

THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH-I

CP 18 of 2024 and CONT.A./5/2024

CA 208/2024 COMP.APPL/106(MB)2025 IN

CP 18 OF 2024

*Under Sections 241, 242, of the Companies Act, 2013 read with Rule 11
of National Company Law Tribunal Rules, 2016;*

AND

*In the matter of oppression and mismanagement of the affairs of
CHIRON METCO PRIVATE LIMITED;*

In the matter of;

AYUSH GUPTA

.....Petitioner No. 1

ADITYA GUPTA

.....Petitioner No.2

ALPANA GUPTA

.....Petitioner No.3

Versus

CHIRON METCO PRIVATE LIMITED

CIN: U13209MH2006PTC166297

.....Respondent No.1 Company

ABHAY GUPTA

.....Respondent No.2

ARUNA BAI GUPTA

.....Respondent No.3

Order pronounced on: 22.06.2026

Coram:

Sh. Prabhat Kumar

Hon'ble Member (Technical)

Sh. Sushil Mahadeorao Kochey

Hon'ble Member (Judicial)

Appearances:

For the Applicant

: CS Ashish O. Lalpuria a/w

CS Suman Dhamecha

For the Respondents

: Adv. Pratik Tripathi PCS and

Adv. Nausher Kohli

For the office of Regional Director

: Mr. Shivraj A. Ranjeri,

Assistant Director

For the office of Registrar Of Companies : V.Madhumitha

ORDER

Per: Coram

Facts of the Case

1. The present Company Petition is filed on 21.02.2024 by **Ayush Gupta** (“hereinafter referred to as Petitioner No. 1”), **Aditya Gupta** (“hereinafter referred to as Petitioner No. 2”) and **Alpana Gupta** (“hereinafter referred to as Petitioner No.3”) against **Abhay Gupta** (“hereinafter referred to as Respondent No. 2”) and **Aruna Bai Gupta** (“hereinafter referred to as Respondent No. 3”) for seeking appropriate reliefs and directions under Sections 241, 242 of the Companies Act, 2013 (‘Act’) alleging commission of acts of oppression and mismanagement on the Petitioners, in the affairs of **Chiron Metco Private Limited** (“hereinafter referred to as Respondent Company/ Respondent No.1”).
2. The Respondent Company was incorporated on 18.12.2006 under the name of as Echo Forge Limited, later renamed as Chiron Metco Private Limited. The

company presently has an authorized share capital of Rs. 1 Crore and a paid-up share capital of Rs. 81.30 Lakhs, with its registered office situated in Mumbai.

3. Ayush Gupta (“hereinafter referred to as Petitioner No. 1”) is a Promoter, Director and Shareholder of the company and presently holds 3,92,215 equity shares constituting 48.24% of the paid-up share capital. Aditya Gupta (“hereinafter referred to as Petitioner No. 2”) and Alpana Gupta (“hereinafter referred to as Petitioner No.3”) are also Promoters and Shareholders since incorporation and presently hold 7,142 shares and 7,143 shares respectively, each constituting 0.88% of the paid-up share capital. Petitioner Nos. 1 and 2 are the sons of Petitioner No. 3, and the Petitioners collectively hold 50% shareholding in the company.
4. Abhay Gupta (“hereinafter referred to as Respondent No. 2”) and Aruna Bai Gupta (“hereinafter referred to as Respondent No. 3”) are also Promoters, Directors and Shareholders of the company and are family members of the Petitioners. Respondent No. 2 presently holds 1,27,143 equity shares constituting 15.64% of the paid-up share capital, whereas Respondent No. 3 holds 2,79,357 equity shares constituting 34.36% of the paid-up share capital. Respondent No. 3 is the mother of Respondent No. 2, and Respondent Nos. 2 and 3 together also hold 50% of the paid-up share capital of the company.
5. The Petitioners and Respondent Nos. 2 and 3 hold equal shareholding, and the Petitioner No.1, Respondent No.2 and 3 are the Directors of the Respondent Company.
6. The Respondent Company is primarily holding immovable properties, namely, various land parcels bearing Survey Nos. 156/1/1, 156/1/2, 156/6/1, 156/13/1 and 156/18/1, admeasuring approximately 13.019 hectares, situated at Dr. Ambedkar Nagar, Gram Bhardala, Tehsil Mhow, Indore, Madhya Pradesh, constituting the principal and only assets of the Respondent company. As

reflected from the annual reports and financial statements filed with the Ministry of Corporate Affairs, the company has not earned any revenue from its business operations, and the expenses incurred towards development of the said land parcels are reflected as Capital Work-in-Process grouped under Tangible Assets in the Audited Financial Statement of the company.

7. It is stated that the Petitioners and Respondents are all members of the extended family and have been associated with the company since its incorporation; and the company's management structure is of a closed family group and having approximately 20 companies in joint control, except one listed company, all are private limited companies and listed one is presently undergoing into Corporate Resolution Insolvency Process under the Insolvency & Bankruptcy Code, 2016.
8. It is stated that the family dispute between Petitioner No. 1 (Ayush Gupta) and the Respondents arose in the year 2020, and Petitioner No. 1 (Ayush Gupta) was removed as a Director through Form DIR-12 filed at Ministry Corporate Affairs (MCA) portal on 31.01.2025, which was processed through the MCA's automated "Straight Through Processing" (STP) system without manual adjudication by ROC officers. The ROC confirmed that it has no power to independently restore a director's name once removed through STP.
9. It is further stated that Petitioner No. 1 (Ayush Gupta) had to file a Civil Suit bearing No. RCS A/0000286/2023 before the Civil Court at Mhow, Indore, Madhya Pradesh on 22.12.2023 for grant of an order restraining the Respondents from proceeding to sell the assets of the Respondent Company pursuant to public notice.
10. It is further stated that the Petitioners came to know about a Board Meeting held on 24.02.2024 to discuss the issue of shares on right basis. However, it is the statement of the petitioner that the notice was illegally served. It is the general grievance of the Petitioner that no notice of the Board Meeting to Petitioner No.

1 as well as notice of Annual General Meeting (AGM) to them was not served by the Company since 15.04.2020 even though, in some of the Board meeting Petitioner No.1 was marked as present. It is specifically stated that the notice dated 05.09.2023 for Seventeenth Annual General Meeting was served without enclosing the Board Reports, Audited Financial Statements and the meeting was scheduled at Indore while the registered office of the Company is situated in Mumbai. It is further stated that the Respondent Company has also not filed the financial statements with the MCA since 2020-21.

11. Accordingly, the following issues were alleged to be of oppressive nature by the Petitioners before this bench in the Petition:

- a. The Respondents are exercising unilateral Control over the management of the Company by excluding the Petitioner No. 1 from the management thereof, and pursuant thereto the Respondents have proceeded to sell an immovable property of the Respondent Company situated at Indore, Madhya Pradesh.
- b. Denial of inspection of records to the Petitioners, and shifting of the registered office of the Respondent Company to Mumbai from Indore without proper notice or consent of the Petitioners.
- c. The Respondent's attempt to dilute the voting rights of the Petitioners through a proposed issue of shares on rights basis.
- d. Illegal removal of the Petitioner from the office of Director of the Respondent Company without statutory compliance.
- e. The Respondents passed illegal Special Resolutions in one of the group company i.e. M/s. Shreenath Agrico Private Limited where the Petitioner has stake of 40%.

Findings of the Tribunal

12. We heard the learned counsels for both the parties and perused the material on records.

13. Indubitably, both the Petitioners as well as Respondent No. 2 & 3 hold 50% shares of the total shareholding of the company, and are related to each other being member of extended family. While the Petitioners had one representation on the board of the company, the Respondents had two nominees, however, the Petitioner's sole nominee was reported as disqualified by the Respondents thus having total control over the board of respondent company.
14. The issue wise allegations and the response thereto is elaborated below :

Issue I : Unilateral Control and Sale of Property in Madhya Pradesh

15. It is the case of the Petitioners that even though Petitioner No.1, Respondent No.2 and 3 are the current directors of the Company, and the company is run on the principles of quasi partnership, the Respondent No. 2 and 3 has majority and hence completely controls the decisions of the company. It is alleged that the Respondents exercised unilateral control over statutory compliances, financial dealings, bank accounts, books of accounts and corporate records without proper consultation or consent of the Petitioners.
16. The Petitioners have challenged the Board Meeting dated 29.01.2024 and 29.02.2024, whereat Respondent Nos. 2 and 3 passed the resolution in the said meetings authorizing Mrs. Aruna Bai Gupta, director of the Respondent Company to sell the land situated at Village Bhardala, Tehsil Mhow, District Indore, Madhya Pradesh, to which the Petitioner dissented, however such dissent was meaningless in view of the Respondents having majority of the Board. The Petitioners allege that the Respondents were attempting to alienate the only valuable assets of the company and create third-party rights therein in an illegally and unauthorized manner. The Petitioners submit that they have also filed a Civil Suit (No. RCS A/0000286/2023) before the Civil Court at Mhow, Indore, Madhya Pradesh on 22.12.2023 for grant of stay on the illegal sale of the assets of the Company.

17. It is admitted by the Respondents also that the respondent Company has no business activity and is holding only a land property, however, the Respondents have justified the said resolution stating that there was a need to augment liquidity in view of financial stress due to family dispute and the bank defaults in other group companies. It is further submitted by the Respondents that the Petitioners seems to seem to have some unknown interest leading to their dissent to the proposed sale of the land properties of the Company.

Issue II: Denial of inspection of records and transfer of registered office of the Registered Company

18. The Petitioners further contend that Respondent Nos. 2 and 3 failed and neglected to provide inspection and copies of statutory registers, books of accounts, annual returns, financial statements, minutes of meetings, bank account details and other material records of the company despite repeated demands made by the Petitioners, even though they were entitled to do so in terms of express mandate of the Companies Act, requiring the company to allow inspection/ access to the members and the directors of the company in terms of under Section 128(3), Section 94(2) and Section 136 of the Companies Act, 2013. Nonetheless, the Respondents failed to comply with specific directions of this Tribunal in this relation vide order dated 06.03.2024, which led the Petitioner to file Contempt Application 05 of 2024 after the Respondents didn't grant the inspection of the statutory records/ registers on 16.03.2024 despite advance notice.

19. The Petitioners have also explained that they were prompted to approach the Manager of Bank of Baroda, Indore Branch vide letter dated 21.09.2023 with a request to freeze the bank account(s) of the Respondent Company in order to safeguards their and the stakeholder's interest, because the Petitioners were not granted access to the records of the Company even though they were entitled to the same.

20. The Petitioner has alleged that the Respondents appears to have moved the registered office of the company without any intimation and knowledge of the Petitioners, as the notice dated 05.09.2023, received by the Petitioners, carries the address of Indore. As the petitioners have not received any notice of any meeting held for taking decision on such transfer of the registered office. The said act is alleged to be in violation of Section 12(4) of the Act, according to the Petitioners. It is noted that the respondents have claimed that the registered office of the Respondent Company was not shifted and the allegation of the Petitioners in this relation is unfounded as the registered office is still situated in Andheri West, Mumbai-400053 and not at Indore, Madhya Pradesh. During the proceedings, this Tribunal, vide order dated 17.05.2024, directed the ROC, Mumbai to visit the registered office of the Company, and the RoC has submitted its report on 12.06.2025 stating that the registered office is situated at Andheri West- Mumbai as claimed by the Respondents.

Issue III: Dilution Of Voting Rights through issue of shares on rights basis

21. The petitioners have also alleged that the Respondent proposed a right issue when the company was in no need for the share capital, and the sole purpose for such right issue was to dilute the Petitioners group's 50% shareholding and thereby alter the voting dynamics at Board Level and at General Meeting in the favor of Respondents. The right issue was said to be at a controlled pricing to which the Respondents can achieve the structural objective as the voting manipulation. It is further stated that the Respondents have not countered this allegation at any point.

Issue IV : Illegal removal of the Petitioner as the Director of the Company

22. It is further stated by the Petitioners through Company Application 106 of 2025 that Petitioner No. 1 came to know from the Master Data records of the Respondent No. 1 Company on 21.03.2025, that he no longer reflects as a director of the Respondent No. 1 Company, and he has ceased to be a director

of the company with effect from 31.01.2025. Accordingly, it is contended that the Petitioner No. 1 was illegally removed as a director on the ground of some purported disqualification under section 164(2) read with Section 167 of the Companies Act, 2013. The Petitioner No. 1 has sought directions to the ROC to temporarily restore his status as Director in its records during the pendency of the Original company petition.

23. The Petitioners have also stated that, due to non-filing of financial statements for consecutive three years with the MCA Portal since 2020-21, the current directors of the company, who are the respondents herein, are disqualified in terms of Section 164(2) read with Section 167 of the Companies Act, 2013, and they could not have passed any resolution in a Board Meeting acting as a Director.

Issue VIII: Illegal Special Resolutions in one of the group company i.e. M/s. Shreenath Agrico Pvt. Ltd.

24. The Petitioners contend that in 2020, Respondents No. 2 and 3 caused M/s. Shreenath Agrico Pvt. Ltd. to pass illegal Special Resolutions for furnishing corporate guarantees amounting to Rs. 100 crores in favour of M/s. Boma Infrastructure Private Limited and M/s. Simtrad Overseas Private Limited, entities in which Respondent No. 2 had an interest. According to the Petitioners, these resolutions were passed without their knowledge or consent despite their family holding 40% of the paid-up share capital of the company.

Reports by the Registrar of Companies (ROC)

25. Pursuant to the Order dated 26.06.2024 and 23.04.2025 passed by this Tribunal, the Registrar of Companies (ROC), Mumbai filed its report dated 31.07.2024 stating that Aruna Bai Gupta, Abhay Gupta, and Ayush Gupta had valid and active DINs with no disqualifications recorded on the MCA portal due to non-filing of financial statements for three consecutive years as stated by the Petitioner, as the company had filed its annual returns and financial statements

up to 31.03.2023, the disqualification provisions under Section 164(2) of the Companies Act, 2013 were not attracted. Further, in its second report, the Registrar of Companies (ROC), Mumbai stated that the company had filed Form DIR-12 claiming that Ayush Gupta had incurred disqualification under Section 164(2), and the said filing was processed through the MCA's automated STP system, resulting in the removal of his name. The ROC further clarified that it had no authority to independently restore his directorship once the STP process had been completed.

Analysis and Decision

26. This Tribunal notes that Petitioner No. 1, Mr. Ayush Gupta, was removed from the position of Director during the pendency of the present proceedings alleging oppression and mismanagement. The ROC report states that Form DIR-12 was processed through the automated Straight Through Processing (STP) system on the basis of an alleged disqualification under Section 164(2) of the Companies Act, 2013. Indubitably, the filing of DIR-12 in relation to removal of Petitioner No. 1 took place amidst serious disputes between two groups of shareholders having equal ownership of the Company, and defined representation in the Board. It is the case of the Respondents that the Petitioner No. 1 was the director of M/s Parenteral Commercial Services Private Limited, M/s Anitas Exports Private Limited and M/s Mahaganpati Investments Private Limited and these companies failed to file their annual returns for the Financial year 2021-22, 2022-23 and 2023-24, accordingly, the Petitioner No.1 is automatically disqualified to be continued as a Director in terms of Section 164(2) read with Section 167 of the Companies Act, 2013. There is no quarrel that the disqualification in terms of Section 164(2) read with Section 167 of the Companies Act, 2013 is automatic and there is no need to provide an opportunity of hearing to the disqualified person. Accordingly, we do not find any merit in the contention of Petitioner No. 1 that he was illegally or dishonestly removed as director.

27. As regards Petitioner's claim that the Respondent No. 2 & 3 are also disqualified to hold the office of director in terms of Section 164(2) read with Section 167 of the Companies Act, 2013 in view of non-filing of annual returns for the year 2020-21 to 2022-23 by the Respondent Company, it is noted that RoC has stated in its report that such annual returns are on record. Accordingly, there is no merit in this contention as well.
28. However, considering that the Petitioners had one representation on the board of Respondent Company since inception and holds 50% of the capital thereof, we consider it appropriate to direct the Respondent No. 2 & 3 to appoint one of their nominee on the board of Respondent Company as director and do necessary filings in this relation at MCA within 15 days of notification of name of such nominee. The Petitioners shall notify the name of such nominee within 15 days from the date of order and provide necessary documents in relation thereto.
29. It is noted that the Petitioner's principal grievance relate to non-service of notice(s) of the Board Meeting and General Meeting, to respective petitioners for which they are entitled. The Respondents have also not placed any cogent evidence to substantiate service of valid notice(s) of meetings. Hence, we direct the Respondent Company to ensure service of notice to the Petitioners by hand under acknowledgement or via email, and the Petitioners are directed to provide their latest and functional email addresses to the management of the Respondent Company. Upon receipt of such details, the Respondent Company shall henceforth serve notices of all Board Meetings, General Meetings, Annual General Meetings, and other statutory communications only on such notified email addresses or by hand under acknowledgement.
30. It is a settled legal position that shareholders and directors are entitled to inspect the statutory records and books of the Company in accordance with the Companies Act, 2013. Accordingly, after restoration of Ayush Gupta as

Director, the Respondent Company shall provide access to the books of accounts, statutory records, and other corporate documents to all eligible shareholders and directors of the Company in accordance with law.

31. Further, the ROC inspection conducted pursuant to the orders of this Tribunal revealed irregularities regarding the functioning of the registered office of the Company in Mumbai. The Petitioners alleged that the registered office of the Company was shifted without proper notice and compliance with statutory requirements. Although the Respondents contended that a Board Meeting was held on 06.06.2022 approving such shifting, the ROC inspection report records that the registered office was not functioning at the notified address. Accordingly, this Tribunal holds that the Respondents failed to ensure proper compliance regarding the maintenance and functioning of the registered office of the Company and are directed to ensure full compliance with the provisions of the Companies Act, 2013 in this regard. Therefore, the Respondent Company is directed to maintain a functional registered office of the Company at the place notified so far to the MCA.

32. The allegations by the Petitioners regarding the sale of immovable asset of the Respondent Company is a mere apprehension, as no sale has so far concluded or taken place. Further, no third party interest has been created. Accordingly, the objections raised by the Petitioners in relation to resolutions passed in the Board Meetings held on 29.01.2024 and 29.02.2024 for the purported sale of the said property can not said to be prejudicial to the interest of company or its members. Therefore, no finding of oppression can presently be recorded on the basis of such apprehension alone.

33. Nevertheless, to protect the interests of all stakeholders, Respondent Nos. 2 and 3 are directed not to sell, transfer, alienate, encumber, or create any third-party rights or interests in any property of the Respondent Company without

obtaining prior consent of Petitioner No. 1 (in view of equal shareholding) and without serving due notice of the meeting as directed herein.

34. Further, it is noted that no change in the shareholding structure having effect of dilution of Petitioners' group shareholding has taken place, and the allegation relating to a proposed right issue at a pre-determined price to favour the Respondents of the Company is also based only on an apprehension and not on any completed act. The captioned Board Meeting held on 24.02.2024 had the agenda to discuss the transfer of shares through an issue based on right, but such arrangement did not take place in the later stage. Since no right issue has actually been carried out, it cannot be said that any act of oppression has been committed by the Respondents in this relation prejudicing the interest of Company or its Members.
35. Further, the allegations raised by the Petitioners that the Respondents No. 2 and 3 caused M/s. Shreenath Agrico Pvt. Ltd., in which the Petitioner have a stake of 40%, to pass illegal Special Resolutions for furnishing corporate guarantees amounting to Rs. 100 crores in favour of M/s. Boma Infrastructure Private Limited and M/s. Simtrad Overseas Private Limited. This Tribunal is of an opinion that such act does not relate or pertain to the affairs of the Respondent Company, hence, this Tribunal cannot pass any order in this relation in the present matter.
36. In case of *Tata Consultancy Services Limited vs Cyrus Investments Pvt Ltd. AIR ONLINE 2021 SC 179*, the Hon'ble Supreme Court held that that the first just & equitable ground is "functional dead lock" and the second is where a company is a corporate quasi partnership and an irretrievable breakdown in trust and confidence between the participating members has taken place. It further held that where there is a complete functional dead lock, winding up may be ordered regardless whether the company is a quasi partnership or not. But in the

second type of cases, a breakdown of trust and confidence is enough even if there is not a complete functional dead lock.

37. In the present case, it is clearly evident that there is an irretrievable breakdown in trust and confidence between the participating members, accordingly, the present case is fit for winding up the affairs of the Respondent Company on just and equitable ground, however, such winding up order shall unfairly prejudice the members of the Respondent Company. During the course of proceedings, this Tribunal explored the possibility of a buy-out between the rival groups and enquired the learned counsel for the both groups whether either group is willing to buy out other group. However, the both the groups expressed their inability to purchase the other group's shareholding due to financial constraints.
38. Considering the continuing deadlock in the management of the Company, the inability of either group to provide exit to other, and to achieve an amicable resolution of disputes, this Tribunal considers it appropriate to direct the Petitioners and the Respondents to devise a Scheme of Demerger of the Respondent Company by allocating the immovable properties in two part, whereby one part thereof can be hived off in another company, and both the groups can own each company exclusively, and place the same before this Tribunal for further consideration. For this purpose, the properties of the Respondent Company be valued.
39. To monitor and supervise the process of de-merger, we consider it appropriate to appoint Sh. Mohan Prasad Tiwari, former Principal District Judge & NCLT Member, to over-see such de-merger process. He shall be paid a consolidated remuneration of Rs. 50,000/- per meeting. He shall supervise the valuation process and an amicable agreement between both the groups in relation to equitable division of the immovable property of the Respondent Company for propounding a scheme of Demerger as aforesaid. The said process shall be

completed within a period of 6 (six) months or such further period as Sh. Mohan Prasad Tiwari considers desirable for completion of the process.

40. In terms of above, **CP No. 18 of 2024** is allowed and disposed of. **CONT.A. 5 of 2024, CA 208 of 2024** and **CA 106 of 2025** stand disposed of.

Sd/-

Prabhat Kumar
Member (Technical)

Vaishnavi B

Sd/-

Sushil Mahadeorao Kochey
Member (Judicial)