.M. Gupta was directed to vote in a particular manner but has rather voted

against the wishes of the shareholders of JMNIPL. Qua requirement of Section *178(2)* of the Companies Act, it was argued it is not a pre-requisite for calling meeting under Section *169* of the Companies Act, 2013 and that Section *169* is not subject to Section *178* as it is a stand alone provision. Reference was made to Regulation *17(1)* of SEBI LODR Regulations, 2015 wherein any vacancy in the office of director shall be filled by the listed entity not later than three months and hence it was argued the company would take care of the appointment of director within such period. Further it was argued the meeting is for removal of *7* independent directors and NRC consists of 2 of those directors who are to be removed and hence it is very much expected those two independent directors, who need to be removed, would never recommend for their removal in NRC. It was argued the shareholders have an exclusive right to call for a meeting to remove a director and after the impugned order, the appellant itself has sent notices for the meeting scheduled for 29.05.2026, hence now it cannot be stayed only because of change of situation. Regarding shareholders power to remove the directors, reference was made yet again to *LIC* (supra).

26. Further learned senior counsel referred to Regulation *25(2A)* of SEBI (LODR) Regulations, 2015 to say the appointment, the reappointment or removal of an independent director of a listed entity, shall be subject to the approval of the shareholders by way of special resolution and that exactly would be done in the meeting scheduled for 29.05.2026.

27. Further it was argued Respondent No.1 has been allowed to vote in the meetings of the appellant company right from *2012* only the strength of the Board Resolution dated 26.07.2012 and not on the basis of Article *4.1* of the Articles of Association and the said Board Resolution dated 26.07.2012 has a clause stating inter-alia such power could be modified/revoked and ultimately on 23.07.2023 another Board Resolution was passed *vide* which such power was granted to Mr. Dhirender Gupta and Mr. Sanjay Gupta. It was argued the appellant company should not be concerned as to who shall vote on behalf of the corporate shareholder. Reference was also made to Article *80* of the Articles of Association of the appellant company wherein a body corporate being a member *may* vote either by proxy or by representative duly authorised in accordance with Section *187* of the Companies Act, 1956 (now Section 113 of the Companies Act, 2013) and thus per Section 113(supra) such fresh resolution has been passed on 13.07.2023.

28. It was argued Article *4.1* itself is void as it is against section *113(1)(a)* of the Companies Act, 2013, *per* Section *6(b)* of the Companies Act, 2013.

29. The Ld. Sr. Counsel for the Appellant (JPL) in rejoinder argued the company was under a legal obligation to convene the EGM on requisition under Section 100 of the Companies Act. He referred to notice for the EGM where it is mentioned the EGM is called on requisition and the company, board of directors of the company, and its officers do not take responsibility for the same. The issue of removal of directors was agitated in CA No. *5 of 2026*, which was denied as

the said CA No. *5 of 2026* was dismissed by the impugned order. The company also is concerned about 72,000 public minority shareholders whose interests, the independent directors are duty bound to represent. The independent directors are also chairperson or members of several committees, like, audit committee, CSR, NRC etc. The company is aggrieved since by way of this EOGM virtually the entire board is being dismantled/reconstituted which undermined the perception in the eyes of public. Further since 7 out of 9 independent directors are being removed, the board of directors will be skewed in favuor of the promoters. The appeal has been filed by Mr. Amit Jaiswal, CS and CFO, who was authorised to represent the company by virtue of board resolution dated 24.09.2023 and is thus validly filed. It is again reiterated Section *178* of the Companies Act requires mandatory recommendation of NRC for removal of director and applies to special class of companies which are public listed, the appellant being one of them.

30. We have heard the entire arguments and have perused the material on record. Admittedly the issues raised before us were never raised or agitated before the Ld. NCLT. Admittedly the issue of validity of Article *4.1* of the JMNIPL is still pending before the Ld. NCLT. Admittedly the changes proposed in the Article 4.1 were stayed *per* order dated 08.12.2023. Admittedly the Respondent had moved an application viz CA No.*4/2023* to bring in effect the resolution dated 14.07.2023, upon which no order was passed till the impugned order and vide the impugned order the said application No.*4/2023* was rather dismissed. Admittedly the appellant filed an appeal bearing Company Appeal (AT)

No.*187/2026* to enforce its prayer made in CA No.*4/2023* but then as the depository participant accepted their plea regarding voting rights, it withdrew the appeal. Nevertheless the Ld. NCLT had never got a chance to look into the validity of resolution dated 14.07.2023 vis a vis Article *4.1* of the Articles of Association of the JMNIPL. No decision was ever given either on the validity of the resolution dated *14.07.2023* or on Article *4.1* of the Articles of Association by the Ld. NCLT. We are not sure as to if the Board Resolution of 26.07.2012, which authorised Respondent No.1 to vote on behalf of JMNIPL was ever placed before the Ld. NCLT and what shall be its effect vis-a-viz Article 4.1 has never been discussed by the Ld. NCLT in its impugned order.

31. Thus what appears is the inter mingling of various issues in this appeal and we cannot travel beyond impugned order to decide the issues, though agitated before us, but yet not decided by the Ld. NCLT. We cannot lose sight of the fact the appellant company itself has initiated the process of holding of the EOGM dated 29.05.2026 and had issued the notices, etc and even had called for the representation from 7 independent directors and one whole time director and though we are not inclined to grant any stay to the holding of EOGM dated 29.05.2026 *per* LIC (supra), we dispose of this appeal by directing that the implementation of the resolution of the meeting dated 29.05.2026, be kept in abeyance till the outcome of Company Petition No.*64/2023* in which petition the Ld. NCLT is yet to decide the effect of Article *4.1* of the Articles of Respondent No.21 company read with Article *2.3* of the Articles of JPL as also the effect of

subsequent developments which led to withdrawal of Company Appeal (AT) No.187/2026.

32. In view of the above we dispose of this appeal with request to Ld. NCLT to hear the remaining arguments on 01.06.2026 as scheduled and to dispose of the petition as expeditiously as possible.

33. Pending applications are also disposed of.

(Justice Yogesh Khanna)
Member (Judicial)

(Mr. Ajai Das Mehrotra)
Member (Technical)

BM/Ram N./Ravi R.