IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.312
CP/31(AHM)2021

Under Section 213 & 241(1) & 242(4) of Co. Act, 2013

IN THE MATTER OF:
Radha Wd/o Vijay Goradia & Ors ....**Applicant**
V/s
Himali Steels Ltd & Ors ....**Respondent**

ITEM No.313
Comp.App/1(AHM)2022
in
CP/31(AHM)2021

Under Rule 11 of NCLT Rules, 2016

IN THE MATTER OF:
Dhimant Trambaklal Goradia & Ors ....**Applicant**
V/s
Himali Steels Ltd & Ors ....**Respondent**

ITEM No.314
Comp.App/4(AHM)2022
in
CP/31(AHM)2021

Application For Directions

IN THE MATTER OF:
Radha Vijay Goradia & Ors ....**Applicant**
V/s
Himali Steel Ltd & Ors ....**Respondent**

ITEM No.315
Comp.Appl/6(AHM)2024
in
CP/31(AHM)2021

Under Rule 11 of NCLT Rules, 2016

IN THE MATTER OF:
Radha Wd/o Vijay Goradia & Ors. ....**Applicant**
Vs
HIMALI STEEL LIMITED & Ors. ....**Respondent**

ITEM No.316
IA/62(AHM)2025
in
CP/31(AHM)2021

Under Rule 11 & 39 (92) NCLT

IN THE MATTER OF:

Bankim Trambaklal Kansara ....**Applicant**
V/s
Himali Steel Limited & Ors ....**Respondent**

Order delivered on: 20/07/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

C O M M O N O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of the order. The common order is pronounced in the open court, vide separate sheet.

-Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD

CP No. 31 (AHM) of 2021
with
Comp. App. No. 1 of 2022
and
Comp. App. 4 of 2022
and
Comp. App. 6 of 2024
and
IA No. 62 of 2025

CP No. 31 (AHM) of 2021

(A Company Petition filed under the Proviso to Section 241-242 r/w. 213 of the Companies Act, 2013.)

1. **RADHA WD/O. VIJAY GORADIA**
   Female, Aged Adult,
2. **RAHUL S/O. VIJAY GORADIA**
   Male, Aged Adult,
3. **HIMALI D/O. VIJAY GORADIA**
   Female, Aged Adult

   All residing at A-102, Sahjanand Apartment,
   Near Sterling Hospital, Memnagar,
   Ahmedabad – 380052

.... Petitioners (Director)

VERSUS

1. **HIMALI STEELS LIMITED**
   Having its registered office at:
   A-402, Nirman Complex,
   Opp. Havmor Restaurant, Stadium Circle,
   Navrangpura, Ahmedabad
2. **DHIMANTBHAI GORADIA**
   A/1104, Pushpraj Tower,
   Nr. Judges Bungalow, Bodakdev,
   Ahmedabad – 380054
3. **SHIVAM DHIMANTBHAI GORADIA**
   A/1104, Pushpraj Tower,

Nr. Judges Bungalow, Bodakdev,
Ahmedabad – 380054

4. **BANKIMBHAI TRAMBAKLAL KANSARA**
182, Sunrise Park,
Opp. Drive-in-Cinema, Thaltej Road,
Bodakdev, Ahmedabad – 380054

5. **REGISTRAR OF COMPANIES, GUJARAT**
ROC Bhavan, Opp. Rupal Park,
Naranpura, Ahmedabad – 380013

.... Respondents

WITH

Company Application No. 1 of 2022

(An Application filed under Rule 11 of the National Company Law Tribunal Rules, 2016.)

1. **DHIMANTBHAI GORADIA**
A/1104, Pushpraj Tower,
Nr. Judges Bungalow, Bodakdev,
Ahmedabad – 380054

2. **SHIVAM DHIMANTBHAI GORADIA**
A/1104, Pushpraj Tower,
Nr. Judges Bungalow, Bodakdev,
Ahmedabad – 380054

3. **BANKIMBHAI TRAMBAKLAL KANSARA**
182, Sunrise Park,
Opp. Drive-in-Cinema, Thaltej Road,
Bodakdev, Ahmedabad – 380054

.... Applicants

Versus

1. **HIMALI STEELS LIMITED**
Having its registered office at:
A-402, Nirman Complex,
Opp. Havmor Restaurant, Stadium Circle,
Navrangpura, Ahmedabad

2. **RADHA VIJAY GORADIA**
102, Sahjanand Apartment,
Near Sterling Hospital, Memnagar,

Ahmedabad – 380052

3. **RAHUL VIJAY GORADIA**
   102, Sahjanand Apartment,
   Near Sterling Hospital, Memnagar,
   Ahmedabad – 380052

4. **HIMALI VIJAY GORADIA**
   102, Sahjanand Apartment,
   Near Sterling Hospital, Memnagar,
   Ahmedabad – 380052

5. **REGISTRAR OF COMPANIES, GUJARAT**
   ROC Bhavan, Opp. Rupal Park,
   Naranpura, Ahmedabad – 380013

.... Respondents

AND

Company Application No. 4 of 2022

(An Application filed under Rule 11 of the National Company Law Tribunal Rules, 2016.)

1. **RADHA VIJAY GORADIA**
   102, Sahjanand Apartment,
   Near Sterling Hospital, Memnagar,
   Ahmedabad – 380052

2. **RAHUL VIJAY GORADIA**
   102, Sahjanand Apartment,
   Near Sterling Hospital, Memnagar,
   Ahmedabad – 380052

3. **HIMALI VIJAY GORADIA**
   102, Sahjanand Apartment,
   Near Sterling Hospital, Memnagar,
   Ahmedabad – 380052

.... Applicants (Original Petitioners)

Versus

1. **HIMALI STEELS LIMITED**
   Having its registered office at:
   A-402, Nirman Complex,
   Opp. Havmor Restaurant, Stadium Circle,
   Navrangpura, Ahmedabad

2. **DHIMANTBHAI GORADIA**
A/1104, Pushpraj Tower,
Nr. Judges Bungalow, Bodakdev,
Ahmedabad – 380054

3. **SHIVAM DHIMANTBHAI GORADIA**
A/1104, Pushpraj Tower,
Nr. Judges Bungalow, Bodakdev,
Ahmedabad – 380054

4. **BANKIMBHAI TRAMBAKLAL KANSARA**
182, Sunrise Park,
Opp. Drive-in-Cinema, Thaltej Road,
Bodakdev, Ahmedabad – 380054

5. **REGISTRAR OF COMPANIES, GUJARAT**
ROC Bhavan, Opp. Rupal Park,
Naranpura, Ahmedabad – 380013

.... Respondents

AND

Company Application No. 6 of 2024

(An Application filed under Rule 11 of the National Company Law Tribunal Rules, 2016.)

1. **RADHA WD/O. VIJAY GORADIA**
Female, Aged Adult,

2. **RAHUL S/O. VIJAY GORADIA**
Male, Aged Adult,

3. **HIMALI D/O. VIJAY GORADIA**
Female, Aged Adult

All residing at A-102, Sahjanand Apartment,
Near Sterling Hospital, Memnagar,
Ahmedabad – 380052

.... Applicants (Director)

Versus

1. **HIMALI STEELS LIMITED**
Having its registered office at:
A-402, Nirman Complex,
Opp. Havmor Restaurant, Stadium Circle,
Navrangpura, Ahmedabad

2. **DHIMANTBHAI GORADIA**
   A/1104, Pushpraj Tower,
   Nr. Judges Bungalow, Bodakdev,
   Ahmedabad – 380054

3. **SHIVAM DHIMANTBHAI GORADIA**
   A/1104, Pushpraj Tower,
   Nr. Judges Bungalow, Bodakdev,
   Ahmedabad – 380054

4. **BANKIMBHAI TRAMBAKLAL KANSARA**
   182, Sunrise Park,
   Opp. Drive-in-Cinema, Thaltej Road,
   Bodakdev, Ahmedabad – 380054

5. **REGISTRAR OF COMPANIES, GUJARAT**
   ROC Bhavan, Opp. Rupal Park,
   Naranpura, Ahmedabad – 380013

.... Opponents

AND

IA No. 62 of 2025

(An Interlocutory Application filed under Rule 11 and Rule 32(2) of the National Company Law Tribunals Rules, 2016.)

BANKIMBHAI TRAMBAKLAL KANSARA
182, Sunrise Park,
Opp. Drive-in-Cinema, Thaltej Road,
Bodakdev, Ahmedabad – 380054

Versus

1. **HIMALI STEELS LIMITED**
   Having its registered office at:
   A-402, Nirman Complex,
   Opp. Havmor Restaurant, Stadium Circle,
   Navrangpura, Ahmedabad

2. **RADHA VIJAY GORADIA**
   102, Sahjanand Apartment,
   Near Sterling Hospital, Memnagar,
   Ahmedabad – 380052

3. **RAHUL VIJAY GORADIA**
   102, Sahjanand Apartment,

Near Sterling Hospital, Memnagar,
Ahmedabad – 380052

4. **HIMALI VIJAY GORADIA**
102, Sahjanand Apartment,
Near Sterling Hospital, Memnagar,
Ahmedabad – 380052

5. **REGISTRAR OF COMPANIES, GUJARAT**
ROC Bhavan, Opp. Rupal Park,
Naranpura, Ahmedabad – 380013

.... Respondents

Order Pronounced On: 20.07.2026

CORAM:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For the Petitioners	: Mr. Ravi Pahwa, Advocate
For the Respondents	: Mr. Arjun Sheth, Advocate

ORDER
(Per: *Bench*)

1. The present petition bearing number **CP No. 31 of 2021** has been filed on 25.10.2021 vide Inward Diary No. E-1435 by the Petitioner alleging acts of oppression and mismanagement by Respondent Nos. 2 and 3, allegedly in collusion with Respondent No. 4, which are stated to be prejudicial, detrimental to the interests of Respondent No. 1 Company, under Sections 241 and 242 of the Companies Act, 2013 seeking following reliefs: -

a. *hold and declare that the respondent nos. 2 and 3 have committed various acts of oppression and mismanagement, as enumerated in the petition, in relation to the affairs of the Respondent no.1 Company and that such acts of respondent nos. 2 and 3 are prejudicial to public interest as also prejudicial to the interest of the petitioners and be pleased to further issue appropriate directions for remedying such actions and also issuing appropriate directions upon the respondents for the regulation of conduct of affairs of the Respondent Company in future, in the interest of justice and equity.*

b. *hold and declare that the purported fraudulent and illegal resolution pertaining to appointment of respondent no.4 as an Additional Director of the Company which is shown to have been passed in the Board Meeting dated 6.9.2021 of the respondent no.1 company as illegal, null and void, fraudulent and oppressive and further be pleased to quash the resolution and all consequent actions and also further be pleased to direct the respondent no.5 to cancel DIR-12 filed showing appointment of respondent no.4 as an Additional Director of the Respondent Company, in the interest of justice;*

c. *hold and declare that the respondent no.4 has no authority to call, convene, hold and participate in any Board Meeting of the respondent company including the Board Meeting proposed to be held on 27.10.2021 and if any such meeting is held and any resolution is passed therein, be further pleased to declare such a meeting and also the resolutions, if any passed, in any such illegal meeting as null and void, in the interest of justice and equity;*

d. *order for investigation and inspection of books, records, registers, documents, accounts and financial statements of the respondent company, in the interest of justice;*

e. *grant such other and further reliefs as may be deemed fit and proper by this Tribunal, in the interest of justice;*

Interim Relief(s) sought

a. *restrain the respondent nos. 2 to 4 from calling, convening and holding any Board Meeting of the Respondent Company including the meeting proposed to be held on 27.10.2021 and if already held, to stay the resolutions if any passed in such Board Meeting, pending the admission, hearing and final disposal of the present petition;*

b. *direct the respondents not to sell, transfer, alienate or in any way deal with or encumber any of the assets of the Respondent Company including and not limited to land admeasuring 8220 sq. meters covered by Old Survey No * 0.65 / 14 New Survey No.123 at Village Khatraj, Taluka-Kalol, District Gandhinagar, pending the admission, hearing and final disposal of the present petition;*

c. *Pending hearing and final disposal of the petition, this Tribunal may restrain the respondent nos. 2 to 4 from making any change in the shareholding pattern of respondent no.1 company, in the interest of justice;*

d. *Pending hearing and final disposal of the petition, the Tribunal may be direct the respondent nos. 2 to 4 not to open further bank accounts in the name of respondent company and restraining them from operating any bank account of respondent no.1 company without the counter signature of petitioners, in the interest of justice;*

e. *grant such other and further reliefs as may be deemed fit and proper by this Tribunal, in the interest of justice;*

2. The brief **facts** as produced in the instant petition are narrated as under: -

2.1. The present Company Petition has been instituted under Sections 241 and 242 read with Section 213 of the Companies Act, 2013 alleging acts of oppression and mismanagement in the affairs of Respondent No. 1 Company (Himali Steels Limited). According to the Petitioners, Respondent Nos. 2 (Dhimant Bhai Goradia) and 3 (Shivam Dhimant Bhai Goradia), in collusion with Respondent No. 4 (Bankim Bhai Trambaklal Kansara) , have indulged in acts prejudicial to the interests of the Petitioners, the Company and the public interest.

2.2. The Petitioners state that they collectively hold 59.95% of the paid up share capital of Respondent No. 1 Company. Petitioner No. 1 is the widow of Late Shri Vijaybhai Goradia, whereas Petitioner Nos. 2 and 3 are his children and are also Directors of the Company. Respondent No. 1 was incorporated on 06.07.1995 under the Companies Act, 1956 for carrying on the business of steel manufacturing. Respondent Nos. 2 and 3 are Directors of the Company and, together with their family members, hold 18.06% of the paid up share capital, whereas Respondent No. 4 holds 19.68% thereof. The Petitioners state that the original Board of Directors comprised Smt. Gulabben Trambaklal Kansara, Shri Bankim Trambaklal Kansara, Shri Vijay Trambaklal Goradia and Shri Dhimant Trambaklal Goradia, while the present Board consists of Petitioner Nos. 2 (Rahul s/o Vijay Goradia) and 3 (Himali d/o Vijay Goradia) along with Respondent Nos. 2 and 3. Reproduced hereinbelow is the shareholding structure of Respondent No. 1 Company: -

Sr. No	Name& Address of Members	Number of Shares	Percentage of holding
1.	Radhaben Vijay Goradia	1030000	59.95
2	Bankim Trambaklal Kansara	338100	19.68
3	Dhimant Trambaklal Goradia	310300	18.06
4	Harsha Kansara	100	0.01
5	Bhavika Goradia	100	0.01
6	Jyotsna Ravatia	100	0.01
7	Sagar J Shah	9900	0.58
8	Jayprakash P Shah(HUF)	9900	0.58
9	Kinal J Shah	9900	0.58
10	Jayaparekh P Shah	9900	0.58
	Total	**1718300**	**100**

2.3. The Petitioners further state that the Company had obtained a term loan of Rs. 192.05 lakhs from GSFC in May, 1999. Subsequently, the Company became a sick industrial undertaking and proceedings were initiated before the Board for Industrial and Financial Reconstruction (BIFR), wherein IDBI was appointed as the Operating Agency. However, upon initiation of proceedings by GSFC under the SARFAESI Act, the BIFR proceedings stood abated. It is further stated that Late Shri Vijaybhai Goradia arranged funds for settlement of the dues of GSFC pursuant to an OTS proposal of Rs. 428 lakhs, which was accepted by GSFC.

2.4. It is the case of the Petitioners that the Company allotted 2,68,000 equity shares to 22 shareholders on 13.04.2009 and that, as on 31.08.2016, Late Shri Vijaybhai Goradia held 44.34% of the paid up share capital of the Company. Thereafter, Petitioner No. 2 was appointed as a Director in the Extraordinary General Meeting held on 20.03.2017. On the very same date, Respondent No. 4 tendered his resignation from the office of Director, which was accepted by the Board, and the requisite Form DIR-12 was filed with the Registrar of Companies.

2.5. The Petitioners have also referred to FIR No. 1-79 of 2017, registered on 26.09.2017 against Respondent No. 4 (Bankim Bhai Trambaklal Kansara) and others for offences punishable under Sections 114, 120B, 465, 467, 468, 471 and 472 of the Indian Penal Code, alleging use of forged and fabricated documents in relation to land admeasuring 35,122 square metres situated at Paldi. According to the Petitioners, Respondent No. 4 was arrested, remanded to police custody, thereafter sent to judicial custody and subsequently released on bail.

2.6. The Petitioners further state that on 05.10.2018, the 22 shareholders who had been allotted shares in 2009 transferred their shareholding to different transferees, who, in turn, transferred the said shares on 18.02.2020 in favour of Late Shri Vijaybhai Goradia. Upon his demise on 26.04.2020, the said shares were transmitted in favour of Petitioner No. 1 on 22.01.2021, resulting in the Petitioners collectively holding 59.95% of the paid up share capital and claiming majority shareholding in the Company. It is further stated that Petitioner No. 3 and Respondent No. 3 were appointed as Additional Directors on 27.06.2020, which appointments were ratified in the Annual General Meeting held on 29.12.2020.

2.7. The principal grievance of the Petitioners is that, despite their majority shareholding and equal representation on the Board, Respondent Nos. 2 and 3, acting in collusion with Respondent No. 4, purportedly appointed Respondent No. 4 as an Additional Director with effect from 06.09.2021, pursuant to Form DIR-12 filed on 08.09.2021. The Petitioners contend that no Board Meeting was convened on 06.09.2021, no notice thereof was served upon Petitioner Nos. 2 and 3, and no meeting was held at the registered office of the Company. According to the Petitioners, fabricated documents were created and filed before the Registrar of Companies to falsely reflect the appointment of Respondent No. 4 as an Additional Director.

2.8. The Petitioners state that they became aware of the aforesaid development only upon receipt, on 20.10.2021, of a notice issued by Respondent No. 4 convening a meeting of the Board of Directors on 27.10.2021 at his residential premises. Upon making enquiries, they discovered the filing of Form DIR-12 showing the appointment of Respondent No. 4. The Petitioners contend that Respondent No. 4 had no authority to convene the proposed Board Meeting since his appointment itself was illegal and void. They further allege that the agenda proposed for the meeting sought, inter alia, to substitute the authorised signatories to the Company's bank account maintained with Yes Bank by authorising Respondent Nos. 2 (Dhimant Bhai Goradia) and 4 (Bankim Bhai Trambak Lal Kansara) jointly to operate the account, thereby excluding Petitioner Nos. 2 and 3, and also sought to reconsider the transfer of shares effected in favour of Late Shri

Vijaybhai Goradia on 18.02.2020, notwithstanding that the said shares had subsequently been transmitted in favour of Petitioner No. 1 on 22.01.2021.

2.9. The Petitioners further allege that the aforesaid actions formed part of a larger design to obtain exclusive control over the affairs of the Company and facilitate the sale or transfer of the Company's sole immovable asset, namely non-agricultural land admeasuring 8,220 square metres, bearing Old Survey No. 65/14, New Survey No. 123, situated at Village Khatraj, Taluka Kalol, District Gandhinagar, stated to have an approximate market value of Rs. 19.77 crores. Upon learning of the impugned acts, the Petitioners addressed representations dated 25.10.2021 to the Registrar of Companies, Yes Bank and Respondent Nos. 2 and 3 requesting that no action be taken on the basis of the alleged appointment of Respondent No. 4 and expressing apprehension regarding the proposed alienation of the Company's assets.

2.10. The Petitioners have further pleaded that the alleged appointment of Respondent No. 4 is contrary to Section 161 of the Companies Act, 2013, inasmuch as no valid Board Meeting was convened for such appointment and the mandatory notice of the meeting was not served upon all the Directors. They have also alleged violation of Section 118(10) of the

Companies Act, 2013 and the applicable Secretarial Standards, contending that the minutes of the alleged Board Meeting dated 06.09.2021 were never circulated to them nor enclosed with the subsequent notice convening the Board Meeting dated 27.10.2021. According to the Petitioners, these statutory violations render the impugned appointment and the consequential actions illegal and oppressive.

2.11. The Petitioners further assert that the affairs of the Company have historically been conducted on the principles of a quasi-partnership, with participation in management being shared amongst the family members notwithstanding the shareholding pattern. It is their case that the unilateral induction of Respondent No. 4 into the Board, the proposed exclusion of Petitioner Nos. 2 and 3 from the operation of the Company's bank account, and the attempt to revisit completed share transfers and transmission are intended to disturb the existing management structure and confer exclusive control over the affairs of the Company upon Respondent Nos. 2 to 4. The Petitioners also seek investigation into the affairs of the Company under Section 213 of the Companies Act, 2013, alleging fabrication of corporate records, misuse of statutory filings before the Registrar of Companies and acts prejudicial to the interests of the Company and its members.

3. As per the order dated 26.10.2021, Ld Counsel Mr. Arjun Sheth accepted notice for Respondent Nos. 2,3,4 (Dhimant Bhai Goradia, Shivam Dhimant Bhai Goradia, and Bankim Bhai Trambaklal Kansara) and the notice was issued to Respondent Nos. 1 (Himali Steels Ltd) and 5 (the ROC), the Tribunal permitted service through Dasti and other permissible modes. The Petitioners sought interim relief restraining the Respondents from selling, transferring, alienating, encumbering, or otherwise dealing with the assets of Respondent No. 1 Company, including its immovable property, pending disposal of the Petition. It was further submitted that while the Board Meeting scheduled for 27.10.2021 may proceed, any resolution passed therein should not be given effect to.

4. Recording the consensus of the parties, the Tribunal permitted the Board Meeting to be held, subject to the condition that any resolution passed therein would remain subject to the outcome of the present Petition. With regard to the prayer for maintaining status quo over the Company's assets, the Tribunal noted the dispute regarding the Petitioner's status as a shareholder, observing that no documentary proof of transmission of shares had been placed on record, which was disputed by the Respondents. Nevertheless, in order to protect the interests of all parties, the Tribunal directed maintenance of *status-quo* in respect of the immovable properties and other assets of Respondent No. 1 Company, except in the ordinary course of business, with any decision to be taken only after due notice to all persons entitled under law.

5. In response to the above submissions, an **Affidavit-in-Reply** was filed on 28.03.2022 vide Inward Diary No. D1527 on behalf of **Respondent No. 4** wherein the Respondent has denied every averment made in the Petition and further raised following contentions: -

5.1. Respondent No. 4 has filed an affidavit in reply denying the allegations of oppression and mismanagement and has prayed for dismissal of the Company Petition as being false, baseless and unsupported by any material evidence. According to Respondent No. 4, the Petition has been instituted with mala fide intent and the Petitioners have suppressed material facts from this Tribunal.

5.2. At the outset, Respondent No. 4 has questioned the maintainability of the Petition under Sections 241 and 242 of the Companies Act, 2013 on the ground that the Petitioners do not satisfy the eligibility requirements prescribed under Section 244 of the Act. It is contended that although the Petitioners claim to hold 59.95% of the paid-up share capital, no documentary proof of such shareholding accompanied the Petition at the time of its institution. Respondent No. 4 has relied upon the order dated 26.10.2021 passed by this Tribunal, wherein it was observed that there was no material on record confirming the status of Petitioner No. 1 as a shareholder. It is further submitted that despite an undertaking before the Tribunal, the Petitioners failed to produce the original share certificates and supporting documents either before this Tribunal or in the Board Meeting held on 27.10.2021. Even after issuance of an email dated 20.11.2021 calling upon the Petitioners to produce the alleged share certificates, the same were furnished only on 08.01.2022 along with Company Application No. 4 of 2022.

5.3. Respondent No. 4 further alleges that upon examination of the share certificates produced by the Petitioners, it was discovered that the signatures of Respondent No. 2 appearing thereon were forged. Consequently, a criminal complaint dated 10.01.2022 came to be lodged against the Petitioners. It is also stated that Company

Application No. 1 of 2022 was filed before this Tribunal seeking production of the original share certificates and connected documents relied upon by the Petitioners. According to Respondent No. 4, even a comparison of the admitted signatures of Respondent No. 2 with those appearing on the impugned share certificates clearly establishes forgery. Reliance has also been placed upon the handwriting expert's report dated 03.03.2022, which allegedly opines that the signatures attributed to Respondent No. 2 on the share certificates are fabricated.

5.4. It is further contended that, in view of the alleged forged documents, the Petitioners cannot claim to satisfy the statutory threshold prescribed under Section 244 of the Companies Act, 2013. Respondent No. 4 submits that the alleged transfer and subsequent transmission of shares in favour of Petitioner No. 1 are void, unsupported by the records of the Company and contrary to the Articles of Association. It is specifically asserted that Petitioner Nos. 2 and 3 are not shareholders of the Company and, therefore, the Petition is liable to be dismissed at the threshold.

5.5. Reliance was put upon the following cases:-

i. *S.P. Chengalvaraya Naidu (dead) by L. Rs. v. Jagannath (dead) by L.Rs. and Ors.* Civil Appeal No. 994 of 1972

ii. *Prestige Lights Ltd. vs. State Bank of India* (20.08.2007 MANU/SC/3355/2007

iii. *Sunil Poddar and Ors. vs. Union Bank of India* (08.01.2008 -SC): MANU/SC/0322/2008

iv. *K.D. Sharma vs. Steel Authority of India Ltd. and Ors. (09.07.2008 - SC) : MANU/ SC/ 3371/ 2008*

v. *G. Jayashree and Ors. v. Bhagwandas S. Patel and Ors.* (19.12.2008 -SC): MANU/SC/8451/2008

vi. *Suhasini P. Kurkure vs. Metallurgical Laboratories (P.) Ltd. and Others* (31.07.2012-CLB): MANU/CL/0069/2012

vii. *Surgi Aid Lifecase P. Ltd. and Ors. v. Rahuldev Vyas* (13.12.2017 - NCLAT)

viii. *Radhakishan B. Ruchanadani v. Beecceelene Textile Mills Pvt. Ltd. & Ors.,* NCLT Ahmedabad)(13.04.2017 MANU/NC/0251/2017)

5.6. Respondent No. 4 has denied that any act of oppression or mismanagement has been committed. It is submitted that Respondent No. 4 has been validly appointed as an Additional Director in accordance with the Companies Act, 2013, the Articles of Association and the requisite statutory procedure, and that the corresponding forms were duly filed before and approved by the Registrar of Companies. The allegation that no Board Meeting was held on 06.09.2021 or that notice thereof was not served upon Petitioner Nos. 2 and 3 has been specifically denied. Respondent No. 4 has also asserted that the minutes of the said meeting were duly served upon the Petitioners.

5.7. Respondent No. 4 has further disputed the Petitioners' claim regarding majority shareholding and has contended that neither the alleged allotment of 2,68,000 equity shares on 13.04.2009 nor the subsequent transfer of shares in favour of Late Shri Vijaybhai Goradia was effected in accordance with the Companies Act or the Articles of Association. It is submitted that no Board resolution, share transfer forms or other mandatory documents authorising such allotment or transfer have been produced and that Article 72 of the Articles of Association requires appropriate proof of title before registration of any transfer. According to Respondent No. 4, the Board of Directors was never informed of the alleged transfer or transmission of shares, nor was any approval granted by the Board in that regard.

5.8. Respondent No. 4 has also denied the allegation that Respondent Nos. 2 to 4 intended to alienate the sole immovable asset of the Company. It is contended that the agenda of the Board Meeting dated 27.10.2021 did not contain any proposal for sale of the Company's land and that the allegation is wholly speculative. On the contrary, Respondent No. 2 is stated to have been bearing the electricity charges and other expenses relating to the Company's property. It is further submitted that the change in authorised signatory of the Company's bank account became necessary solely on account of the demise of

Late Shri Vijaybhai Goradia, who had been the authorised signatory, and not for any ulterior purpose.

5.9. Lastly, Respondent No. 4 has reiterated that the Petitioners have failed to establish any act constituting oppression or mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013. According to Respondent No. 4, the disputes raised by the Petitioners pertain to alleged share transfers and inter se family grievances, which do not furnish a cause of action under the said provisions. It has, therefore, been prayed that the Company Petition be dismissed with costs.

6. An **Affidavit-in-Reply** has been filed on behalf of **Respondent No. 2** on 16.08.2022 vide Inward Diary no. D4614 wherein following submissions were made: -

6.1. Respondent No. 2 has questioned the maintainability of the present Petition on the ground that the Petitioners do not satisfy the eligibility requirements prescribed under Section 244 of the Companies Act, 2013. It is submitted that the Petitioners have failed to establish their shareholding in the Respondent Company and, therefore, lack the requisite locus to maintain proceedings under Sections 241 and 242 of the Act. Respondent No. 2 has adopted and relied upon the detailed affidavit in reply filed by Respondent No. 4, stating that the contents thereof may be treated as part of the present reply.

6.2. It is further submitted that the alleged share certificates produced by the Petitioners for the first time along with Company Application No. 4 of 2022 disclose forged signatures of Respondent No. 2. Upon receipt of the said documents, the Respondents lodged a criminal complaint dated 10.01.2022 and also preferred Company Application No. 1 of 2022 seeking production of the original share certificates and supporting documents relied upon by the Petitioners. Respondent No. 2 has further relied upon the handwriting expert's opinion, which allegedly confirms that the signatures appearing on the impugned share certificates are forged and fabricated.

6.3. Respondent No. 2 has further contended that certified copies of the annual returns obtained from the Registrar of Companies demonstrate that no transfer of shares took place in the financial years 1997-98 and 1998-99. Consequently, the alleged transfer of shares in favour of Late Shri Vijaybhai Goradia and the subsequent transmission in favour of Petitioner No. 1 are stated to be false and unsupported by the statutory records of the Company. It is also contended that the Board of Directors had never approved or been informed of any such transfer. Respondent No. 2 has additionally relied upon the balance sheets of the alleged transferee companies to contend that none of those entities reflected any investment in the Respondent Company, thereby rendering the Petitioners' version inherently improbable.

6.4. According to Respondent No. 2, the Petitioners have approached this Tribunal without clean hands by relying upon fabricated documents and forged share certificates and have failed to disclose any legally sustainable cause of action under Sections 241 and 242 of the Companies Act, 2013. It is submitted that the Petition is merely an abuse of the process of law, unsupported by documentary evidence, and therefore deserves to be dismissed with costs.

7. To the above averments, an **<u>Affidavit-in-Rejoinder</u>** has been filed on behalf of the petitioners to the Affidavit in replies by Respondent No. 2 and Respondent No. 4 on 29.04.2026 through e-mode, wherein following submissions were made: -

7.1. With regard to the preliminary objection regarding maintainability under Section 244 of the Companies Act, 2013, the Petitioners have reiterated that Petitioner No. 1 is the holder of 59.95% of the paid-up share capital of Respondent No. 1 Company and that Petitioner Nos. 2 and 3 are Directors of the

Company. It is contended that the Petitioners satisfy the statutory requirements prescribed under Section 244 and are, therefore, competent to maintain the present Petition. According to the Petitioners, their shareholding is duly reflected in the financial statements and annual returns of the Company, which have been signed by the Respondents themselves and constitute admissions regarding the Petitioners' shareholding. It is further submitted that Late Shri Vijaybhai Goradia, being one of the promoter directors of the Company, was originally allotted shares on 06.07.1995 and, upon his demise, the said shares stood transmitted in favour of Petitioner No. 1. The Petitioners contend that Respondent Nos. 2 and 4, having remained Directors since the incorporation of the Company and being fully aware of the original allotment, are precluded from disputing the said shareholding after a lapse of about twenty-seven years and that such challenge is barred by limitation.

7.2. The Petitioners have further contended that the principal dispute raised by the Respondents pertains only to the transfer of approximately 16% shareholding by certain shareholders in favour of Late Shri Vijaybhai Goradia. It is submitted that the said transfers were effected during the lifetime of Late Shri Vijaybhai Goradia and that the transferors have themselves filed affidavits, pursuant to the order dated 09.11.2023 passed by this Tribunal, confirming execution of the said transfers. Reliance has also been placed upon the Income Tax Returns of the Company for Assessment Years 2021-2022, 2022-2023 and 2023-2024, which, according to the Petitioners, consistently record their 59.94% shareholding. It is further contended that, once the transfers stand registered in the Register of Members, the Respondents have no authority to question the same in proceedings under Sections 241 and 242 and that any grievance relating to transfer of shares can only be pursued under Section 59 of the Companies Act, 2013. The Petitioners have therefore alleged that the objections raised by the Respondents are mala fide and intended only to delay and frustrate the adjudication of the present Petition.

7.3. In reply to the Respondents' contention that the Petitioners have failed to establish their shareholding, the Petitioners have submitted that the shareholding of Late Shri Vijaybhai Goradia is independently certified by the statutory auditors of the Company, namely S. Mandavat & Co., Chartered Accountants, vide certificate dated 05.02.2024, as well as by NMV & Associates, Independent Chartered Accountants, vide certificate dated 06.02.2024. The Petitioners have also relied upon copies of the share certificates produced along with Company

Application No. 4 of 2022. According to the Petitioners, the Respondents had never questioned the authenticity of the signatures appearing on the share certificates during the lifetime of Late Shri Vijaybhai Goradia and have raised such objections only for the first time in the year 2022 after institution of the present proceedings.

7.4. The Petitioners have further submitted that neither they nor the Respondents are presently in possession of the original share certificates. It is contended that the statutory registers and share certificate books of the Company have become old, torn and mutilated, a fact which stands acknowledged by Respondent No. 2 himself as well as Late Shri Vijaybhai Goradia in a joint affidavit dated 18.02.2020, wherein it was recorded that fresh share certificates were required to be prepared and the existing certificates would stand cancelled. According to the Petitioners, Respondent No. 2, having executed the said affidavit, is estopped from insisting upon production of the original share certificates. The Petitioners have also contended that original share certificates are not the sole or indispensable proof of shareholding and that the Respondents themselves have failed to produce original share certificates in support of their own shareholding.

7.5. With regard to the appointment of Respondent No. 4 as an Additional Director, the Petitioners have reiterated that Respondent No. 4 had voluntarily resigned as Director of the Company in the year 2017, which resignation was duly accepted by the Board in its meeting held on 20.03.2017 and the corresponding Form DIR-12 was filed before the Registrar of Companies. According to the Petitioners, the subsequent appointment of Respondent No. 4 as an Additional Director with effect from 06.09.2021 is founded upon fabricated documents relating to an alleged Board Meeting which, in fact, was never convened. It is specifically alleged that no notice of the purported Board Meeting dated 06.09.2021 was ever served upon Petitioner Nos. 2 and 3, who were admittedly Directors of the Company, and that the Respondents have failed to produce any documentary proof evidencing such service. The Petitioners have accordingly contended that the appointment of Respondent No. 4 is contrary to the provisions of the Companies Act, 2013, illegal, null and void.

7.6. The Petitioners have also challenged the validity of the Board Meeting dated 27.10.2021 and the resolutions passed therein. It is contended that the Company's bank account had historically been operated by Late Shri Vijaybhai Goradia and that Respondent No. 4, who was not a validly appointed Director, had no authority either to convene the meeting or to issue notice thereof. According to the

Petitioners, the principal object of the proposed resolutions was to authorise Respondent Nos. 2 and 4 to operate the Company's bank account jointly while excluding Petitioner Nos. 2 and 3 from the management of the Company's affairs, despite the Company being run in the nature of a quasi-partnership. It is therefore submitted that the notice convening the Board Meeting dated 27.10.2021, all proceedings conducted pursuant thereto, and the resolutions passed therein are illegal, void ab initio and liable to be set aside.

7.7. In conclusion, the Petitioners have reiterated that Respondent Nos. 2 to 4 have acted in concert by creating forged and fabricated corporate records with the object of taking over the management, control and assets of Respondent No. 1 Company. It is their case that the impugned acts amount to oppression of the Petitioners as members of the Company and are also prejudicial to the interests of the Company itself. The Petitioners have accordingly prayed that the Company Petition be allowed and the reliefs sought therein be granted.

8. The **Written Submissions** along with **notes of argument** came to be filed on behalf of the Petitioners on 17.06.2026 and 29.06.2026 respectively through e-mode and has been taken into record.

Company Application No. 1 of 2022

9. During the pendency of the proceedings, the original Respondent Nos. 2 to 4 in the Company Petition have preferred an Application **Comp App. No. 1 of 2022** under Rule 11 of the NCLT Rules, 2016, seeking appointment of an independent handwriting/signature expert to examine the genuineness of the signatures of Applicant Nos. 1 and 3 and Late Shri Vijaybhai Goradia appearing on the share certificates relied upon by Opponent Nos. 2 to 4 (original Petitioners) for establishing their alleged shareholding in Opponent No. 1 Company. The Applicants have also sought directions to Opponent Nos. 2 to 4 to produce the original share certificates and all supporting documents relied upon by them in support of their claim of shareholding, with a consequential prayer that, upon receipt of the expert's report, appropriate orders be passed with regard to the maintainability of the Company Petition. Following submissions were made by the Original Respondents in the said application: -

9.1. The Applicants have averred that the necessity for filing the present application arose during the pendency of the Company Petition, wherein they had raised a preliminary objection regarding the maintainability of the Petition on the ground that Opponent Nos. 2 to 4 did not possess the requisite shareholding prescribed under Section 244 of the Companies Act, 2013. It is submitted that when the Company Petition was listed before this Tribunal on 26.10.2021, the Applicants specifically contended that no documentary evidence had been produced to establish the status of Opponent Nos. 2 to 4 as shareholders of Opponent No. 1 Company. According to the Applicants, although Opponent Nos. 2 to 4 had stated that they would produce copies of the relevant share certificates, no such documents were furnished at the said stage.

9.2. It is the case of the Applicants that, thereafter, a meeting of the Board of Directors of Opponent No. 1 Company was held on 27.10.2021, wherein Opponent Nos. 2 to 4 allegedly failed to produce any original share certificates or supporting documents evidencing their claim of shareholding. The Applicants further submit that, by email dated 20.11.2021 addressed through their Advocates, they called upon Opponent Nos. 2 to 4 to produce the documents relied upon by them in support of their alleged shareholding. According to the Applicants, no response was received for nearly two months. It is stated that only upon service of Company Application No. 4 of 2022 through email dated 08.01.2022 did the Applicants receive copies of the share certificates relied upon by Opponent Nos. 2 to 4, whereupon they allegedly discovered that the signatures of Applicant No. 1, Applicant No. 3 and Late Shri Vijaybhai Goradia appearing thereon had been forged.

9.3. The Applicants have further submitted that, immediately upon discovering the alleged forgery, Applicant No. 1 lodged a criminal complaint dated 10.01.2022 before the competent police authorities alleging commission of offences relating to forgery and fabrication of corporate records. It is also stated that the Applicants sought the opinion of an independent handwriting/signature expert regarding the disputed signatures and intended to place such expert opinion before this Tribunal. According to the Applicants, a comparison between the admitted signatures and those appearing on the impugned share certificates prima facie demonstrates that the signatures have been forged.

9.4. The Applicants have contended that the alleged forged share certificates constitute the very foundation of the claim of Opponent Nos. 2 to 4 regarding their shareholding in Opponent No. 1 Company and, consequently, have a direct bearing upon the maintainability of the Company Petition under Sections 241 and 242 read with Section 244 of the Companies Act, 2013. It is their case that unless the authenticity of the said share certificates is first examined through an independent handwriting/signature expert, the issue relating to the maintainability of the Company Petition cannot be effectively adjudicated. The Applicants have further submitted that the present application is within limitation, as the alleged forgery came to their knowledge only upon receipt of Company Application No. 4 of 2022 and the accompanying share certificates on 08.01.2022.

9.5. In support of the reliefs sought, the Applicants have placed reliance upon the provisions of Rule 11 and Rule 43 of the National Company Law Tribunal Rules, 2016, Section 424 of the Companies Act, 2013 and various judicial precedents to contend that this Tribunal possesses the necessary powers to direct production of documents and obtain expert opinion wherever such examination is necessary for a proper adjudication of the issues arising before it. The Applicants have, therefore, prayed that an independent handwriting/signature expert be appointed for examination of the disputed signatures appearing on the share certificates relied upon by Opponent Nos. 2 to 4 and for consequential directions relating to production of the original share certificates and connected records.

10. Opponent Nos. 2 to 4 (original Petitioners in the Company Petition) have filed an **Affidavit-in-Reply** opposing the present Company Application, further making following submissions: -

10.1. It is submitted that this Tribunal, while exercising jurisdiction under Sections 241 and 242 of the Companies Act, 2013, does not possess the power to grant the reliefs sought in the present application. According to Opponent Nos. 2 to 4, the prayer for appointment of a handwriting/signature expert has no relevance to the adjudication of the principal issues arising in the Company Petition and has been made only with a view to delay the proceedings.

10.2. Opponent Nos. 2 to 4 have further contended that the present application is barred by limitation. It is submitted that Applicant Nos. 1 and 3 were promoter-directors and subscribers to Opponent No. 1 Company and had been fully aware of the shareholding of Late Shri Vijaybhai Goradia since the incorporation of the Company in the year 1995. According to Opponent Nos. 2 to 4, the Applicants themselves had, from time to time, signed the financial statements and annual returns of the Company certifying the shareholding pattern, including the shareholding of Late Shri Vijaybhai Goradia. It is, therefore, contended that the Applicants are estopped from disputing the said shareholding after a lapse of nearly twenty-seven years and that the present application is liable to be rejected on the grounds of limitation as well as estoppel.

10.3. It is further submitted that the Applicants are seeking to reopen transactions which had taken place during the lifetime of Late Shri Vijaybhai Goradia, when Applicant No. 1 himself was serving on the Board of Directors of Opponent No. 1 Company and had accepted the allotment and shareholding pattern prevailing at the relevant time. According to Opponent Nos. 2 to 4, the challenge to the shareholding has been raised only after the demise of Late Shri Vijaybhai Goradia with the object of prejudicing the adjudication of the Company Petition and usurping control over the affairs of the Company. It is further contended that there is no undue advantage derived by Opponent Nos. 2 to 4 through the alleged share certificates, inasmuch as the financial statements and statutory records maintained with the Registrar of Companies independently reflect the shareholding of Late Shri Vijaybhai Goradia.

10.4. With regard to the Applicants' prayer seeking production of original share certificates and share transfer forms, Opponent Nos. 2 to 4 have submitted that the statutory registers, share certificate books and other records of the Company had become old, torn and mutilated. Reliance has been placed upon an affidavit dated 18.02.2020 executed by Applicant No. 1 and Late Shri Vijaybhai Goradia, wherein it was acknowledged that the old records had become mutilated, fresh share certificates were required to be prepared and the existing share certificates would be treated as invalid. It is, therefore, contended that the Applicants, having themselves executed the said affidavit, cannot simultaneously seek production of original share certificates and challenge their authenticity. According to Opponent Nos. 2 to 4, the Applicants have suppressed the aforesaid affidavit from the Tribunal and are attempting to take inconsistent stands in the present proceedings.

10.5. Opponent Nos. 2 to 4 have further contended that the Applicants have adopted inconsistent and contradictory stands in the present proceedings. According to them, while Applicant No. 1 himself had executed the affidavit dated 18.02.2020 acknowledging that the original share transfer forms and statutory records of the Company had become old, torn and mutilated and that fresh share certificates were required to be prepared, the Applicants have nevertheless sought directions from this Tribunal for production of the very same original share transfer forms and have questioned the authenticity of the old share certificates. It is, therefore, submitted that the Applicants cannot be permitted to approbate and reprobate and that the present application is liable to be rejected on the ground that the Applicants have suppressed the aforesaid affidavit from this Tribunal.

10.6. Opponent Nos. 2 to 4 have further submitted that the present application came to be filed only after institution of the Company Petition and is nothing but an attempt to prejudice the adjudication of the principal proceedings and derail the hearing of the Company Petition. It is their case that the Applicants have, for the first time after the demise of Late Shri Vijaybhai Goradia, sought to dispute his shareholding despite having accepted the same throughout his lifetime. According to Opponent Nos. 2 to 4, the conduct of the Applicants demonstrates an attempt to usurp the affairs and management of Opponent No. 1 Company in the absence of Late Shri Vijaybhai Goradia and, therefore, the application deserves to be dismissed with exemplary costs.

10.7. It has also been contended that the allotments and transfers now sought to be questioned had taken place during the lifetime of Late Shri Vijaybhai Goradia when Applicant No. 1 himself was serving as a Director on the Board of Opponent No. 1 Company and had accepted the prevailing shareholding pattern. Opponent Nos. 2 to 4 have accordingly pleaded that Applicant No. 1 is estopped from disputing the shareholding of Late Shri Vijaybhai

Goradia at this stage. It is further submitted that, in any event, no undue advantage could have been derived by Opponent Nos. 2 to 4 through the alleged forged share certificates since the financial statements and statutory records maintained with the Registrar of Companies independently establish the shareholding of Late Shri Vijaybhai Goradia.

11. The Applicants have filed an **Affidavit-in-Rejoinder** reiterating the averments made in the Company Application. It is contended that the Tribunal possesses adequate powers under the Companies Act, 2013 and the NCLT Rules, 2016 to direct production of documents and obtain expert opinion wherever necessary for adjudication. The Applicants have further reiterated that they are not disputing the original allotment of shares in favour of Late Shri Vijaybhai Goradia, but the subsequent alleged allotments and transfers reflected in the impugned share certificates, which according to them contain forged signatures. It is contended that determination of the authenticity of the said share certificates is essential for deciding whether Opponent Nos. 2 to 4 satisfy the eligibility requirements under Section 244 of the Companies Act, 2013 and are competent to maintain the

Company Petition. The Applicants have, therefore, reiterated their prayer for allowing the Company Application.

Company Application No. 4 of 2022

12. Company Application No. 4 of 2022 has been filed by the Applicants (original Petitioners) seeking various interim and consequential reliefs in relation to the affairs and management of Respondent No. 1 Company, including placing on record documents relating to the Applicants' alleged shareholding and challenging the validity of the actions taken pursuant to the Board Meeting dated 27.10.2021, wherein following submissions were made by the Original Petitioners: -

12.1. The Applicants have filed the present Company Application alleging that, despite the order dated 26.10.2021 passed by this Tribunal directing that any resolution passed in the Board Meeting scheduled on 27.10.2021 would remain subject to the outcome of the Company Petition, Respondent Nos. 2 to 4 proceeded to convene and conduct the said meeting by treating Respondent No. 4 as an Additional Director and Chairman of the Company. According to the Applicants, Respondent No. 4 had earlier resigned from the Directorship of the Company and his subsequent appointment as an Additional Director with effect from 06.09.2021 was itself illegal, having been based on a fabricated Board Meeting allegedly held without notice to Petitioner Nos. 2 and 3. It is, therefore, contended that Respondent No. 4 lacked authority either to convene or preside over the Board Meeting dated 27.10.2021.

12.2. The Applicants further contend that, pursuant to the observations made by this Tribunal in its order dated 26.10.2021 regarding production of documents evidencing the shareholding of Petitioner No. 1, copies of the relevant share certificates evidencing transmission of shares in favour of Petitioner No. 1 were placed on record. According to the Applicants, the said documents establish that Petitioner No. 1 holds 59.95% of the paid-up share capital of Respondent No. 1 Company and consequently satisfies the eligibility requirements under Section 244 of the Companies Act, 2013.

12.3. It is further alleged that, notwithstanding the pending proceedings before this Tribunal, Respondent Nos. 2 to 4 passed resolutions authorising Respondent Nos. 2 and 4 to operate the Company's bank account jointly while excluding Petitioner Nos. 2 and 3 from the management of the affairs of the Company. The Applicants contend that the said actions were intended to usurp exclusive control over the affairs and finances of the Company and were undertaken in violation of the interim protection granted by this Tribunal. It is also alleged that the impugned appointment of Respondent No. 4 and the resolutions passed in the Board Meeting dated 27.10.2021 constitute acts of oppression and mismanagement warranting interference by this Tribunal.

13. In response to the above submissions, **reply** was filed on behalf of Respondent No. 4 as well as Respondent No. 2 on 27.03.2022 and 15.08.2022 through e-mode respectively, wherein following contentions were raised by the Respondents: -

13.1. Respondent No. 4 further contends that the share certificates produced for the first time along with the present application contain forged signatures of Respondent No. 2. It is submitted that immediately upon receipt of the said documents, the Respondents lodged a criminal complaint against the Petitioners, sought production of the original share certificates by filing Company Application No. 1 of 2022 and obtained the opinion of a handwriting expert, which, according to Respondent No. 4, confirms that the signatures appearing on the impugned share certificates are fabricated. Reliance is also placed upon the certified copies of annual returns, statutory records and other documents to contend that no valid transfer or transmission of the shares claimed by the Petitioners ever took place.

13.2. Respondent No. 4 has further denied that his appointment as an Additional Director was illegal, contending that the same was made strictly in accordance with the provisions of the Companies Act, 2013, the Articles of Association and the requisite statutory procedure, and that the relevant statutory forms were duly filed and accepted by the Registrar of Companies. It is further submitted that the Board Meeting dated 06.09.2021 was duly convened and that the consequential Board Meeting held on 27.10.2021 was validly conducted. According to Respondent No. 4, the change in the authorised signatories of the Company's bank account became necessary solely on account of the demise of Late Shri Vijaybhai Goradia and not with any intention to prejudice the Petitioners or alienate the assets of the Company. It is, therefore, prayed that the present application be dismissed.

13.3. Respondent No. 2 has opposed the Application contending that the Applicants initially instituted the Company Petition without producing any document to establish their alleged shareholding and only after the Tribunal recorded the absence of such evidence did they seek to introduce additional documents. It is alleged that the share certificates produced by the

Applicants are fabricated and forged, compelling Respondent No. 2 to institute Company Application No. 1 of 2022 seeking appointment of a handwriting expert and production of the original share certificates. It is further contended that Applicant Nos. 2 and 3 are not shareholders of Respondent No. 1 Company and that even the Applicants' own pleadings contain inconsistencies regarding the percentage of shareholding claimed by Applicant No. 1.

14. The Applicants have filed an Additional Affidavit placing on record further documentary evidence, namely the Income Tax Returns of Respondent No. 1 Company for Assessment Years 2021-22, 2022-23 and 2023-24. According to the Applicants, the said Government records consistently reflect that Applicant No. 1 holds 59.94% of the shareholding of Respondent No. 1 Company and therefore constitute independent documentary evidence corroborating the Applicants' claim regarding their majority shareholding.

15. In response to the Additional Affidavit, Respondent No. 2 has contended that the Income Tax Returns relied upon by the Applicants cannot establish title to shares. According to Respondent No. 2, the balance sheets and

Income Tax Returns relied upon by the Applicants were prepared and filed after institution of the Company Petition, despite the Applicants simultaneously asserting that they had no access to the Company's records. It is alleged that these documents were subsequently generated only to satisfy the maintainability requirement under Section 244 of the Companies Act, 2013. Respondent No. 2 has also questioned the genuineness of the Income Tax Returns on the ground that the particulars of the Directors reflected therein are inconsistent with the admitted composition of the Board of Directors of the Company. It is further contended that ownership of shares can only be established through valid share certificates, share transfer forms and other statutory records and not through Income Tax Returns. Respondent No. 2 has accordingly prayed for dismissal of both the Application as well as the Additional Affidavit.

Company Application No. 6 of 2024

16. The Applicants, who are the original Petitioners in Company Petition No. 31 of 2021, have preferred the present Application under Rule 11 of the NCLT Rules, 2016 seeking a direction to Respondent Nos. 2 to 4, who are the original Respondent Nos. 2 to 4 in the Company Petition, to produce on record their original share certificates along with supporting documents evidencing their shareholding in Respondent No. 1 Company.

16.1. The Applicants submit that the main Company Petition under Sections 241 and 242 of the Companies Act, 2013 is pending adjudication and that Respondent Nos. 2 to 4 had earlier preferred Company Application No. 1 of 2022 seeking a direction against the Applicants to produce their original share certificates in order to establish their shareholding in the Company. It is contended that, if the Respondents maintain that original share certificates constitute the only proof of shareholding, the same standard ought to apply equally to Respondent Nos. 2 to 4, who have themselves failed to produce their original share certificates or any supporting documents evidencing their own shareholding in the Company.

16.2. The Applicants further contend that independent documentary evidence already substantiates Applicant No. 1's majority shareholding in the Company. In support thereof, reliance has been placed upon certificates issued by the statutory auditors of Respondent No. 1 Company, namely S.

Mandawat & Co., Chartered Accountants, as well as a certificate issued by NMV & Associates, Independent Chartered Accountants, certifying that Applicant No. 1 held 59.95% of the equity share capital of the Company as on 31.03.2022. According to the Applicants, while they have produced sufficient documentary evidence in support of their claim of shareholding, Respondent Nos. 2 to 4 have not placed any corresponding documentary material on record to substantiate their own shareholding. The Applicants have accordingly prayed for a direction to Respondent Nos. 2 to 4 to produce their original share certificates along with supporting documents on record.

17. In response to the above application, a **reply** has been filed on behalf of Respondent No. 2, wherein following contentions were raised: -

17.1. Respondent No. 2 further submits that Company Application No. 1 of 2022 was necessitated because, at the time of hearing of the main Company Petition on 26.10.2021, the Applicants had failed to produce any documentary evidence establishing their status as shareholders of Respondent No. 1 Company. It is contended that, although the Applicants subsequently produced certain share certificates in Company Application No. 4 of 2022 purporting to evidence transmission of shares in favour of

Applicant No. 1, the said documents contain forged signatures of Respondent No. 2, Respondent No. 4 and Late Shri Vijaybhai Goradia. According to Respondent No. 2, the present Application has been instituted merely to divert the attention of this Tribunal from the allegations of forgery and to create an artificial parity between the parties.

17.2. It is further contended that the burden of proving shareholding lies entirely upon the Applicants, who have instituted the proceedings alleging oppression and mismanagement, and not upon Respondent Nos. 2 to 4. Respondent No. 2 submits that no legal basis has been disclosed by the Applicants requiring the Respondents to produce their original share certificates. It is also pointed out that the Applicants themselves have set out the shareholding pattern of Respondent Nos. 2 to 4 in the main Company Petition and, therefore, cannot simultaneously seek production of their original share certificates. Respondent No. 2 has also disputed the Chartered Accountant certificates relied upon by the Applicants, reiterating that the Applicants have placed forged documents on record and have failed to establish any genuine case of oppression and mismanagement. It is accordingly prayed that the present Application be dismissed with costs.

18. The Applicants (original Petitioners) have filed a **rejoinder** denying the allegations made by Respondent No. 2 and reiterating the averments contained in the Application: -

18.1. It is contended that the present Application is maintainable and that possession of original share certificates is not the sole or mandatory mode of proving shareholding in a company. According to the Applicants, the audited financial statements of Respondent No. 1 Company, which have been signed by the Respondents themselves, sufficiently establish the shareholding of Late Shri Vijaybhai Goradia and, consequently, the transmission of the said shareholding in favour of Applicant No. 1. The Applicants further contend that, if the Respondents insist that original share certificates alone constitute proof of shareholding, they are equally required to produce their own original share certificates, which they have failed to do.

18.2. The Applicants have denied the allegations that the share certificates or the Chartered Accountant certificates relied upon by them are forged or fabricated. It is submitted that, apart from the audited financial statements, the Applicants have also produced certificates issued by the statutory auditors as well as an independent Chartered Accountant certifying Applicant No. 1's majority shareholding in the Company. According to the

Applicants, the Respondents have placed no corresponding documentary evidence on record to establish their own shareholding and cannot be permitted to selectively challenge only the Applicants' claim. The Applicants further contend that the allegations of forgery have been raised solely to delay adjudication of the main Company Petition on merits and to prevent consideration of the allegations of oppression and mismanagement. It is also alleged that, after the demise of Late Shri Vijaybhai Goradia, the Respondents have attempted to usurp control and management of Respondent No. 1 Company. The Applicants have therefore prayed that the present Application be allowed.

Interlocutory Application No. 62 of 2025

19. The Applicant, who is the original Respondent No. 4 in Company Petition No. 31 of 2021, has preferred this Application under Rules 11 and 39(2) of the NCLT Rules, 2016. The Application is directed principally against Respondent Nos. 2 to 4, who are the original Petitioners in the Company Petition, and Respondent Nos. 6 to 25, who are the persons whose affidavits were produced by the original Petitioners through the additional affidavit dated 11.01.2024 in Company Application No. 1 of 2022. The

Applicant seeks directions for production of documentary evidence supporting the alleged transfer of shares by Respondent Nos. 6 to 25 in favour of Late Shri Vijaybhai Goradia and permission to summon and cross-examine the said deponents: -

19.1. According to the Applicant, pursuant to the order dated 09.11.2023 passed by this Tribunal, both parties were directed to disclose whether they were in possession of the original records of the Company, including the minute books, register of members, share transfer register, share certificates and counterfoils. While the Applicant filed an affidavit stating that none of the original records were in his possession, Respondent No. 2, in her additional affidavit dated 11.01.2024, also stated that she was not in possession of the original records but, for the first time, relied upon affidavits executed by Respondent Nos. 6 to 25 asserting that they had transferred their respective shareholdings to Late Shri Vijaybhai Goradia. The Applicant contends that these affidavits form the principal basis of the Petitioners' claim regarding the disputed shareholding and, therefore, their credibility requires verification.

19.2. The Applicant has further contended that during the hearing held on 11.01.2024, reliance was placed upon the statement of Respondent No. 3 recorded before the police to the effect that the original share certificates were lying with M/s H.S. Mehta & Associates. However, it was subsequently recorded by this Tribunal on 22.02.2025 that the said consultant was not in possession of the original share certificates.

19.3. According to the Applicant, these inconsistent stands have rendered the genuineness of the alleged transfers doubtful and necessitate a detailed inquiry. The Applicant therefore seeks a direction requiring Respondent Nos. 2 to 25 to produce all documentary material relating to the alleged transfers, including share transfer applications, transfer deeds, proof of payment of consideration, proof of payment of stamp duty, applications made to the Company for registration of transfers, entries in the statutory registers and other contemporaneous records evidencing the transactions.

19.4. The Applicant further submits that Respondent Nos. 6 to 25 are proper and necessary parties, as they are the executants of the affidavits relied upon by the original Petitioners and the authenticity of those affidavits directly affects the determination of the Petitioners' claim of majority shareholding. It is contended that the Tribunal possesses ample powers under Section 424 of the Companies Act, 2013 read with Rules 37 and 39 of the NCLT Rules, 2016 to summon witnesses, direct production of documents, receive evidence on affidavit and permit cross-examination wherever necessary for a just adjudication of the dispute. The Applicant has accordingly prayed for issuance of witness summons to Respondent Nos. 6 to 25, production of the relevant documentary evidence and permission to lead evidence and cross-examine the said witnesses.

20. Respondent No. 2, who is the original Petitioner No. 1 in Company Petition No. 31 of 2021, has opposed the Application contending that the same is wholly misconceived and not maintainable: -

20.1. It is submitted that the present proceedings arise out of a petition under Sections 241 and 242 of the Companies Act, 2013, wherein this Tribunal exercises summary jurisdiction and, therefore, the Applicant cannot seek permission to lead oral evidence or cross-examine the deponents of affidavits filed before the Tribunal. It is further contended that no direction can be issued against the Petitioners in a petition instituted by them and that the Application is therefore liable to be dismissed at the threshold.

20.2. Respondent No. 2 has further contended that the present Application is merely an indirect attempt to reopen and challenge the transfer of shares effected in favour of Late Shri Vijaybhai Goradia during the years 2019-2020. According to Respondent No. 2, any such challenge is barred by limitation and cannot be entertained under the guise of an interlocutory application. It is also submitted that the Applicant has filed multiple interlocutory applications solely with the object of delaying the hearing of the main Company Petition. It is pointed out that the affidavits executed by Respondent Nos. 6 to 25 were placed on record on 11.01.2024, whereas the present Application came to be filed only in June 2025, after an unexplained delay of nearly one and a half years.

20.3. Respondent No. 2 further submits that the Petitioners have already produced adequate documentary material in support of their shareholding, including certificates issued by S. Mandawat & Co. and NMV & Associates certifying that Respondent No. 2 holds 59.95% of the equity share capital of Respondent No. 1 Company. It is also contended that the Applicant has himself failed to produce the original share certificates or any documentary evidence showing consideration allegedly paid by him in support of his own claim of shareholding. Respondent No. 2 has therefore prayed for dismissal of the present Application.

21. The Applicant has filed a rejoinder reiterating the averments made in the Application and denying the objections raised by Respondent No. 2: -

21.1. It is submitted that the Application has not been preferred to reopen concluded share transfers but only to test the veracity of the third-party affidavits produced for the first time by Respondent No. 2 in support of the alleged transfers. According to the Applicant, the original Petitioners themselves have taken inconsistent stands regarding the custody of the original share certificates and, therefore, production of the underlying documentary evidence and examination of the deponents have become necessary for a fair adjudication of the dispute.

21.2. The Applicant has further reiterated that Respondent Nos. 6 to 25 are necessary parties since the affidavits executed by them constitute material evidence relied upon by the original Petitioners to establish the disputed share transfers. It is contended that the Tribunal, being guided by the principles of natural justice and vested with the powers conferred under Section 424 of the Companies Act, 2013 and Rule 39 of the NCLT Rules, 2016, is competent to summon witnesses, direct production of documents and permit cross-examination wherever the interests of justice so require. The Applicant has accordingly reiterated the prayer for issuance of witness summons to Respondent Nos. 6 to 25 and for permission to lead evidence and cross-examine the said deponents.

22. We have heard the learned Counsel appearing for the parties at considerable length, perused the pleadings, the documents placed on record, the written submissions and the judicial precedents relied upon by both sides. Since the Company Petition and the connected Company Applications arise out of the same factual matrix and involve substantially overlapping questions of fact and law, they were heard together and are being decided by this common order.

Observation and findings of the Tribunal:

23. The present proceedings arise out of disputes concerning the management and control of Respondent No. 1 Company, a closely held company promoted by members of the Goradia family. Although the Petition has been instituted under Sections 241 and 242 of the Companies Act, 2013 alleging oppression and mismanagement, the pleadings disclose that the controversy between the parties extends beyond the challenge to the impugned

Board Meetings, appointment of Respondent No.4 as a Director, and a change in the authorised persons to operate the bank account of the company and other resolutions. The principal dispute revolves around the Petitioners' claim that they hold 59.95% of the paid-up share capital of the Company through Late Shri Vijaybhai Goradia and, consequently, are entitled to participate in the management and affairs of the Company. The Respondents dispute the very foundation of this claim and contend that the Petitioners have failed to establish their status as members holding the requisite shareholding under Section 244 of the Companies Act, 2013 for maintaining the petition.

24. The Petitioners have asserted that Late Shri Vijaybhai Goradia was holding 44.34% shareholding on 31.08.2016 and acquired additional 2,68,000 shares on 18.02.2020. These 2,68,000 shares were allotted to 22 entities on 13.04.2009 and these entities transferred shares to a person on 5.10.2018 and were finally transferred to Mr. Vijay Goradia on 18.02.2020. Mr Vijay Goradia was one of the promoters of Respondent No. 1 Company along with

Respondent No.2 and Respondent No.4. It is stated by the petitioners that Mr. Vijay Goradia held 59.95% shares. According to the Petitioners, upon his demise, the said shareholding stood transmitted in favour of Petitioner No. 1. It is their case that the Respondents accepted the said position for several years as reflected in the statutory and financial records of the Company, but after the death of Late Shri Vijaybhai Goradia on 26.04.2020, sought to assume exclusive control over the Company by disputing the Petitioners' shareholding, appointing Respondent No. 4 as an Additional Director, convening Board Meetings without authority and taking over the operation of the Company's bank accounts.

25. The Respondents have opposed the Petition at the threshold by contending that the Petitioners have not established the minimum qualification prescribed under Section 244 of the Companies Act, 2013. According to the Respondents, the alleged transfers of shares in favour of Late Shri Vijaybhai Goradia are unsupported by the Company's statutory records, the share certificates relied upon by the Petitioners are fabricated, and the subsequent transmission claimed by Petitioner No. 1 is therefore without any legal basis. It has further been contended that the appointment of Respondent No. 4 and the decisions taken in the Board Meetings dated 06.09.2021 and 27.10.2021 were validly undertaken by a duly constituted Board and do not call for interference.

26. During the pendency of the Company Petition, both sides instituted several interlocutory proceedings. Company Application No. 1 of 2022, Company Application No. 4 of 2022 and Interlocutory Application No. 62 of 2025 primarily concern the documentary evidence relied upon by the parties in support of their respective claims regarding the ownership and transfer of shares, while the reliefs sought therein are substantially connected with the issues arising in the main Company Petition. The pleadings in these applications show that the parties have relied upon the same set of facts and documents which form the basis of the principal controversy. Consequently, the determination of the issues arising in the Company Petition would have a direct bearing on the adjudication of the connected applications.

27. The principal **issues** which arise for consideration by this Tribunal are, therefore, as under: -

(i) **Issue No. (i):** Whether the original Petitioners have established that they satisfy the eligibility requirements prescribed under Section 244 of the Companies Act, 2013 and are competent to maintain the present Company Petition?

(ii) **Issue No. (ii):** Whether the appointment of Respondent No. 4 as an Additional Director is valid and in accordance with the provisions of the Companies Act, 2013?

(iii) **Issue No. (iii):** Whether the Board Meeting dated 27.10.2021 and the resolutions passed therein, including those relating to the operation of the Company's bank accounts, are legal and sustainable?

(iv) **Issue No. (iv):** Whether the acts alleged against the Respondents constitute oppression and mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013, and whether the Petitioners are entitled to the reliefs prayed for?

28. We would like to refer to the chronology of events relevant to the matter: -

Date	**Particulars**	**Reference in the Pleadings**
06.07.1995	Himali Steels Limited was incorporated	
13.04.2009	R-1 issued 2,68,000 shares to 22 different Kolkata based entities	124-129
31.08.2016	Shri Vijay Bhai Goradia held 44.34% of the total paid up capital of the company.	

20.03.2017	Rahul Gordia (P-2) was appointed as a Director of the Company and Bankim Bhai Trambak Lal Kansara (R-4) resigned as a Director	
05.10.2018	22 entities which held 2,68,000 shares transferred their holding in favour of different transferees.	
18.02.2020	2,68,000 shares transferred in the name of Vijay Bhai Goradia	
26.04.2020	Vijay Bhai Goradia expired.	
27.06.2020	Himali Goradia and Shivam Dhimanti Bhai Goradia were appointed as Additional Directors.	

29. Findings on Issue No. (i): Whether the original Petitioners have established that they satisfy the eligibility requirements prescribed under Section 244 of the Companies Act, 2013 and are competent to maintain the present Company Petition?

A. Section 244 of the Companies Act, 2013 deals with right to apply under section 241. Section 244(1) provides that any member or members holding not less than one-tenth of the issued share capital of the company have right to apply under section 241 if the applicants have paid all calls and other sums due on his or their shares.

B. The foremost objection raised by Respondent Nos. 2 and 4 pertains to the maintainability of the present Petition. According to the Respondents, the

Petitioners have failed to establish that Petitioner No. 1 holds not less than one-tenth of the issued share capital of Respondent No. 1 Company as contemplated under Section 244 of the Companies Act, 2013. It is their contention that the Petitioners have deliberately relied upon fabricated share certificates and forged documents in order to create an artificial majority in favour of Late Shri Vijaybhai Goradia and, consequently, in favour of Petitioner No. 1. The Respondents have further contended that the alleged transfer of approximately 16% shareholding in favour of Late Shri Vijaybhai Goradia is unsupported by valid transfer deeds, Board approvals or contemporaneous corporate records and, therefore, the Petition itself deserves to be rejected at the threshold.

C. Per contra, the Petitioners have contended that the Respondents have deliberately sought to reduce the controversy to the genuineness of certain share certificates while completely overlooking the contemporaneous statutory records of the Company. According to the Petitioners, the shareholding of Late Shri Vijaybhai Goradia is consistently reflected in the Financial Statements, Annual Returns, Register of Members, Income Tax Returns of the Company and certificates issued by the statutory auditors as well as an independent Chartered Accountant. It has further been contended that the Respondents themselves have signed and accepted several of these statutory records over a considerable period and are, therefore, precluded from disputing the same for the first time only after disputes arose regarding the management of the Company.

D. Before examining the rival contentions, it would be appropriate to notice the scope of enquiry under Section 244 of the Act. At this stage, the Tribunal is required to ascertain whether the Petitioners possess the statutory qualification to invoke the jurisdiction under Sections 241 and 242 of the Act. The enquiry is not directed towards adjudicating the ultimate title to every disputed share or finally determining the legality of each historical transaction relating to the Company's share capital. The Tribunal is required to examine whether the Petitioners have established, on the basis of the material placed before it, that they satisfy the statutory threshold prescribed under Section 244 of the Act.

E. The principal controversy centres around the shareholding claimed by Late Shri Vijaybhai Goradia. It is the case of the Petitioners that Late Shri Vijaybhai Goradia was one of the promoter directors of Respondent No. 1 Company. The other directors were Dhimant Bhai Goradia and Bankim

Bhai Trambak Lal Kansara. Shri Vijay Bhai Goradia held approximately 59.95% of its paid-up share capital. Upon his demise on 26.04.2020, the said shareholding stood transmitted in favour of Petitioner No. 1. The Respondents do not dispute the original association of Late Shri Vijaybhai Goradia with the Company. Their challenge does not concern his original shareholding of about 44% but is confined principally to the transfer of approximately 16% shareholding allegedly acquired by him from certain shareholders, which according to them never legally took place.

F. From the pleadings and documents placed on record, it emerges that the Petitioners have not founded their claim solely upon the disputed share certificates. On the contrary, reliance has been placed upon a series of contemporaneous corporate and statutory records, namely the Annual Returns, Financial Statements, Member Lists forming part of such returns, Register of Members, Income Tax Returns, certificates issued by the statutory auditors and independent Chartered Accountant and affidavits executed by the transferors confirming the transfers in favour of Late Shri Vijaybhai Goradia. The evidentiary value of the Petitioners' case, therefore, has to be appreciated on the cumulative effect of the aforesaid documents and not by examining each document in isolation.

G. The Annual Returns and Financial Statements assume considerable significance in the facts of the present case. These are statutory records prepared and maintained by the Company in discharge of its obligations under the Companies Act. The Petitioners have specifically relied upon the Member List forming part of the Annual Return as on 31.03.2018, wherein the shareholding of Late Shri Vijaybhai Goradia is reflected at approximately 44% even prior to the disputed transfers. The Petitioners have further pointed out that the said statutory records were signed and accepted by Respondent No. 2 himself during the ordinary course of business.

H. The Respondents have sought to contend that the aforesaid entries cannot confer any legal right if the underlying transfers themselves are invalid. The submission, though attractive at first blush, cannot be accepted in the broad manner in which it has been canvassed. The statutory records maintained by a company of which Respondent No.2 has always been the director cannot be brushed aside merely by alleging that the transactions reflected therein are illegal. Such records undoubtedly remain open to challenge in appropriate proceedings; however, unless displaced by cogent contemporaneous material, they constitute relevant evidence regarding the affairs of the Company.

I. Significantly, no material has been placed before this Tribunal to indicate that at any point during the lifetime of Late Shri Vijaybhai Goradia, the Respondents initiated any proceedings seeking rectification of the Register of Members, correction of the Annual Returns, modification of the Financial Statements or any other statutory action asserting that the entries regarding his shareholding were erroneous or fraudulently made. Equally, there is no material to indicate that the statutory authorities were ever approached with a grievance that the shareholding reflected in the Company's records did not represent the true position. Such complete absence of any contemporaneous challenge assumes importance while appreciating the rival contentions.

J. The Respondents have repeatedly emphasised that the Petitioners have failed to produce valid transfer deeds and Board approvals relating to the disputed transfers which concerns only 16% of shareholding. It is true that transfer of shares is governed by the statutory framework contained in the Companies Act and the Articles of Association of the Company. However, the controversy before this Tribunal is not one where the validity of a single isolated transfer is being examined immediately after its occurrence. The dispute has arisen after several years, during which period the Company's own statutory records continued to reflect the shareholding now sought to be disputed. The long-standing recognition of a particular shareholding pattern in the Company's own records constitutes a relevant circumstance which cannot be ignored while examining maintainability under Section 244.

K. On 13.04.2009, the Company allotted 2,68,000 equity shares to 22 Kolkata-based entities, resulting in the infusion of share capital into the Company. At the relevant time, Respondent Nos. 2 and 4, along with Late Vijaybhai Goradia, were Directors of the Company. The Respondents now contend that the said entities are bogus and that the investments were not reflected in their respective accounts. However, the allotment remained unquestioned by the management, including Respondent Nos. 2 and 4, and the shareholding of the said 22 entities continued to be reflected in the records of the Company for several years. The issue has been raised only after the filing of the present Petition under Sections 241 and 242 of the Companies Act, 2013, notwithstanding that the subsequent transfer of the said shares in favour of Late Vijaybhai Goradia was effected during the tenure of Respondent No. 2 as Director of the Company.

L. Much reliance has been placed by the Respondents upon the allegation that the copies of the share certificates produced by the Petitioners bear forged signatures and that a handwriting expert has opined against the authenticity of such signatures. There can be no dispute with the settled proposition that no right can be founded upon a forged document. Equally, however, the evidentiary scope of such allegation must not be expanded beyond its legitimate limits. At the highest, the said allegation casts a cloud upon the authenticity of the disputed copies of the share certificates and these constitute only 18% of total paid up share capital. It does not, by itself, obliterate every other contemporaneous statutory record maintained by the Company over several years nor does it automatically establish that the shareholding reflected in such records never existed. It has not been claim of the Respondents that all filings to the ROC and Income Tax Department showing shareholding has been fabricated and false. They have been directors of the same company for which the information has been filed.

M. The Tribunal also finds substance in the contention of the Petitioners that the originals of the share certificates are admittedly not available. The material placed on record discloses that the statutory registers, share certificate books and allied records of the Company had become old, damaged and largely illegible. This position stands acknowledged in the affidavit dated 18.02.2020 executed by the concerned parties, wherein it was specifically recorded that fresh share certificates were required to be issued and the existing certificates would thereafter be treated as invalid.

N. Once the deteriorated condition of the statutory records and share certificate books stands admitted by the parties themselves, mere non-production of the original share certificates cannot be treated as fatal to the Petitioners' case. The Tribunal is also unable to accept the submission that the alleged infirmity in one category of documents necessarily destroys the evidentiary value of every other contemporaneous record maintained by the Company. Such an approach would amount to ignoring statutory corporate records without any independent adjudication declaring them to be false or fabricated. Further, when the Petitioners filed CP seeking the production of original share certificates by the Respondents, these Respondents instead of filing the share certificates kept harping on the forged share transfer forms which only constituted 16% of the paid up share capital. The Respondents have also not established their shareholding.

O. The Petitioners have further relied upon affidavits executed by the transferors confirming that the disputed shares were transferred in favour of Late

Vijaybhai Goradia during his lifetime. The Respondents have questioned the veracity of these affidavits and have sought an opportunity to cross-examine the deponents. While such objection may bear upon the weight ultimately to be attached to the affidavits, the fact remains that the Respondents have not produced any affirmative material demonstrating that the deponents never executed the transfers or that the affidavits are fabricated. Mere denial, howsoever emphatic, cannot by itself displace sworn statements supported by other contemporaneous documentary material. As noted above, these very 22 entities have been shown as shareholders in the company records. It is not clear whether the Respondents are disputing the share transfer to Vijay Gordia or allotment of shares to the alleged sham entities. Thes entities were allotted shares in 2009 and the Respondents chose to raise the objections only when the Petition under section 241-242 is filed.

P. Similar is the position with regard to the Income Tax Returns and the certificates issued by the statutory auditors and independent Chartered Accountant. This Tribunal is conscious that neither an Income Tax Return nor a Chartered Accountant's certificate constitutes a document of title. Nevertheless, where such documents consistently reflect a particular shareholding on the basis of the

Company's own records in which the Respondents constitute Board of Directors, they furnish relevant corroborative evidence which cannot be discarded altogether. They strengthen the cumulative evidentiary value of the contemporaneous corporate records relied upon by the Petitioners.

Q. Another circumstance which deserves due weight is the conduct of the parties. The pleadings disclose that the challenge to the shareholding of Late Vijaybhai Goradia has been raised only after his demise and after serious disputes arose regarding the management and control of the Company including appointment of directors and changing the authorised signatories to the operation of bank accounts. During the lifetime of Late Vijaybhai Goradia, despite his continued association with the Company and despite the statutory records reflecting his shareholding, no contemporaneous objection appears to have been raised by the Respondents before any competent authority. Though mere delay may not validate an otherwise illegal transaction, the timing and manner in which the present objection has been raised constitute relevant circumstances while assessing the credibility of the rival versions.

R. Having considered the pleadings, documents and rival submissions in their entirety, this Tribunal is of the considered view that the Respondents have concentrated their challenge principally upon the disputed share certificates for 2,68,000 shares while leaving substantially unanswered the contemporaneous statutory records of the Company which consistently recognise the shareholding of at least 44% claimed by Late Vijaybhai Goradia. The allegations regarding forgery remain disputed questions which may have relevance in appropriate proceedings. However, in the absence of any adjudication declaring the statutory corporate records to be fabricated or directing rectification thereof, this Tribunal cannot ignore the consistent documentary record maintained by the Company over several years.

S. The cumulative effect of the Annual Returns, Financial Statements, Member Lists, Register of Members, Income Tax Returns, auditors' certificates and affidavits placed on record, when read together, probabilises the case of the Petitioners that Late Vijaybhai Goradia was recognised by the Company as holding the shareholding claimed by him and that upon his demise the said shareholding stood transmitted in favour of Petitioner No. 1. The Respondents have undoubtedly raised serious allegations with regard to certain documents; however, those allegations, in the facts of the present case, are insufficient to displace the cumulative evidentiary value of the contemporaneous corporate records relied upon by the Petitioners.

T. Accordingly, this Tribunal is satisfied that Petitioner No. 1 has established, for the purposes of Section 244 of the Companies Act, 2013, that she possesses the requisite qualification of more than 10% holding to institute and maintain the present Petition. The preliminary objection raised by Respondent Nos. 2 and 4 regarding maintainability is, therefore, rejected. Issue No. (i) is answered in favour of the Petitioners and against the Respondents.

30. Findings on Issue No. (ii): Whether the appointment of Respondent No. 4 as an Additional Director is valid and in accordance with the provisions of the Companies Act, 2013?

A. The Petitioners have challenged the appointment of Respondent No. 4 as Director of Respondent No. 1 Company primarily on the ground that the said appointment was effected through the Board Meeting dated 27.10.2021, which itself was convened and conducted in complete disregard of the provisions of the Companies Act, 2013 and the Articles of Association of the Company. It has been contended that the Board Meeting was neither validly convened nor attended by a legally constituted quorum and was convened with the sole object of inducting Respondent No. 4 into the management of the Company and excluding the Petitioners from its affairs.

B. The Respondents, on the other hand, have submitted that Respondent No. 4 was validly inducted as an Additional Director under Section 161 of the Companies Act, 2013 pursuant to a duly convened meeting of the Board of Directors. According to the Respondents, the appointment was necessitated in the interest of the Company and was carried out strictly in accordance with law. It has further been contended that since the Petitioners themselves are not entitled to question the composition of the Board, they cannot challenge the appointment of Respondent No. 4.

C. Having considered the rival submissions, this Tribunal finds that the legality of the appointment of Respondent No. 4 cannot be examined in isolation from the validity of the Board Meeting dated 27.10.2021. The appointment of Respondent No. 4 is not an independent corporate act but is entirely founded upon the resolution allegedly passed in the said meeting. Consequently, if the Board Meeting itself is found to have been convened or conducted contrary to law, every consequential resolution passed therein would necessarily stand vitiated.

D. The minutes of the meeting and the documents relied upon by the Respondents indicate that Respondent No. 4 was appointed as an Additional Director by a resolution stated to have been passed on 27.10.2021. However, the Petitioners have specifically disputed the legality of the said meeting on several grounds including lack of proper notice, absence of a valid quorum, exclusion of persons entitled to participate in the management of the Company and non-compliance with the Articles of Association. These objections go to the root of the validity of the meeting itself.

E. Section 161(1) of the Companies Act, 2013 undoubtedly empowers the Board of Directors to appoint an Additional Director where such power is conferred by the Articles of Association. However, the exercise of such power is neither independent nor unfettered. The authority under Section 161 can be exercised only by a duly constituted Board acting collectively through a meeting convened and conducted in accordance with the provisions of the Act, the Articles of Association and the applicable Secretarial Standards. The statutory power under Section 161 cannot be divorced from the procedural safeguards prescribed under Sections 173, 174 and 118(10) of the Act.

F. Section 173(3) of the Companies Act mandates that every meeting of the Board shall be convened by giving not less than seven days' notice in writing to every Director at his registered address by hand delivery, post or electronic means. The legislative object behind the provision is to ensure that every Director is afforded a fair and effective opportunity to participate in the deliberations of the Board before any corporate decision is taken. This statutory requirement is further reinforced by Secretarial Standard-1 on Meetings of the Board of Directors, compliance with which has been made mandatory by virtue of Section 118(10) of the Act. Secretarial Standard-1 requires that notice, agenda and notes on agenda be circulated to every Director sufficiently in advance to enable informed participation in the meeting. Any material deviation from these mandatory requirements directly impacts the validity of the meeting itself.

G. The importance of service of notice upon every Director is no longer res integra. In ***Parmeshwari Prasad Gupta v. Union of India*, AIR 1973 SC 2389**, the Hon'ble Supreme Court unequivocally held that notice to every Director is essential for the validity of a Board Meeting and that any resolution passed at a meeting held without notice to one of the Directors is invalid in the eye of law. The said principle has consistently been followed in company law jurisprudence and has recently been reiterated in proceedings arising under Sections 241 and 242 of the Companies Act.

H. The Respondents have attempted to justify the appointment of Respondent No. 4 by contending that the Board possessed the requisite authority under the Articles of Association. This submission, however, overlooks the more fundamental question, namely, whether the Board Meeting itself satisfied the mandatory requirements prescribed under the Companies Act and the Articles. The existence of power is distinct from the lawful exercise of that power. Unless the meeting itself withstands judicial scrutiny, the resolution appointing Respondent No. 4 cannot derive independent validity.

I. The Tribunal also finds merit in the Petitioners' contention that the sequence of events assumes considerable significance. The material placed on record indicates that following the demise of Late Vijaybhai Goradia, disputes arose regarding the management of the Company. Instead of resolving the disputes through participation of all stakeholders, the Respondents proceeded to induct Respondent No. 4 into the Board. The appointment thus cannot be viewed as an isolated corporate decision divorced from the surrounding circumstances but must be appreciated in the context of the overall conduct alleged in the present Petition.

J. It is a settled principle of company law in ***Parmeshwari Prasad Gupta* (supra)** that where the validity of a Board Meeting is itself under challenge, the resolutions passed therein cannot enjoy an independent existence. If the foundation is found to be defective, the superstructure erected thereon necessarily falls. Therefore, the legality of the appointment of Respondent No. 4 is intrinsically dependent upon the legality of the meeting dated 27.10.2021.

K. Applying the aforesaid statutory provisions and settled principles to the facts of the present case, this Tribunal is of the considered view that the appointment of Respondent No. 4 cannot derive an independent legal existence from the impugned Board Meeting. Since the validity of the meeting itself has been seriously impeached on grounds going to the root of the statutory procedure prescribed under the Companies Act, 2013, the resolution appointing Respondent No. 4 necessarily remains vulnerable to the same infirmities.

L. Consequently, and for the reasons recorded while dealing with Issue No. (iii) concerning the legality of the Board Meeting dated 27.10.2021, this Tribunal holds that the appointment of Respondent No. 4 as an Additional Director is unsustainable in law and is liable to be declared invalid. Issue No. (ii) is accordingly answered in favour of the Petitioners.

31. **Findings on Issue No. (iii):** Whether the Board Meeting dated 27.10.2021 and the resolutions passed therein, including those relating to the operation of the Company's bank accounts, are legal and sustainable?

A. While dealing with Issue No. (ii), this Tribunal has already examined the statutory framework governing the convening of Board Meetings and the appointment of an Additional Director under the Companies Act, 2013. The present issue is, therefore, confined to determining whether the Board Meeting dated 27.10.2021, on the basis of the material available on record, satisfies the mandatory statutory requirements and whether the Respondents have been able to establish the legality of the proceedings conducted therein.

B. The Petitioners have contended that the impugned meeting was not convened in the ordinary course of the Company's business but was orchestrated with the sole object of altering the existing management after the demise of Late Shri Vijaybhai Goradia. It has been submitted that the meeting was convened without complying with the mandatory procedural requirements prescribed under the Act and the Articles of Association and culminated in the induction of Respondent No.4 into the Board so as to consolidate the control of Respondent Nos.2 and 3 over the affairs of the Company.

C. The Respondents have controverted the aforesaid allegations and have submitted that the Board Meeting was validly convened and conducted in accordance with law. According to them, the requisite notice was issued, the meeting was attended by the competent Directors and the resolutions passed therein represent valid acts of corporate management.

D. Having examined the pleadings, documentary evidence and contemporaneous records, this Tribunal finds that the Respondents have not satisfactorily demonstrated due compliance with the mandatory procedural requirements governing the convening of the Board Meeting dated 27.10.2021. The objections raised by the Petitioners are not confined to minor procedural irregularities but strike at the very legality of the meeting. The burden to establish that the meeting was convened in accordance with the statutory mandate rested upon the Respondents, particularly when the very validity of the meeting had been specifically challenged.

E. The Respondents have principally relied upon the minutes of the Board Meeting to justify the impugned resolutions. However, minutes merely record the proceedings which are stated to have taken place during the meeting. They cannot, by themselves, constitute proof that the meeting was convened in accordance with the mandatory provisions of law. Once the Petitioners have specifically questioned the legality of the meeting on grounds relating to notice, constitution of the Board and compliance with the Articles, the Tribunal is required to examine the entire surrounding record and not merely the minutes in isolation. In ***Parmeshwari Prasad Gupta*** **(supra)**, the Hon'ble Supreme Court held that where the mandatory requirements governing the convening of a Board Meeting are not satisfied, the resolutions passed therein cannot be sustained merely because they have been recorded in the minutes.

F. Another circumstance which assumes considerable significance is the sequence in which the impugned corporate actions came to be undertaken. The material placed on record indicates that immediately after the demise of Late Shri Vijaybhai Goradia, disputes arose regarding the management and control of Respondent No.1 Company. It is during this period that the impugned Board Meeting was convened, resulting in the induction of Respondent No.4 as an Additional Director. No convincing explanation has been furnished by the Respondents as to the business exigency requiring such induction at a time when serious disputes regarding the management of the Company were already subsisting. The surrounding circumstances, therefore, lend support to the Petitioners' contention that the impugned meeting was not a routine exercise of corporate governance but one intended to alter the existing balance of management.

G. The Hon'ble Supreme Court in ***Dale & Carrington Investment (P) Ltd. v. P.K. Prathapan*, (2005) 1 SCC 212**, while considering the scope of the powers exercised by Directors, observed that Directors stand in a fiduciary position vis-à-vis the Company and its shareholders and that powers vested in the Board are required to be exercised bona fide, for the benefit of the Company and not for securing or perpetuating control. The Court further observed that even where a statutory power exists, its exercise remains amenable to judicial scrutiny where it is alleged that such power has been exercised for an extraneous purpose or in breach of fiduciary obligations. The said principle squarely applies to the facts of the present case.

H. The cumulative effect of the documentary evidence, the chronology of events and the surrounding circumstances persuades this Tribunal to hold that the Respondents have failed to dispel the legitimate doubts surrounding the legality of the Board Meeting dated 27.10.2021. The procedural deficiencies pointed out by the Petitioners cannot be dismissed as inconsequential irregularities. Rather, they affect the legitimacy of the meeting itself and consequently the validity of every resolution passed therein.

I. This Tribunal is also guided by the well-settled principle that in proceedings under Sections 241 and 242 of the Companies Act, the Court is not merely required to examine the legality of an isolated corporate act but must appreciate the impugned action in the backdrop of the overall conduct of the parties and the surrounding circumstances. In ***Needle Industries (India) Ltd. v. Needle Industries Newey (India) Holding Ltd., (1981) 3 SCC 333***, the Hon'ble Supreme Court observed that allegations relating to corporate governance and oppression are to be examined on the basis of the cumulative conduct of the parties rather than by viewing each transaction in isolation. Applying the said principle, this Tribunal is of the considered opinion that the Board Meeting dated 27.10.2021 forms part of the larger chain of events complained of by the Petitioners and cannot be viewed independently of the surrounding factual matrix.

J. Consequently, for the reasons recorded hereinabove and in light of the statutory principles discussed while deciding Issue No. (ii), this Tribunal holds that the Respondents have failed to establish that the Board Meeting dated 27.10.2021 was convened and conducted in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of Respondent No.1 Company. The meeting is accordingly held to be invalid, and every resolution passed therein, including the resolution appointing Respondent No.4 as an Additional Director, is rendered unsustainable.

K. Issue No. (iii) is, accordingly, answered in favour of the Petitioners.

32. Findings on Issue No. (iv): Whether the acts alleged against Respondent Nos. 2 to 4 constitute oppression and mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013, and whether the Petitioners are entitled to the reliefs prayed for?

A. The Petitioners have contended that the affairs of Respondent No.1 Company have been conducted in a manner oppressive to them and prejudicial to the interests of the Company. According to the Petitioners, after the demise of Late Shri Vijaybhai Goradia, Respondent Nos.2 and 3 systematically excluded the Petitioners from the management of the Company, convened the illegal Board Meeting dated 27.10.2021, inducted Respondent No.4 as an Additional Director and thereafter assumed exclusive control over the affairs of the Company. It is further alleged that the cumulative effect of these acts demonstrates a continuous design to deprive the Petitioners of their legitimate rights as shareholders and participants in the management of the Company.

B. The Respondents have denied the allegations of oppression and mismanagement and have submitted that every decision taken by the Board was in the interest of the Company and within the powers conferred under the Companies Act, 2013 and the Articles of Association. It has been contended that the disputes raised by the Petitioners are essentially personal disputes amongst family members and do not satisfy the statutory requirements for granting relief under Sections 241 and 242 of the Act.

C. Sections 241 and 242 of the Companies Act, 2013 confer equitable jurisdiction upon the Tribunal to intervene where the affairs of a company are being conducted in a manner prejudicial to public interest, prejudicial to the interests of the company or oppressive to any member. The jurisdiction is preventive and remedial in nature and is intended to bring an end to the matters complained of rather than merely to punish past misconduct. While exercising such jurisdiction, the Tribunal is required to examine the overall course of conduct of the parties and not isolated transactions viewed in a vacuum.

D. The legal principles governing oppression are well settled. In ***Shanti Prasad Jain v. Kalinga Tubes Ltd.*, AIR 1965 SC 1535**, the Hon'ble Supreme Court held that oppression involves a continuous course of conduct which is burdensome, harsh and wrongful and that isolated or stray acts, unless forming part of a continuing pattern, would ordinarily not justify interference. The Court emphasised that the conduct complained of must establish lack of probity in the affairs of the Company and must be such as would justify the intervention of the Company Court.

E. The aforesaid principle was further explained by the Hon'ble Supreme Court in ***Needle Industries (India) Ltd.* (supra),** wherein it was held that the question of oppression cannot be decided by examining each act in isolation. The Court observed that the cumulative effect of the conduct complained of is the determinative factor and that even acts otherwise lawful may amount to oppression if they form part of a design lacking in fairness and probity towards a section of shareholders.

F. Likewise, in ***Dale & Carrington Investment (P) Ltd.* (supra)**, the Hon'ble Supreme Court reiterated that Directors occupy fiduciary positions and are expected to exercise their powers for the benefit of the Company as a whole. Any exercise of corporate power intended to secure control or to prejudice the rights of other shareholders constitutes a breach of fiduciary obligation and is amenable to correction in proceedings under Sections 241 and 242.

G. Applying the aforesaid principles to the facts of the present case, this Tribunal finds that the grievances of the Petitioners cannot be viewed as confined merely to the appointment of Respondent No.4 or the Board Meeting dated 27.10.2021. Those events constitute only one part of a larger sequence of conduct. As already held while deciding Issues No. (ii) and (iii), the Respondents failed to establish the legality of the Board Meeting through which Respondent No.4 was inducted into the Board. The consequence of such invalid induction was the alteration of the management structure of

Respondent No.1 Company to the exclusion of the Petitioners. The Respondents have not established the reasons for change of authorised signatories for operating the bank account of the company. The illegality of that meeting therefore assumes significance not merely as an isolated procedural defect but as a component of the broader pattern of conduct complained of by the Petitioners.

H. The evidence placed on record further demonstrates that after the demise of Late Shri Vijaybhai Goradia, instead of preserving the existing equilibrium amongst the stakeholders, Respondent Nos.2 and 3 proceeded to restructure the management of the Company through actions which have now been found to be legally unsustainable. The cumulative effect of such conduct was the exclusion of the Petitioners from participation in the management of the Company and the concentration of effective control in the hands of Respondent Nos.2 to 4. Such conduct cannot be regarded as a mere commercial disagreement or an ordinary internal dispute.

I. The Respondents have sought to contend that every action undertaken by them was motivated by the interests of the Company. However, no convincing material has been produced to establish any commercial necessity justifying the manner in which the management of the Company was altered.

On the contrary, the surrounding circumstances indicate that the impugned actions were undertaken at a time when disputes regarding succession and control had already arisen. The Tribunal is therefore unable to accept that the impugned acts constituted bona fide exercises of corporate power.

J. This Tribunal is conscious that not every illegality or procedural irregularity amounts to oppression within the meaning of Section 241. However, where such illegality forms part of a continuous course of conduct designed to exclude a section of shareholders from the affairs of the Company and to alter the balance of corporate control, the jurisdiction under Sections 241 and 242 is clearly attracted. The facts of the present case satisfy the said test.

K. In view of the foregoing discussion, this Tribunal is satisfied that the acts complained of by the Petitioners constitute a continuing course of oppressive conduct lacking in fairness and probity and are also prejudicial to the proper management of Respondent No.1 Company. Accordingly, Issue No. (iv) is answered in favour of the Petitioners.

33. In view of the foregoing discussion and findings recorded on **Issues No. (i) to (iv),** this Tribunal is satisfied that the Petitioners have established a case of oppression and mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013. Consequently, the present Company Petition deserves to be allowed. Accordingly, the following directions are issued: -

(i) The Board Meeting of Respondent No.1 Company held on 27.10.2021 is hereby declared illegal, invalid and non est in the eyes of law.

(ii) Consequently, all resolutions passed in the said Board Meeting, including the resolution appointing Respondent No.4 as an Additional Director, are hereby declared null and void and are set aside.

(iii) The appointment of Respondent No.4 as an Additional Director/Director of Respondent No.1 Company, being consequential to the aforesaid invalid Board Meeting, is declared illegal and is hereby set aside.

(iv) Respondent No.1 Company shall restore its Board of Directors and statutory records to the position obtaining immediately prior to the Board Meeting dated 27.10.2021. Necessary corrections, if any, shall be carried out in the statutory registers and filings maintained under the Companies Act, 2013, within thirty (30) days from the date of receipt of this order.

(v) The Registrar of Companies shall take on record the consequential changes arising out of this order, if any statutory filings including DIR-12 are made pursuant thereto, in accordance with law.

(vi) In the facts and circumstances of the case, there shall be no order as to costs.

34. Accordingly, **Company Petition No. 31 of 2021** stands ***allowed*** and disposed of in the aforesaid terms.

35. Consequently, **CA No. 1 of 2022, CA No. 4 of 2022, CA No. 6 of 2024** and **IA No. 62 of 2025** stand disposed of in terms of this judgment.

-SD-

SD/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

SHAMMI KHAN
MEMBER (JUDICIAL)

HG