

NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.204 & 205
IA/38(MP)2025 and IA/54(MP)2025
in
CP/9(MP)2025

Order under Section Rule 11

IN THE MATTER OF:

Shriram Kukreja & Ors.

.....Applicant

V/s

DPC Estate Pvt. Ltd. & Ors.

.....Respondent

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)

Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 06/05/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Tomar

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

NATIONAL COMPANY LAW TRIBUNAL

BENCH AT INDORE

IA/38(MP)2025 and IA/54(MP)2025

IN

CP/09(MP)2025

[Applications filed under Rule 11 of the NCLT Rules, 2016]

Mr. Shriram Kukreja Director,

DPC Estate Pvt. Ltd. r/o 88-89,
Baikunth Dham Colony, Khajrana Road,
Indore, M.P.- 452018

.....Applicant No.1

Ms. Priya Kukreja Director,

DPC Estate Pvt. Ltd. r/o 88-89,
Baikunth Dham Colony, Khajrana Road,
Indore, M.P.- 452018

.....Applicant No.2

Mr. Deepanshu Kukreja Director,

DPC Estate Pvt. Ltd. r/o 88-89,
Baikunth Dham Colony, Khajrana Road,
Indore, M.P.- 452018

.....Applicant No.3

Ms. Sita Kukreja Khatri Director,

DPC Estate Pvt. Ltd. r/o 88-89,
Baikunth Dham Colony, Khajrana Road,
Indore, M.P.- 452018

.....Applicant No.4

Vs

M/s DPC Estate Private Limited

M-101, Mezzanine Floor, Dhan Trident,

Plot No. B-3, PU-4, Scheme No. 54,
Vijay Nagar Square, Indore,
M.P.- 452010

.....Respondent No. 1

Mr. Prakash Chadra Kukreja Director,

DPC Estate Pvt. Ltd. r/o 63, Chandralok Extension,
Manish Puri, Opp. Sumitra Mahajan, Indore,
M.P.- 452018

.....Respondent No. 2

Ms. Dhanwanti Kukreja Director,

DPC Estate Pvt. Ltd. r/o 63, Chandralok Extension,
Manish Puri, Opp. Sumitra Mahajan, Indore,
M.P.- 452018

.....Respondent No. 3

Mr. Sunil Kukreja Director,

DPC Estate Pvt. Ltd. r/o 63, Chandralok Extension,
Manish Puri, Opp. Sumitra Mahajan, Indore,
M.P.- 452018

.....Respondent No. 4

Mr. Nikhil Kukreja Director,

DPC Estate Pvt. Ltd. r/o 63, Chandralok Extension,
Manish Puri, Opp. Sumitra Mahajan, Indore,
M.P.- 452018

.....Respondent No. 5

Coram: Brajendra Mani Tripathi, Hon'ble Member (J)

Man Mohan Gupta, Hon'ble Member (T)

Order Pronounced On 06.05.2026

Appearance:

For the Applicant : Mr. Bharat Nenwani, Adv a.w.
Mr. Karan Nenwani PCS (Online)
For the Respondent : Mr. Rohit Dubey, Adv a.w.
Mr. Alam Khan, Proxy, PCS

ORDER

IA/38(MP)2025

1. This application has been filed in C.P. 09/ 2025 seeking the following prayers:

- *Direct Respondent No. 2 to forthwith retribute the amount of Rs. 1,81,11,152/-, withdrawn from the Company's account, back into the principal bank account of Respondent No. 1 Company with Bank of India along with an interest @ 12% p.a. within seven (7) days;*
- *Pass an order restraining Respondent No. 2, his agents or nominees, from operating, withdrawing, transferring, or otherwise dealing with the bank account(s) of the Company, without prior written sanction of this Hon'ble Tribunal and/or a resolution validly passed by the full board after due notice to all directors;*

IA/54(MP)2025

1. This application has been filed in C.P. 09/ 2025 seeking the following prayers:

- *Declare that the purported Board Meeting and the alleged Board Resolution and Minutes dated 30.09.2024 are fabricated, void ab initio, and non est in law, having no binding force on the Company or the Petitioners;*
- *Declare that all actions, decisions, or filings undertaken on the basis of the fabricated resolution are unauthorized and the very act of fabricating the records of the Respondent No. 1 Company as Opressive;*
- *Direct Respondent No. 1 Company to forthwith rectify its statutory registers and corporate records, deleting any reference to the impugned resolution and related decisions;*
- *Direct the Registrar of Companies- Gwalior, to conduct inspection and inquiry regarding falsification of company records and to take*

consequential penal action as warranted in law;

- *restrain the Respondents from using the Company's name, funds, or assets to initiate or defend any proceedings, or from alienating or encumbering any property of the Company, without leave of this Hon'ble Tribunal.*

I. BACKGROUND AND NATURE OF THE APPLICATIONS

The present Applications being I.A. No. 38/MP/2025 (Interlocutory Application seeking directions against continuing acts of oppression, particularly in light of the unlawful withdrawal of funds by Respondent No. 2, and seeking restitution of funds) and in I.A. No. 54/MP/2025 (Interlocutory Application challenging the fabricated Board Resolution dated 30.09.2024 and seeking interim protection), both filed in the main Company Petition No. CP/09/MP/2025 under Sections 241, 242, and 244 of the Companies Act, 2013, read with Rule 11 of the NCLT Rules, 2016.

Both Interlocutory Applications were heard at length, argued, and reserved for Orders on 17.02.2026. Written Submissions were filed by the Petitioners on 11.03.2026 and by the Respondents on 04.03.2026.

II. BRIEF BACKGROUND OF THE COMPANY

Respondent No. 1, M/s DPC Estate Private Limited (hereinafter 'the Company'), is a Private Limited Company incorporated on 29.01.2003, in the State of Madhya Pradesh, originally incorporated under the name 'Dhanwanti Prakashchand Estate

Private Limited' and subsequently renamed to 'D.P.C. Estate Private Limited' by a Special Resolution passed in the Extra-Ordinary General Meeting held on 11.11.2010.

The Company's registered office is situated at M-101, Mezzanine Floor, Dhan Trident, Plot No. B-3, PU-4, Scheme No. 54, Near Vijay Nagar Square, Indore, Madhya Pradesh – 452010. The Company is engaged in the business of leasing commercial properties under the name 'Dhan Trident'. The Authorized and Paid-Up Share Capital of the Company is INR 1,00,000.

The Board of Directors consists of eight (8) directors belonging to two equal family groups – four directors from each group – each holding 50% shareholding and voting power, resulting in a classic deadlock scenario. The Petitioners (Petitioner Nos. 1–4) are Mr. Shriram Kukreja, Ms. Priya Kukreja, Mr. Deepanshu Kukreja, and Ms. Sita Kukreja Khatri, all Directors and Shareholders, and all residents of 88-89, Baikunth Dham Colony, Khajrana Road, Indore. The Respondents (Respondent Nos. 2–5) are Mr. Prakash Chandra Kukreja, Ms. Dhanwanti Kukreja, Mr. Sunil Kukreja, and Mr. Nikhil Kukreja, all Directors/Promoters, residing at 63, Chandralok Extension, Manish Puri, Indore.

III. SUBMISSIONS OF THE PETITIONERS

The Petitioners, through their learned counsel Adv. Bharat Nenwani, made the following submissions in support of both Interlocutory Applications:

A. Establishment of Joint Authorization Protocol (Letter dated 12.10.2023):

(i) The Petitioner No. 1, on behalf of all Petitioners, sent a letter dated 12.10.2023 to Respondent No. 2 and to the Bank of India, Devi Ahilya Marg Branch and Mahalakshmi Nagar Branch, Indore, inter alia restricting all forthcoming transactions of the Company through cheque to be cleared only upon joint authorization of Petitioner No. 1 (Mr. Shriram Kukreja) and Respondent No. 2 (Mr. Prakash Chandra Kukreja), being the two shareholder-directors. This letter was necessitated by the continuing oppression and mismanagement complained of in the main petition.

(ii) Pursuant to this letter, all transactions of the Company from 12.10.2023 onwards were being carried out strictly with joint authorization and mutual consent of both shareholder groups, ensuring transparency and protection of the Company's interest. This was the established and agreed practice for approximately 18 months.

B. Unauthorized and Unilateral Withdrawal of Rs. 1,81,11,152/-:

(iii) That in complete deviation from the established practice and in utter disregard of their fiduciary duties, Respondent No. 2, during the subsistence and pendency of the main Company Petition (filed on 07.04.2025), and after receiving the advance copy

thereof, unilaterally and without any Board Resolution, shareholder approval, or intimation, withdrew a sum of Rs. 1,81,11,152/- (Rupees One Crore and Eighty-One Lakhs Eleven Thousand One Hundred and Fifty-Two Only) on 21.04.2025 from the Bank of India account (Account No. 880527110000103 ending-0103) of the Company, and transferred the same to 'Prakash Chandra Khatri HUF', which is the HUF firm of Respondent No. 2.

(iv) The said transaction was purportedly shown as 'repayment of unsecured loan.' However, the Petitioners contend that the amount payable to the said HUF firm, as per the Company's financials, is significantly different from the amount actually withdrawn. Further, it is submitted that no interest was ever agreed upon on any unsecured loan infused by shareholders or their family members. The said withdrawal is the first unilateral transaction since the joint authorization protocol of 12.10.2023.

(v) The said withdrawal was made arbitrarily, clandestinely, without the knowledge, consent, or approval – statutory, procedural, or otherwise – of the Board of Directors, especially the Petitioners. Upon discovering the same, the Petitioners lodged a complaint dated 22.04.2025 with the Bank of India, Mahalakshmi Nagar Branch, and the Bank, as a precautionary measure, marked a debit freeze on the bank accounts of the Company. A similar complaint was filed with HDFC Bank Ltd., Vijay Nagar Branch, Indore on 21.04.2025 with respect to Account No. 50200016652580.

C. Fabrication of Board Resolution dated 30.09.2024:

(vi) After the debit freeze was marked, Respondent No. 2, acting for the Company without any valid authority, challenged the debit freeze before the Hon'ble Madhya Pradesh High Court, Indore Bench, by way of Writ Petition No. 17567/2025. When the Petitioners objected to the locus standi of Respondent No. 2 to represent the Company, contending that no Board Resolution had ever been passed authorizing him to do so, the Respondents, for the very first time, annexed a purported Board Resolution dated 30.09.2024 along with their Rejoinder filed before the Hon'ble High Court.

(vii) The Petitioners submit that the Board Meeting dated 30.09.2024 was never actually convened. Although a notice for the said meeting was issued, the meeting was called off due to the unavailability of 50% of the Directors, thereby rendering it incapable of being conducted, and the meeting was treated as cancelled.

(viii) It is further submitted that no record of any such meeting existed prior to the Respondents filing their Rejoinder before the Hon'ble High Court. This establishes beyond doubt that the said resolution has been fabricated as an afterthought. The purported resolution conveniently attempts to ratify and justify the very illegal acts which are already under challenge in the main

Company Petition, which further demonstrates its mala fide and fabricated nature.

(ix) Even assuming, hypothetically, that the meeting dated 30.09.2024 was validly convened, the said resolution is ex facie illegal and void for the following reasons:

(a) The agenda mentioned in the purported minutes does not correspond with the agenda stated in the original notice of the meeting. No explanatory notes or supporting material were provided along with the agenda, in violation of Secretarial Standard-II (SS-2).

(b) The agenda appears to have been altered and expanded subsequently, clearly demonstrating that the minutes were prepared as an afterthought.

(c) Three out of the four directors present were interested directors within the meaning of Section 184 of the Companies Act, 2013. These interested directors participated in the discussion and voting on matters in which they were directly interested. No disclosure of interest was recorded in the minutes, in violation of Section 184 of the Companies Act, 2013.

(d) Consequently, the said interested directors could not have been counted for the purpose of quorum. In the absence of valid quorum, the meeting itself is rendered invalid.

(e) There is no record of circulation of draft minutes to the Directors. There is no record of receipt of comments or objections from any director.

(f) The minutes are neither properly numbered nor maintained serially in the Minutes Book, in violation of Secretarial Standards and statutory requirements.

IV. SUBMISSIONS OF THE RESPONDENTS

The Respondents, through their learned counsel made the following submissions in opposition to both the Interlocutory Applications:

A. General and Preliminary Submissions:

(i) The Respondents submitted that the Petitioners have produced a false, concealed, and distorted image of the actual factual scenario and have created a fictitious story without any documentary and substantive proof. The present Petition and both IAs have been filed without substantial cause, out of mala fide intentions, and with the sole object of making undue demands, coercing, and arm-twisting the Respondents. The Petitioners have not approached this Tribunal with clean hands.

(ii) It is further submitted that the Petitioners have consistently failed to support the Respondents in discharging their statutory duties and completing mandatory compliances under the Companies Act, 2013, and have instead raised irrelevant objections, sent disruptive communications, and refused to

support resolutions even when in the best interest of the Company. The Petitioners have neither contributed to the functioning of the Company nor allowed the Respondents to work effectively, thereby creating unwarranted delays, legal complications, and administrative difficulties.

(iii) The Petitioners even went to the extent of sending a letter dated 18.10.2024 to the statutory auditor of the Company, instructing them not to file mandatory ROC returns and audit reports, despite the financial statements having been signed by Petitioner No. 1 itself. This act clearly exposes the mala fide intention of the Petitioners to expose the Company to statutory non-compliances.

B. On the Issue Concerning Bank Account Operations:

(iv) The Respondents submitted that at the time of opening the bank account (Account No. 880527110000103) with Bank of India, the Board of Directors passed a Board Resolution clearly authorizing either Respondent No. 2 (Mr. Prakash Chandra Kukreja/Khatri) or Petitioner No. 1 (Mr. Shriram Kukreja) to severally operate the said Current/OD Account. Post this resolution, no formal corporate resolution altering the said instructions as to authorized signatory was ever passed, communicated, or registered with the bank. Hence, the original banking instructions as to severally authorized signatories remained unchanged and valid as on date.

(v) The Respondents contend that the letter dated 12.10.2023 issued by Petitioner No. 1 was unauthorized, unilateral, without any Board Resolution, and was issued with the sole intent of disrupting the day-to-day operations and smooth functioning of the Company. Such misleading and malicious assertions were categorically denied and refuted by the Respondents through their reply dated 06.11.2023.

(vi) Being aggrieved by the debit freeze placed on the Company's account based on the unauthorized letter of Petitioner No. 1 dated 21.04.2025, the Company filed Writ Petition No. 17567/2025 before the Hon'ble Madhya Pradesh High Court, Indore Bench. The Hon'ble High Court, vide order dated 17.05.2025, and on the basis of prima facie case of the Company, granted an interim relief permitting bank account operations to the extent of Rs. 10 Lakhs per month. The Hon'ble High Court vide its subsequent order dated 06.11.2025 further permitted debits from the account to the extent of payment of statutory dues and liabilities. The matter is still pending before the Hon'ble High Court.

(vii) The Respondents further submitted that the reliefs sought in the present IAs regarding debit freeze and joint operations are non-maintainable because: (a) the accounts are already under debit freeze; (b) the debit freeze has been challenged before the High Court which has permitted certain operations in the account; (c) the Petitioner herein canvassed the exact same arguments regarding joint authorization before the High Court, which, keeping in mind the absence of any fresh board resolution

mandating joint authorization, denied that request and gave interim relief as per existing banking instructions; (d) the present application is a classic case of Forum Shopping and Abuse of Process of Law.

(viii) The Respondents additionally submitted that principles of Judicial Discipline and Comity of Courts bar this Tribunal from passing orders that could conflict with the directions of the Hon'ble Madhya Pradesh High Court, which is a Constitutional Court. The Hon'ble High Court is already seized of the specific issue regarding the operations of the Company's bank account, and entertaining the Petitioners' request for joint operations here would create multiplicity of proceedings and risk the passing of parallel or conflicting orders.

(ix) It was further submitted that imposing a condition of 'joint authorization' in a scenario where the parties are already at loggerheads would be tantamount to a permanent freeze on the Company's finances, completely paralyzing business operations, leading to defaulting on statutory dues, non-payment of employee salaries, and the ultimate corporate death of the Respondent Company as a going concern.

C. On the Issue of Repayment of Loans:

(x) The Respondents contended that they had invested significant sums as unsecured financial loans in the Company since its incorporation, extended upon the specific request of the Company for its operational needs. These loans were granted on a repayable-

on-demand basis and are duly reflected in the Company's books of accounts, which have been acknowledged and acquiesced by the Petitioners over the years.

(xi) It is further submitted that the withdrawal in question pertains to repayment of such unsecured loans, which were duly reflected in the books and were made in the ordinary course of business, through valid banking channels via cheques duly signed by the authorized signatory. Even after repayment, the Company has abundant and surplus financial funds, and the unsecured loan balance of the Respondents still exceeds that of the Petitioners.

(xii) It is also submitted that even the Petitioner is estopped from challenging such repayments as he himself has been in receipt of repayments of unsecured loans on several occasions in the recent past, in a similar manner. No provision under the Companies Act, 2013 mandates Board or shareholder approval for repayment of such unsecured loans.

D. On the Validity of the Board Meeting dated 30.09.2024:

(xiii) The Respondents submitted that the Board Meeting dated 30.09.2024 was validly convened. A statutory notice under Section 173(3) of the Companies Act, 2013 was duly sent to all directors, including the Petitioners, who admittedly received it. The notice transparently contained the specific agenda regarding 'repayment of unsecured loans.' The statutory requirement is to serve notice, not to guarantee attendance.

(xiv) The Petitioners wilfully communicated their inability to attend the meeting on any day in coming times, which was not a genuine scheduling conflict but a deliberate attempt to deadlock the Board. The meeting was validly convened with the presence of 4 out of 8 directors. Under Section 174(1) of the Companies Act, 2013, the statutory quorum for a Board Meeting is one-third of its total strength or two directors, whichever is higher. For a Board of 8, the quorum required is 3 directors ($1/3^{\text{rd}}$ of 8 = 2.67, rounded to 3), and 4 directors attended, satisfying the quorum.

(xv) Even assuming, arguendo, and not including the attendance of Respondent No. 2 who is the Karta of the HUF beneficiary of the repayment, there was still a valid quorum of 3 directors out of 8. The Respondents further submitted that under the principle of 'Nullus commodum capere potest de injuria sua propria,' a party cannot take advantage of its own wrong. The Petitioners' wilful absenteeism cannot paralyze corporate functioning.

(xvi) The resolutions were lawfully deliberated and passed by requisite majority of attending directors and the minutes of the meeting were duly prepared and signed by the Chairman, strictly complying with Section 118 of the Companies Act, 2013 and Rule 25 of the Companies (Management and Administration) Rules, 2014. Under Section 118(7), minutes kept in accordance with these provisions serve as conclusive evidence that the proceedings recorded therein actually took place and that the resolutions were validly passed.

V. OBSERVATIONS, ANALYSIS, AND FINDINGS OF THE TRIBUNAL

Having heard the learned counsels for both parties, having perused the pleadings, documents, Annexures filed along with the Interlocutory Applications, and the Written Submissions filed by both parties, this Tribunal proceeds to record its observations and findings on the following issues that arise for consideration:

ISSUE-I: Whether this Tribunal has jurisdiction to entertain the present IAs, particularly in view of the pendency of Writ Petition No. 17567/2025 before the Hon'ble Madhya Pradesh High Court?

ISSUE-II: Whether the withdrawal of Rs. 1,81,11,152/- by Respondent No. 2 on 21.04.2025 was unauthorized, in breach of fiduciary duty and constitutes an act of oppression?

ISSUE-III: Whether the purported Board Resolution and Minutes dated 30.09.2024 are fabricated and void ab initio?

ISSUE-IV: What directions/reliefs, if any, should be granted in the present IAs?

Finding on Issue-I: Jurisdiction

At the outset, the Respondents have raised the plea that the present applications amount to Forum Shopping and Abuse of Process of Law, in light of the pending Writ Petition No.

17567/2025 before the Hon'ble Madhya Pradesh High Court concerning the operation of the Company's bank account.

This Tribunal has considered this submission carefully. The jurisdiction of this Tribunal under Sections 241 and 242 of the Companies Act, 2013 is a specific statutory jurisdiction vested in a specialized forum created by a Parliamentary Statute for the purpose of addressing oppression and mismanagement in companies. The National Company Law Tribunal derives its jurisdiction from the Companies Act, 2013 which is a comprehensive and self-contained code. The Writ Petition before the High Court challenged the debit freeze placed by the bank on the basis of a letter from the Petitioner – that is a public law challenge against the action of a bank, a distinct and separate cause of action.

The present Company Petition and the IAs, on the other hand, are concerned with: (a) the inter-se rights and obligations of the shareholders and directors of the Company; (b) alleged acts of oppression and mismanagement under Sections 241 and 242 of the Companies Act, 2013; and (c) the validity of corporate actions including Board Resolutions. The Writ Petition and the Company Petition operate in different jurisdictional domains. As held by the Hon'ble Supreme Court in *Hindustan Lever Ltd. v. State of Maharashtra*, (2004) 9 SCC 438, the jurisdiction of a statutory tribunal created under a special statute cannot be ousted by proceedings before another court unless the legislature has expressly so provided.

Furthermore, this Tribunal notes that the Hon'ble High Court has not passed any order restraining this Tribunal from adjudicating on the issues of oppression and mismanagement. The High Court's orders dated 17.05.2025 and 06.11.2025 were interim orders permitting limited account operations. Those orders do not constitute a final adjudication on the rights of the parties or on the question of oppression and mismanagement.

This Tribunal, therefore, holds that it has jurisdiction to entertain and adjudicate upon the present Interlocutory Applications, subject to ensuring that any order passed herein does not directly conflict with the specific interim orders of the Hon'ble High Court.

Finding on Issue-II: The Withdrawal of Rs. 1,81,11,152/-

This Tribunal has carefully examined the bank statement dated 21.04.2025 pertaining to Account No. 880527110000103 of DPC Estate Pvt. Ltd. with Bank of India, Devi Ahilya Marg Branch, which is placed on record as Annexure A/2. The bank statement unequivocally shows that on 21.04.2025, a sum of Rs. 1,81,11,152/- was debited from the Company's account vide Cheque No. 309608 in favour of 'Prakash Chand Chuhardas HUF'.

It is an admitted position that: (a) the Company filed its main Company Petition on 07.04.2025; (b) the advance copy of the Petition was served on the Respondents before 21.04.2025; (c) all transactions from 12.10.2023 onwards were being carried out on

joint signatures of the shareholder-directors, as per the established practice; (d) this transaction of 21.04.2025 was the first unilateral transaction since the said joint authorization protocol; and (e) the said amount was transferred to the HUF of Respondent No. 2 himself.

The Respondents have sought to justify this withdrawal as a legitimate 'repayment of unsecured loan.' However, this Tribunal finds several aspects of this transaction prima facie suspicious and troubling:

First, the timing of this withdrawal – effected during the very pendency of proceedings for oppression and mismanagement, after receipt of advance copy of the main petition – is highly significant and raises a strong presumption of mala fide. The Hon'ble Supreme Court in *Life Insurance Corporation of India v. Escorts Ltd.*, (1986) 1 SCC 264 has held that acts done with the design to defeat the orders or the proceedings of a court or tribunal are to be viewed seriously. The withdrawal was made with full knowledge of the pending petition.

Second, the withdrawal was made in favour of Respondent No. 2's own HUF – a related party transaction in the truest sense. Directors of a company occupy a fiduciary position and are bound to act in good faith in the best interests of the company. Section 166(2) of the Companies Act, 2013 mandates that a director shall act in good faith in order to

promote the objects of the company for the benefit of its members as a whole. A unilateral, undisclosed, and unapproved transfer of Rs. 1,81,11,152/- from the Company's account to one's own HUF, without Board approval, is prima facie a breach of this fiduciary duty.

Third, the Respondents' contention that no Board or shareholder approval is required for repayment of unsecured loans is legally untenable in the present context. Section 179(3) of the Companies Act, 2013, read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, requires that the Board shall exercise its powers, including 'to approve the financial statements and board's report,' by means of resolutions passed at Board meetings. While routine loan repayments may not always require Board approval, a single transaction of this magnitude – over Rs. 1.81 Crores – being credited to the account of a director's HUF, without a scintilla of documentation, Board discussion, or even intimation to other directors, is manifestly improper.

Fourth, the Petitioners have specifically contended that the amount payable to the HUF as per the Company's financials is significantly different from the amount actually withdrawn. The Respondents have not produced any contemporaneous documentary evidence to demonstrate that the exact sum of Rs. 1,81,11,152/- was the precise outstanding unsecured loan balance due to Prakash Chand Chuhardas HUF. The

absence of such documentation at this interlocutory stage is a matter of grave concern.

The law relating to oppression is well-settled. As held by the Hon'ble Supreme Court in Needle Industries (India) Ltd. v. Needle Industries Newey (India) Holding Ltd., (1981) 3 SCC 333, the term 'oppression' includes any act which is burdensome, harsh, and wrongful. The Hon'ble Supreme Court further held in Sangramsinh P. Gaekwad v. Shantadevi P. Gaekwad, (2005) 11 SCC 314 that acts of oppression need not be for the purpose of obtaining pecuniary benefit; they may be done with a view to obtaining power and control or may be merely vindictive. A unilateral, secretive withdrawal of Company funds of this magnitude, in the teeth of a pending oppression petition and in breach of an established joint authorization protocol, squarely falls within the definition of oppressive conduct.

This Tribunal is therefore prima facie satisfied that the withdrawal of Rs. 1,81,11,152/- on 21.04.2025 was unauthorized, in breach of Respondent No. 2's fiduciary duties, and constitutes a continuing act of oppression against the Petitioners and the Company. The balance of convenience and the risk of irreparable harm overwhelmingly favor the Petitioners at this stage.

Finding on Issue-III: Validity of the Board Meeting and Resolution dated 30.09.2024

The challenge to the Board Resolution dated 30.09.2024 raises serious questions of corporate governance. This Tribunal has

carefully examined the contentions of both parties and the documents placed on record.

On the factual question, the Petitioners have specifically alleged that the meeting dated 30.09.2024 was never actually convened, having been called off due to the unavailability of 50% of the directors. This is not merely an allegation – the Petitioners have placed on record the correspondence (at Page No. 80 of I.A. No. 54/2025) showing that the Petitioners had communicated their inability to attend the meeting. More critically, it is the Petitioners' case – and this is not contested by the Respondents – that no record of the said meeting or resolution existed prior to the Respondents filing their Rejoinder before the Hon'ble High Court in WP No. 17567/2025.

The law is clear that Board Meeting minutes, once signed, are prima facie evidence of the proceedings; however, this presumption is rebuttable. In *Firm Srinivas Ram Kumar v. Mahabir Prasad*, AIR 1951 SC 177, the Hon'ble Supreme Court held that a document which is executed or brought into existence with the design to be used as evidence in a future litigation is not entitled to the benefit of the presumption of genuineness. The suspicious circumstances surrounding the belated production of the Resolution dated 30.09.2024, its convenient timing, and the fact that it purports to ratify the very acts already under challenge, severely undermine its credibility.

Further, the Petitioners have raised the specific legal issue under Section 184 of the Companies Act, 2013 regarding the participation of interested directors in the meeting. At the meeting dated 30.09.2024 (even if it is held to have been convened), the subject matter was repayment of loans to Prakash Chand Chuhardas HUF, which is the HUF of Respondent No. 2. Respondent No. 2, as the Karta of the beneficiary HUF, was indisputably an 'interested director' within the meaning of Section 184 of the Companies Act, 2013. Section 184(2) mandates that an interested director shall not participate in discussions or vote on the matter in which he has a direct or indirect concern or interest. If all the four attending directors were interested directors as alleged, then not only is the resolution vitiated by the infirmity of interested directors voting, but the quorum itself becomes questionable.

The Respondents have sought to rely on Section 174(1) of the Companies Act, 2013 for the quorum requirement. However, Section 174(3) specifically provides that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time. This aspect requires a more detailed examination at the time of final hearing. At the interlocutory stage, this Tribunal finds that the Petitioners have raised a serious and arguable question of law regarding the validity of the meeting dated 30.09.2024.

The alleged violations of Secretarial Standard-II (SS-2), including discrepancy between the notice agenda and the minutes agenda, absence of explanatory notes, and improper maintenance of the Minutes Book, further reinforce the Petitioners' case. Non-compliance with SS-2 has been recognized as a ground for challenging the validity of Board proceedings. Reference may be had to the NCLT, Mumbai Bench decision in In Re: IL&FS Engineering and Construction Company Ltd., where procedural infirmities in Board Meeting records were taken note of in the context of corporate mismanagement.

This Tribunal is therefore prima facie of the view that the Board Resolution dated 30.09.2024 is of doubtful authenticity and its operation is liable to be stayed pending the final adjudication of the main Company Petition.

Finding on Issue-IV: Reliefs to be Granted

For the grant of interim relief, the three well-settled criteria are: (i) existence of a prima facie case; (ii) balance of convenience; and (iii) irreparable harm. As held by the Hon'ble Supreme Court in Dalpat Kumar v. Prahlad Singh, (1992) 1 SCC 719, the court must be satisfied that there is a strong prima facie case and that the balance of convenience tilts in favour of granting such relief. The irreparable injury test requires that the applicant would suffer irreparable loss or injury if the injunction is not granted.

On the triple test: (a) This Tribunal has, for the reasons recorded supra, found that the Petitioners have established a strong prima

facie case both on the unauthorized withdrawal and on the validity of the Board Resolution dated 30.09.2024; (b) The balance of convenience is clearly in favour of the Petitioners – the Company's funds, once withdrawn and dissipated, would be impossible to recover; interim protection costs the Respondents nothing more than the requirement to act jointly, which was the established protocol; (c) The irreparable harm is manifest – if Respondent No. 2 is permitted to continue unilateral transactions during the pendency of the oppression petition, the entire proceedings would be rendered infructuous, and the Company's assets may be permanently dissipated.

However, while granting interim relief, this Tribunal is mindful of the pendency of the Writ Petition before the Hon'ble Madhya Pradesh High Court and the interim orders passed therein. This Tribunal takes note that the High Court had specifically directed that bank account operations be permitted to the extent of Rs. 10 Lakhs per month vide order dated 17.05.2025 and further permitted statutory payments vide order dated 06.11.2025. This Tribunal shall craft its order in a manner that is harmonious with the High Court's directions and does not directly conflict therewith.

Further, on the question of restitution with interest at the rate of 12% per annum as prayed, the Tribunal is of the view that the issue of grant of interest may be appropriately considered and adjudicated at the stage of final disposal of the main company petition. At this juncture, the Tribunal finds that directing restitution of the amount of ₹1,81,11,152/- withdrawn from the

company's account, by bringing the same back into the principal bank account of Respondent No. 1 Company maintained with Bank of India, would sufficiently serve the purpose of the present application and meet the ends of justice.

The Respondents' plea of the Petitioners' alleged unclean hands is noted. While there are counter-allegations, including that the Petitioners have been non-cooperative and have obstructed statutory compliances, this Tribunal is of the considered view that these are matters for final adjudication. At the interlocutory stage, the egregious nature of the withdrawal of Rs. 1,81,11,152/- during the pendency of proceedings is sufficient to tilt the balance decisively in favour of interim protection.

VI. ORDER

In view of the foregoing observations and findings, and in exercise of the jurisdiction vested in this Tribunal under Rule 11 of the NCLT Rules, 2016, the following interim directions are issued:

(1) The Respondent No. 2 is directed to restitute the amount of Rs.1,81,11,152/- within 30 days from this order. However, it is directed that the debit lien/freeze existing on the relevant bank account(s) shall continue subject to the further orders of Hon'ble High Court of Madhya Pradesh.

(2) The effect and operation of the purported Board Resolution dated 30.09.2024 and the minutes thereof shall stand stayed

pending the final disposal of the main Company Petition No. CP/09/MP/2025. Consequently, any action taken or sought to be taken on the basis of the said purported resolution shall not derive any legal force or validity during the pendency of these proceedings.

(3) Therefore, in view of the foregoing, all the remaining reliefs sought by the applicant shall be dealt with the main Company Petition being CP No. 09 of 2025. Accordingly, both Interlocutory Applications – I.A. No. 38/MP/2025 and I.A. No. 54/MP/2025 – are Partially allowed in the above terms.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)
Vanshika-LRA

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)