

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – II  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
06.05.2026 AT 10:30 A.M.**

**IA (CA)No.261/2024 in CP (IB) No.50/241/HDB/2023  
U/s 241 of Companies Act**

**IN THE MATTER OF:**

Mr. Sumeet Gunti

**...Petitioner**

AND

Odlings Pvt Ltd

**...Respondent**

**C O R A M:-**

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

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

**ORDER**

**Company Petition IB No.50/241/HDB/2023 and IA (CA) No.261/2024**

Orders pronounced, recorded vide separate sheets. In the result, Company Petition IB No.50/241/HDB/2023 and IA (CA)No.261/2024 are dismissed.

**Sd/-  
MEMBER (T)**

**Sd/-  
MEMBER (J)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**HYDERABAD BENCH -II**

**C.P No. 50/241/HDB/2023**

**and IA No 261 of 2024**

**IN THE MATTER OF ODLINGS (MEMORIAL) PVT LTD**

1. **Mr. Sumeet Gunti,**  
R/o No. 8-2-120/88/MB/303,  
Block- B302, Flat No. 301 and 302, Moksha  
Apartments, Road No. 2, Banjara Hills,  
Hydrabad-500034  

..... Petitioner No.1
  2. **Mrs. Tarandeep Gunti,**  
R/o No. 8-2-120/88/MB/303,  
Block- B302, Flat No. 301 and 302,  
Moksha Apartments, Road No. 2,  
Banjara Hills, Hydrabad-500034  

..... Petitioner No.2
- Versus
1. **Odlings (Memorial) Pvt. Ltd.**  
having its registered office at H.No.8-2-  
413/2, flat No.401 fourth floor Road No.4,  
Banjara Hills, Hyderabad-500034.  

...Respondent No.1
  2. **Mr. Harvesh Kumar Marwaha**  
R/o Aryaman House, Door No.8-2-  
293/82/A/924/G,Plot No.924 G, Road  
No.46, Jubilee Hills Hyderabad-500033.  

...Respondent No.2
  3. **Mr. Rakesh Marwaha**  
R/o-H.No.8-2-413/2, Flat No.401, Fourth  
Floor, Road No.4, banjara Hills,  
Hydrabad-500034.  

...Respondent No.3
  4. **Jaypeem Granites Pvt Ltd.**  
H.No. 8-2-413/2, Flat No. 401,  
Fourth Floor, Road No. 4, Banjara Hills,  
Hydrabad TG 500034.  

...Respondent No.4
  5. **Odlings Limited,**  
59 New Cleveland, Street, Hull,

North HumberSide, UK-HUS 7 HB.

...Respondent No.5

6. **Mr. Karan A Marwaha,**

R/o Aryaman House, Door No.8-2-  
293/82/A/924/G, Plot No.924 G, Road  
No.46, Jubilee Hills Hyderabad-500033'

...Respondent No.6

7. **Mrs. Asmita Gunti Marwaha,**

R/o Aryaman House, Door No.8-2-  
293/82/A/924/G, Plot No.924 G, Road  
No.46, Jubilee Hills Hyderabad-500033.

...Respondent No.7

8. **Mr. Nandu Marwaha,**

R/o 602, Minar Apts., Deccan Tower,  
Hyderabad

...Respondent No.8

9. **Mrs. Deepika Marwaha,**

R/o 201, Pearl Light Apts., Eramanzil,  
Hyderabad-482

...Respondent No.9

10. **Late Mr. Surjeet Marwaha,**

R/o 602, Minar Apts., Deccan Tower,  
Hyderabad through LRS

...Respondent No.10

11. **Gandhi & Gandhi, Chartered Accountants**

Through Mr. Ram Mohan, Partner  
1002, Paigah Plaza, Basheerbagh,  
Hyderabad- 500029

...Respondent No.11

12. **Ministry of Corporate Affairs**

South East Region, 3rd Floor Corporate  
Bhawan, Bandlaguda, Nagole,  
Tattiananaram village, Hayat Nagar  
Mandal, Ranga Reddy District,  
Hyderabad-500068

...Respondent No.12

13. **Canara Bank, Somajiguda Branch,**

Vista Grand Towers, Rajbhavan Road,  
Somajiguda, Hyderabad- 500082.

...Respondent No.13

**Date of Order: 06.05.2026**

**CORAM:**

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

**Counsel/Parties present:**

For the Petitioner : Mr. Adhish Srivastava, Ld Counsel

For the Respondent No 2 and 4 : Ms. Sanjana Rao, Ld Counsel

**ORDER**

1. This petition ("**Petition**") is filed by Mr. Sumeet Gunti ("**Petitioner No. 1**") and Mrs. Tarandeep Gunti ("**Petitioner No. 2**") under Sections 241 and 242 of the Companies Act, 2013 ("**2013 Act**") in respect of the conduct of affairs of Odlings (Memorial) Private Limited ("**R1 Company**") by Mr. Harvesh Kumar Marwaha ("**Respondent No. 2/R2**") and Mr. Rakesh Marwaha ("**Respondent No. 3/R3**"), which are being mismanaged and conducted in a manner prejudicial, detrimental, and oppressive to the interests of the Company, its shareholders, and other stakeholders.
2. It is stated that Respondent No. 4, namely Jaypeem Granites Pvt. Ltd. ("**R4 Company**"), is a company incorporated under the Companies Act, 1956, having Respondent Nos. 2 and 3 as its directors, and **Respondent No. 5**, namely Odlings Limited, is a company incorporated under the laws of the United Kingdom and is a shareholder of R1 Company, while **Respondent Nos. 6 to 10**, namely Mr. Karan A. Marwaha, Mrs. Asmita Gunti Marwaha, Mr. Nandu Marwaha, Ms. Deepika Marwaha, and Late Mr. Surjeet Marwaha, are shareholders of R1 Company, and the details of shareholding as available with the Petitioners are annexed as annexure P-3.

3. It is averred that **Respondent No. 11**, namely Gandhi & Gandhi Chartered Accountants, is a firm of Chartered Accountants appointed as the Statutory Auditors of R1 Company, **Respondent No. 12** is the Ministry of Corporate Affairs through the Registrar of Companies, and **Respondent No. 13** is Canara Bank, a public sector bank from which R4 Company has availed loan facilities against property belonging to R1 Company.
4. It is contended that the Petitioners collectively hold 7.41% of the paid-up share capital of R1 Company and constitute 2 out of a total of 10 shareholders, thereby rendering the present Petition maintainable under Sections 241, 242, and 244 of the 2013 Act, and copies of the share certificates are annexed as annexure P-4.
5. The petitioner seeks certain reliefs, each of which is addressed individually in the following headings.

**Oppression and mismanagement**

6. The Petitioner seeks this Tribunal to declare and order that the Respondents Nos 2 and 3 are guilty of oppression and mismanagement in terms of Section 241 read with Section 242 of the Companies Act, 2013.
7. The Petitioners state that Respondent Nos. 2 and 3 have continuously acted in a manner oppressive and prejudicial to the Company and its shareholders by misusing their control over the affairs of the Company. It is alleged that around 2009, Respondent No. 2 began abusing his position, including mismanaging finances, under-invoicing transactions, and diverting profits to related entities, while the Company suffered financial strain. The Petitioners further state that they were forced to resign in 2011 under pressure and false assurances of clearing their dues, which remain unpaid.

8. It is contended that thereafter, Respondent Nos. 2 and 3 carried out several acts without notice or consent of the Petitioners, including illegal alteration of the Articles, allotment of shares to consolidate control, diversion of business to a related company, closure of operations, and creation of charges over Company assets. It is also alleged that they failed to conduct proper meetings, fabricated records by showing the Petitioners' attendance without notice, sold immovable properties without approval, and engaged in acts of financial misappropriation and fraud, thereby justifying the claim of oppression and mismanagement under the Companies Act, 2013.
9. The Respondents have opposed the Petition and denied all allegations of oppression and mismanagement. It is contended that the Petition is barred by limitation, as the primary allegations pertain to events of 2013, and no sufficient explanation has been provided for the delay in approaching this Tribunal. It is further contended that the Petitioners were fully aware of the affairs of the Company, being part of a closely held family business, and that all decisions were taken with the knowledge and consent of the members. The Respondents deny that any illegal alteration of Articles, diversion of business, or misappropriation of funds has taken place and submit that all actions were undertaken in the interest of the Company.
10. The Respondents further contend that notices for meetings were duly issued, and the Petitioners were informed of the same. It is denied that any records were fabricated or that the Petitioners were falsely shown as present. With respect to the sale of assets and dealings with Respondent No. 4, it is submitted that such actions were necessitated due to financial constraints and were undertaken to keep the Company operational. The Respondents

also deny that the Petitioners were forced to resign and contend that the resignation was voluntary.

### **Findings and Decision**

11. We have considered the pleadings, documents placed on record, and the submissions advanced by the parties. Before examining the individual allegations on merits, it is necessary to determine the preliminary objections raised by the Respondents.

### **Maintainability**

12. The Petitioners hold 9,792 fully paid-up equity shares of Rs. 10/- each in R1 Company, out of a total issued share capital comprising 1,32,240 equity shares, constituting approximately 7.4% of the issued share capital of the Company. While the Petitioners do not meet the threshold of not less than 10% of the issued share capital under Section 244(1)(a) of the Companies Act, 2013, the Company has a total of 10 shareholders, and the Petitioners, being 2 in number, constitute 20% of the total number of members.
13. The Petitioners therefore satisfy the alternative eligibility requirement of not less than 10% of the total number of members as prescribed under Section 244(1)(a), and accordingly, the present Petition under Sections 241 and 242 of the Companies Act, 2013 is maintainable.

### **Quashing of Annual General Meetings**

14. The Petitioners state that the Annual General Meetings of the R1 Company were held on 24.09.2016, 29.09.2017 and 29.09.2018, however, no notice was served upon them. It is also alleged that in these meetings, resolutions were passed to adopt the audited financial statements together with relevant annexures and to re-appoint M/s Gandhi & Gandhi, Chartered Accountants, as statutory auditors.

15. It is further alleged that Respondent Nos. 2 and 3 have shown the Petitioners to be present in all such meetings and have changed the statutory auditors without acquiring their consent or approval, despite the Petitioners neither being present nor having received any notice of the said meetings.
16. Per contra, the Respondent no 2 stated that notices were issued and the Petitioners were informed about the said meetings through calls. The Respondents also deny that the statutory auditors were changed and contend that the same auditors have continued since the inception of the Company.
17. At the outset, the burden to establish proper service of notice lies upon the R1 Company. In the present case, apart from the assertion that notices were sent and intimation was given through phone calls, no documentary proof such as dispatch records or acknowledgments has been placed on record by the R1 Company.
18. However, the Petitioners have also failed to produce any material to substantiate the allegation that their presence was falsely recorded or to demonstrate how the resolutions passed in the said meetings regarding re-appointment of the statutory auditor have caused any prejudice to their rights or amounted to acts of oppression or mismanagement.
19. It is well settled that mere procedural irregularities, in the absence of proof of prejudice or lack of probity, do not constitute oppression under Sections 241 and 242 of the Companies Act, 2013.
20. Accordingly, in the absence of proof of prejudice or oppressive conduct, no case is made out to interfere with the Annual General Meetings dated 24.09.2016, 29.09.2017 and 29.09.2018, and the relief sought is rejected.

**Quashing of Extraordinary General Meetings**

21. The Petitioners state that notice<sup>1</sup> dated 02.08.2013 was issued for an Extraordinary General Meeting to be held on 29.08.2013. However, no notice or intimation was received by them. It is alleged that in the said meeting, Article 2 of the Articles of Association was replaced, a new chapter titled “Power of Company to Purchase its Own Shares” was added, and further amendments relating to shares and restrictions on members were passed, despite the Petitioners neither receiving notice nor participating.
22. It is further alleged that on 10.01.2014, a Board Resolution was passed allotting 68,400 shares of Rs. 10 each to Respondent No. 2 without any notice or intimation to the Petitioners. The Petitioners state that notice<sup>2</sup> dated 17.01.2014 was issued for an Extra-ordinary General Meeting to be held on 17.02.2014. However, no notice was received by them, wherein a special resolution for buyback of 17,760 shares from Respondent No. 5 was proposed. It is alleged that on 17.02.2014, the said shares were bought back and re-issued to Respondent No. 7, wife of Respondent No. 2, without notice or participation of the Petitioners, enabling Respondent No. 2 to have an uncontested majority and tighter control over the management of R1 Company.
23. The Respondents state that notice for the Extra-ordinary General Meeting was sent to the Petitioners at their registered address as per records and that they were also informed through phone calls. It is contended that the Board Resolution was passed following due process.

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<sup>1</sup> Page 145 of the petition

<sup>2</sup> Page 152 of the petition

24. On perusal of the record, it is noted that the Petitioners themselves have placed on record the notice relating to the Extra-ordinary General Meeting dated 17.02.2014. In such circumstances, the contention that no notice or intimation was received cannot be accepted.
25. A party cannot be permitted to *approve* and *reprobate* by simultaneously relying upon a document and disputing its existence or service. The production of the said notice by the Petitioners themselves undermines their allegation of non-receipt and casts doubt on the credibility of their case.
26. In view of the above findings, particularly the inconsistency in the Petitioners' stand and the absence of supporting material, we do not consider it necessary to examine the merits of the allegations in respect of the other impugned meetings.

#### **Restitution from R4 Company**

27. The Petitioners have alleged that despite substantial business activity of R1 Company, there were delays in payment of salaries and procurement of raw materials, indicating financial strain. It is further alleged that Respondent No. 2 diverted funds of the Company for personal use, engaged in under-invoicing of sales, and shifted profits to Respondent No. 4. Reference has also been made to an alleged Income Tax inquiry to support such allegations.
28. Per contra, the Respondents have denied all allegations and contended that the affairs of the Company were conducted in the ordinary course of business. It is their case that no funds were diverted, and that the transactions with Respondent No. 4 were legitimate and undertaken in the interest of the Company.
29. Upon consideration of the material on record, it is observed that the Petitioners have not placed any cogent documentary

evidence to substantiate the allegations of diversion or misappropriation of funds. Mere assertions regarding lifestyle or financial stress, without supporting records, are insufficient to establish such serious allegations.

30. Further, no conclusive material has been placed to demonstrate that R4 Company derived any undue benefit at the cost of R1 Company, or that there exists any quantifiable loss suffered by the Company, warranting restitution. In the absence of proof of wrongful gain and corresponding loss, the ingredients necessary to grant relief under Section 242 are not satisfied.
31. Accordingly, we are of the view that the allegations of diversion and misappropriation of funds remain unsubstantiated. Consequently, the relief sought, seeking to hold Respondent Nos. 2 and 3 personally liable and to direct restitution of benefits from Respondent No. 4, cannot be granted and is hereby rejected.

### **Sale of Properties**

32. The Petitioners allege that Respondent No. 1 owned properties at Banjara Hills (serial no i property) and Annaram Village(serial no ii property), which were dealt with without notice to shareholders or valid authorisation. It is their case that the Banjara Hills property was sold without board or shareholder approval and without disclosure of consideration.
33. In respect of the Annaram property, it is alleged that the factory land and machinery were hypothecated for the benefit of Respondent No. 4 and that the sale proceeds have not been accounted for. In support, the Petitioners rely on the inspection conducted pursuant to the order dated 18.01.2024, the Registers of Loans and Investments for the years 2020–21 to

2022–23, the alleged non-filing of financial statements, and a copy of the sale deed placed on record.

34. Per contra, the Respondents deny the allegations and contend that the decisions were taken by the Board in the interest of the Company to sustain operations. It is submitted that Petitioner No. 1 was a signatory to the Board Resolution dated 01.10.2007 authorising borrowing and creation of security in favour of Respondent No. 13, thereby evidencing knowledge and consent to the hypothecation. The Respondents further contend that the Banjara Hills property did not belong to Respondent No. 1 but to Respondent No. 4.
35. At the outset, the question of ownership is fundamental. In respect of the serial no (i) Banjara Hills property, the Petitioners have failed to place on record any documentary evidence, such as title deeds or revenue records, to establish that the said property was owned by R1 Company. In the absence of proof of ownership, the allegation that R1 Company's property was sold without authorisation cannot be sustained.
36. In respect of the serial no. (ii) property situated at Annaram Village, it is noted that the Petitioners have filed IA No. 216 of 2024 raising allegations regarding unauthorised sale of the property and non-disclosure of sale proceeds.
37. Upon consideration of the material placed on record in the said application, we find that Petitioner No. 1 is a signatory to the Board Resolution dated 01.10.2007 as well as the hypothecation arrangement, thereby establishing his knowledge and consent to the creation of a charge over the assets of the Company. In view of such admitted participation, the Petitioners cannot now contend that the transaction was undertaken without their knowledge or in a manner oppressive.

38. Here, we note that the Respondents have stated that Respondent No. 1 faced financial distress, heavy losses, and bank action, leaving the sale of the factory as the only viable alternative. It is a settled principle that commercial decisions taken by the Board of Directors, even if subsequently found to be unwise or resulting in losses, do not by themselves constitute oppression or mismanagement. In **Central Government v. Kopran Ltd<sup>3</sup>**, it was held that mere commercial misjudgment or unwise financial decisions, in the absence of a violation of law or a lack of probity, would not warrant interference.
39. In view of the above, the allegations relating to the sale of the said property do not survive and are accordingly rejected.

#### **Winding up of R1 Company**

40. The Petitioners have sought the winding up of R1 Company on the ground that the affairs of the Company have been conducted in a manner oppressive and prejudicial to the interests of the Company and its shareholders. It is alleged that Respondent Nos. 2 and 3 have mismanaged the Company, diverted its business to Respondent No. 4, sold or dealt with its assets without proper authority, and rendered the Company financially unviable. It is their case that due to continuous acts of mismanagement, loss of business, and lack of transparency, the Company is no longer being run in a fair and proper manner, thereby justifying its liquidation.
41. The Respondents have opposed the said prayer and contended that the request for winding up is wholly misconceived and not maintainable in proceedings under Sections 241 and 242 of the Companies Act, 2013. It is submitted that the Company is a going concern and that all actions taken were in the interest of the Company, particularly in light of financial difficulties. The

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<sup>3</sup> 2004 SCC OnLine CLB 36

Respondents deny any mismanagement or diversion of assets and contend that the Petitioners have failed to establish any grounds warranting winding up. It is further submitted that the Petition is filed with mala fide intent and that no case has been made out for invoking such an extreme remedy.

42. Winding up of a company is governed by separate provisions under the Companies Act, 2013, particularly Section 271, which requires the existence of specific grounds, including that it is just and equitable to wind up the company. In the present case, no material has been placed on record to demonstrate that the Company has become commercially unviable, or that its substratum has been lost, or that circumstances exist warranting such an extreme remedy.
43. Further, as already observed in the preceding issues, the allegations of diversion of funds and misappropriation have not been substantiated by cogent evidence. In the absence of proof of continuous oppressive conduct of such gravity as would justify winding up on just and equitable grounds, the prayer cannot be sustained and therefore rejected.

#### **Limitation**

44. We further note that the acts complained of, namely the Extraordinary General Meetings dated 29.08.2013 and 17.02.2014, the Board Resolution dated 10.01.2014, and the Annual General Meetings dated 24.09.2016 and 29.09.2017, are independent and unconnected transactions. The Petitioners have failed to establish that these acts form part of a continuous course of conduct. As held by the **Hon'ble Supreme Court in Shanti Prasad Jain v. Kalinga Tubes Ltd<sup>4</sup>**, isolated acts or mere illegality do not constitute oppression unless they are part of a continuous, burdensome, harsh and wrongful

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<sup>4</sup> 1965 SCC OnLine SC 15

course of conduct. In the present case, no such continuous conduct is made out.

45. Further, in the absence of any satisfactory explanation for the delay, the challenge to the aforesaid acts is also hit by limitation and cannot be entertained
46. Insofar as the Annual General Meeting dated 29.09.2018 is concerned, we have already observed that the resolutions pertain to the adoption of financial statements and the re-appointment of statutory auditors. The Petitioners have failed to demonstrate how such resolutions have caused any prejudice to their rights or amount to acts of oppression or mismanagement.
47. The allegations regarding diversion of funds and restitution against Respondent No. 4 remain unsubstantiated in the absence of cogent documentary evidence. The allegations regarding diversion of funds and restitution against Respondent No. 4 remain unsubstantiated in the absence of cogent documentary evidence. Similarly, the challenge to the sale and hypothecation of properties is devoid of merit for want of proof of ownership, illegality, or in view of the Petitioners' clear participation in the underlying transactions. The prayer seeking winding up of Respondent No. 1 Company is misconceived and does not meet the statutory threshold.
48. Accordingly, CP No. 50 of 2023 and IA No. 261 of 2024 are dismissed. All reliefs sought are denied.

Sd/-

**SANJAY PURI**  
**MEMBER (TECHNICAL)**

Sd/-

**RAJEEV BHARDWAJ**  
**MEMBER (JUDICIAL)**