**THE NATIONAL COMPANY LAW TRIBUNAL**

**MUMBAI BENCH-I**

**CP 67 OF 2024 along with CA 290/2024 and CONT.A./17/ 2024**

*In the matter of the Companies Act, 2013*

*under Sections 241,242 and 244;*

*And*

*In the matter of;*

**SHABNAM SONI & ANR.**

… Petitioner

Versus

**INDIAN TUBE CORPORATION LIMITED & ORS.**

… Respondents

***Order Pronounced on 22.07.2026***

*Coram :*

| | |
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| **Shri Prabhat Kumar** | **Shri Sushil Mahadeorao Kochey** |
| Hon'ble Member (Technical) | Hon'ble Member (Judicial) |

***Appearances:***

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| For the Petitioners | : Adv. Akshat Agrawal |
| For the Respondent | : Adv. Praveen N. Surange counsel for R- 1, 2, 3 & 5; Adv. Mithali Shetty, a/w Adv. Munaf Virjee for the Respondent no. 6 |

## ORDER

**Background of the case**

1. The present Company Petition has been filed on 7.5.2024 by Ms. Shabnam Soni (Petitioner No. 1) and Mr. Rajiv Lochan Soni (Petitioner No. 2) (hereinafter collectively referred to as "the Petitioners") under Sections 241, 242, 244, 58 and 59 of the Companies Act, 2013 ("the Act"), against Indian Tube Corporation Limited (Respondent No. 1) (hereinafter referred to as "the Company"), Mr. Rakesh Soni (Respondent No. 2), Mr. Sharang Soni (Respondent No. 3), Mr. Thakur Prasad Agrawal (Respondent No. 4), Ms. Poonam Soni (Respondent No. 5), Ms. Anuradha Soni (Respondent No. 6) and the Registrar of Companies, Mumbai (Respondent No. 7).
2. Respondent No. 1 is a public limited company originally incorporated on 20.02.1984 under the provisions of the Companies Act, 1956 in the name and style of 'AVN Tubes Limited'. Subsequently, with effect from 17.06.2010, the name of the Company was changed to 'Indian Tube Corporation Limited'. The Company bears Corporate Identity Number (CIN): U27105MH1984PLC214746. It is a non-government public company limited by shares, having its registered office at Office No. 273, Plot No. 19, Sector-19D, Satra Plaza, Vashi, Navi Mumbai, Maharashtra – 400705. The authorised share capital of the Company is ₹5,00,00,000/- (Rupees Five Crores only), divided into 50,00,000 equity shares of ₹10/- each, whereas its paid-up share capital is ₹2,50,00,000/- (Rupees Two Crores Fifty Lakhs only), divided into 25,00,000 equity shares of ₹10/- each.
3. Respondent No. 2 is the Managing Director of the Company, while Respondent Nos. 3 and 4 are Directors thereof. Petitioner Nos. 1 and 2, along with Respondent Nos. 5 and 6, are also shareholders of the Company. The extent and validity of their respective shareholding constitute one of the principal issues arising for consideration in the present proceedings.
4. The Petitioner No. 1 is wife of Petitioner No. 2, and Petitioner No. 2, Respondent No. 2 and Husband of Respondent No. 6 are brothers, and sons of

Late Jaishree Soni. Respondent No. 5 is wife of Respondent No. 2, and Respondent No. 3 is son of Respondent No. 2 & 5.

5. The Petition has been instituted under Sections 241, 242, 58 and 59 of the Act seeking, inter alia, the following reliefs:

    i. Rectification of the Register of Members of the Company under Sections 58 and 59 of the Act in respect of the shareholding of Petitioner No. 1 (Folio Nos. 14 and 809) and the shareholding standing in the name of Late Jaishree Soni, represented through her legal heir and co-owner (Folio Nos. 10 and 814);

    ii. An order superseding the existing Board of Directors and appointing an Administrator, Special Officer or an Independent Committee to manage the affairs of the Company;

    iii. Removal of the existing statutory auditor and appointment of an independent auditor to conduct a special audit of the books of account of the Company;

    iv. A declaration that the appointment of Respondent Nos. 3 and 4 as Directors of the Company is illegal, void and contrary to law, being prejudicial to the interests of the Company and its shareholders; and

    v. A declaration that the Annual Board Meeting allegedly held on 30.09.2023, at which the audited financial statements of the Company were approved, is illegal, void and of no legal effect.

**Submissions of the Petitioners**

6. The Petitioners have alleged that Respondent Nos. 2 to 5 have committed various acts which are arbitrary, oppressive to the Petitioners and prejudicial to the interests of the Company, resulting in the mismanagement of its affairs and business. It is the case of the Petitioners that the conduct of the aforesaid Respondents attracts the provisions of Sections 241 and 242 of the Act. It is further averred that no substantive relief has been claimed against Respondent No. 6, while Respondent No. 7 has been impleaded as a proper party to the proceedings. The Petitioners are stated to be residing at JANAK, 19/2, Manorama Ganj, Indore, Madhya Pradesh – 452001.

7. The Petitioners submitted that Petitioner No. 1 holds 18.5% of the paid-up share capital of Respondent No. 1 Company. Petitioner No. 2 holds 0.16% shares and also claims to be one of the legal heirs of late Mrs. Jaishree Soni, whose shareholding of 12.94% devolved upon her legal heirs, but for alleged change in particulars of shareholding in the register of members thereby depriving her legal heirs the right to succeed such shares. It is further submitted that Respondent No. 6, who supports the Petition, holds 18.4% of the paid-up share capital. Accordingly, it is contended that the Petition is supported by shareholders representing nearly 50% of the paid-up share capital of the Company.

8. It is submitted that the affairs and management of Respondent No. 1 Company have throughout remained under the control of Respondent Nos. 2 to 4. The principal asset of the Company comprises approximately 18 acres of freehold land situated at Malanpur, District Bhind, Madhya Pradesh, together with a steel manufacturing unit set-up thereon. According to the Petitioners, the said property is the sole asset of the Company valuing approximately more than ₹100 crores.

9. Petitioners submitted that the Company, incorporated in 1984 for manufacturing steel pipes and tubes, became a sick industrial company in 1994 and was referred to the BIFR. It is further submitted that the Company's electricity connection was permanently disconnected in 2014 and that it remained non-operational thereafter. Following the dissolution of the BIFR on 1 December 2016, Respondent Nos. 2 to 5 unlawfully disposed of the Company's machinery, sheds and other movable assets through unrecorded cash transactions for their personal benefit, causing prejudice to the Company and its shareholders.

10. The principal grievance of the Petitioners relates to the alleged unauthorised alteration of the Register of Members. It is submitted that the shares in the Respondent Company were originally held by (i) Petitioner No. 1 under folio Nos. 14 & 809, (ii) late Mrs. Jaishree Soni under folio no. 10 & 814, and (iii) Respondent No. 6 under folio no. 15 & 813, individually as per list of members filed with the Annual Report for the year 2012-13. These individual

shareholdings came to be declared as joint shareholding in the list of members filed with the Annual Report for the year 2014-15 and continues so as on date. While, the name of Respondent no. 2 was added as joint holder of shares in the ledger folio relating to shareholding of Petitioner No. 1 and Respondent No. 6, the name of Mrs. Poonam Soni, wife of Respondent No. 2 was added as joint holder of shares in the ledger folio relating to shareholding of Mrs. Jaishree Soni. Further, the list of shareholders as on 31.30.2022 enclosed with the annual return mischievously recorded the shares held in the folios of Petitioner No. 1 , Late Jayashree Soni and Respondent No 6 in the following manner –

| Sl. No. | Folio No. | Description |
|---|---|---|
| 1. | 10 & 814 | Jayshree Soni (Jointly held with Poonam Soni) [Jayshree Soni-3532 & Poonam Soni-320000) |
| 2. | 14 & 809 | Mrs. Shabnam Soni and Jointly Rakesh Soni [ Mrs. Shabnam Soni 2830 (ind) & 459567 (Jointly)] |
| 3. | 15 & 813 | Mrs. Anu Soni and Jointly Rakesh Soni [Mrs. Anu soni 400 (ind) & 459566 (Jointly) |

11. It is case of the Petitioners that such changes in the relevant folios of Register of Members were carried out without any authority, consent or execution of a valid share transfer instrument. According to the Petitioners, the Annual Returns for the financial years 2006-07 and 2012-13 consistently reflected Petitioner No. 1 and Late Jaishree Soni as the sole holder of the shares in question, whereas the list of shareholders circulated for the Annual General Meeting held on 30.09.2015 reflected the impugned changes. Further, Respondent No. 6 has also alleged similarly that the shares standing in her name individually were shown as jointly held with Respondent No. 2. Accordingly, it is contended by the Petitioner that first, the Register of the Members was modified illegally by

converting individual shareholdings standing in the name of (i) Petitioner No. 1 under folio Nos. 14 & 809, (ii) late Mrs. Jaishree Soni under folio no. 10 & 814, and (iii) Respondent No. 6 under folio no. 15 & 813, into joint shareholding whereby the joint shareholders was either Respondent No. 2 or his wife Respondent No. 5. Thereafter, these joint shareholdings were further split against the name of each of joint holder(s), which per-se is illegal. Accordingly it is submitted that even if is admitted that these individuals held shares jointly with joint holder(s) since inception, such illegal split has the effect of prejudicing the interest of original shareholder further by reducing the interest of such holder in joint holding by less than half.

12. It is submitted that the aforesaid alterations are contrary to the Articles of Association of the Company, particularly Articles 38 and 46, as well as Section 56 of the Companies Act, 2013 read with Rule 11 of the Companies (Share Capital and Debentures) Rules, 2014, since no duly executed transfer deed in Form SH-4 or any other statutory document evidencing transfer or transmission of shares has ever been produced.

13. The Petitioners further submit that Mrs. Jaishree Soni, who expired intestate on 31.12.2012, held 3,23,532 equity shares constituting 12.94% of the paid-up share capital of the Company. Petitioner No. 2 claims to be one of her legal heirs. It is also submitted that a partition suit concerning her estate has been pending before the District Court at Indore since 09.04.2015. Therefore, no alteration in respect of her shareholding could have been effected during the pendency of the said proceedings.

14. It is submitted that the Petitioners became aware of the alleged alterations only recently, as the parties are closely related family members and there was no reason to suspect any irregularity earlier. Upon discovering the alleged changes, Petitioner No. 1 and Petitioner No. 2 addressed separate applications dated 23.02.2024 and 15.03.2024 seeking rectification of the Register of Members. Since no action was taken by the Company, the present Petition has been filed under Sections 58, 59, 241 and 242 of the Companies Act, 2013.

15. The Petitioners further challenge the appointment of Respondent Nos. 3 and 4 as Directors on the ground that the appointments were made in violation of the Articles of Association, which prescribes qualification shares for appointment as Directors. It is contended that the Board was, therefore, improperly constituted and all subsequent decisions taken by it are liable to be set aside.

16. It is further submitted that Respondent Nos. 2 to 4 acted in breach of the status quo and attachment orders passed by the Debts Recovery Tribunal, Jabalpur, in OA-EX No. 255 of 2013 by disposing of the Company's movable assets and attempting to alienate its immovable property. According to the Petitioners, the proposed sale of the Company's principal asset was undertaken without obtaining approval of the shareholders by way of a special resolution under Sections 114 and 180 of the Companies Act, 2013 and without issuing notices convening any Annual General Meeting or Extraordinary General Meeting. It is, therefore, submitted that the proposed transaction is void and non est in law.

17. It is further submitted that they learnt through a public notice published in the *Dainik Bhaskar*, Gwalior Edition, and other publicly available material that the Respondents had entered into an agreement for sale of the said property and had initiated steps to convert the factory premises into a residential township. It is alleged that these actions were undertaken without obtaining the approval of the shareholders or convening any Annual General Meeting or Extraordinary General Meeting, despite the proposed transaction materially affecting the Company's sole substantial asset.

18. It is further submitted that Respondent Nos. 2 to 4 have failed to discharge their fiduciary obligations under Section 166 of the Companies Act, 2013 by failing to protect the assets of the Company, withholding statutory financial statements and notices of general meetings from the shareholders, and acting in a manner prejudicial to the interests of the Company and its members.

19. It is further contended that the documents subsequently produced by the Respondents, including photocopies of certain share certificates, are fabricated and inconsistent with the Company's statutory records, Annual Returns and audited financial statements. It is further submitted that, despite specific

directions issued by this Tribunal, the Respondents have failed to produce any original share transfer deeds, resolutions or other contemporaneous records authorising either the alleged alteration of the Register of Members or the impugned transactions concerning the Company's assets.

20. Learned Counsel for the Petitioners submitted that the statutory records of the Company consistently reflected Petitioner No. 1 as the sole holder of the shares standing in Folio Nos. 14 and 809. In this regard, reliance was placed on the Annual Returns for the financial years 2006-07 and 2012-13, certified respectively by Mr. Rajesh Jain, Chartered Accountant (Certificate of Practice No. 071697), and Mr. Neeraj Agrawal, Company Secretary (Certificate of Practice No. 8909), which recorded Petitioner No. 1 as holding 2,830 equity shares under Folio No. 14 and 4,59,567 equity shares under Folio No. 809 in her individual capacity. It is contended that these statutory filings, prepared after verification of the Register of Members, conclusively establish that the impugned shares were never jointly held.

21. The Petitioners contend that Respondent Nos. 2 to 4 have failed to carry on the business of the Company and, instead, have attempted to alienate its principal asset despite the property being under attachment in proceedings before the Debts Recovery Tribunal, Jabalpur. It is further submitted that no notices convening meetings of the shareholders were issued to the Petitioners, no special resolution under Sections 114 and 180 of the Companies Act, 2013 was passed, and the Respondent Directors thereby acted in breach of their fiduciary obligations under Section 166 of the Companies Act, 2013. It is also alleged that the Petitioners were not furnished with the financial statements, Board's Reports or Auditor's Reports as required under Section 136 of the Act, thereby depriving them of their statutory rights as members.

22. It is further submitted that Respondent No. 1 has been incorrectly projected as a closely held family company. According to the Petitioners, the Company has, since its incorporation, remained a public limited company promoted by Metalman Industries Limited and Madhya Pradesh Audyogik Vikas Nigam Limited and presently has more than 850 shareholders. It is, therefore,

contended that Respondent Nos. 2 to 5 could not have dealt with the assets of the Company as if they were private family assets or undertaken transactions without obtaining the approvals mandated under the Companies Act, 2013.

23. It is further submitted that, after completion of pleadings and partial hearing of arguments, this Tribunal, by order dated 21.11.2025, granted limited liberty to the Respondents to produce records evidencing the authority for inclusion of Respondent No. 2 as a joint shareholder. According to the Petitioners, despite the said opportunity, the Respondents failed to produce any share transfer deed, Board resolution, instrument of transfer or any other contemporaneous record evidencing the lawful conversion of individually held shares into jointly held shares or justifying the alteration of the Register of Members.

24. It is further submitted that the Respondents subsequently sought to rely upon photocopies of certain share certificates allegedly showing Respondent No. 2 as a joint holder. Petitioners states that these documents were never pleaded in the reply to the Company Petition and were produced only by way of an additional affidavit as an afterthought. The Petitioners allege that the said documents are fabricated. The Petitioners also contend that no affidavit has been filed by either Mr. Rajesh Jain, Chartered Accountant, or Mr. Neeraj Agrawal, Company Secretary, who had certified the relevant Annual Returns, disputing the correctness of the statutory records relied upon by them.

25. It is further submitted that, pursuant to the order dated 13.02.2026, Respondent No. 1 filed an affidavit of Mr. Ranjesh Jain dated 05.03.2026. Petitioners submits that Mr. Ranjesh Jain neither prepared nor certified the Annual Returns for the relevant period and, therefore, was not competent to comment upon the statutory records maintained by the Company. It is further alleged that the said affidavit deserves to be disregarded and that Mr. Ranjesh Jain acted in concert with Respondent Nos. 1 and 2 in an attempt to justify the impugned alterations.

26. The Petitioners allege that Mr. Ranjesh Jain had allowed the writing off of a secured liability of ₹3.55 crores payable to Metalman Industries Limited in the financial statements for the financial year 2018-19 despite having been consistently acknowledged as a secured debt in the earlier audited financial

statements manipulating the Company's books of account with a view to defeat the proceedings before the Debts Recovery Tribunal.

27. On the aforesaid premises, the Petitioners submit that the continued management of the affairs of the Company by Respondent Nos. 2 to 4 is prejudicial to the interests of the Company and its shareholders. The Petitioners, therefore, seek rectification of the Register of Members under Sections 58 and 59 of the Companies Act, 2013 by restoring the Register to the position as it stood on 01.01.2013, together with appropriate reliefs under Sections 241 and 242 of the Act, including appointment of an independent Administrator and an independent Auditor to manage the affairs of the Company, conduct a comprehensive audit and secure complete disclosure of its records.

28. The Petitioners also filed **Contempt Application No. 17 of 2024** alleging wilful disobedience of the interim order dated 17.05.2024 passed by this Tribunal. By the said order, this Tribunal had directed that the Respondents shall not consummate any transaction relating to the sale of the Company's property until the next date of hearing. It is submitted that the said interim protection has continued from time to time.

29. It is submitted that, notwithstanding the aforesaid order, Respondent No. 1, acting through its Directors, executed a registered Sale Deed on 20.05.2024 in respect of approximately 4 hectares of the Company's land in favour of Govin Synthetic Leather Private Limited, bearing e-registration ID No. MP042852024A1614444 before the Sub-Registrar, Gohad, District Bhind, Madhya Pradesh. According to the Petitioners, the transaction was completed despite the Respondents having full knowledge of the subsisting interim order restraining alienation of the property.

30. The Petitioners further submit that the purchaser company, Govin Synthetic Leather Private Limited, is controlled by Respondent No. 2, Mr. Rakesh Soni, and Mr. Sharang Soni, each allegedly holding 50% of its share capital, and that the company was incorporated with the residential address of Respondent No. 2 as its registered office. It is contended that the impugned transaction was entered into between related parties at a consideration substantially below the

market value, thereby conferring an unlawful benefit upon the Respondents in violation of the order dated 17.05.2024. It is also submitted that the concerned Sub-Registrar, Gohad, was subsequently suspended in connection with the registration of the sale deed.

31. It is further submitted that, upon becoming aware of the aforesaid transaction, the Petitioners filed this Contempt application on 24.06.2024 placing on record documentary material in support of the allegation of wilful disobedience of the interim order and seeking initiation of contempt proceedings against the Respondents.

32. It is further submitted that, apart from the aforesaid sale deed, another registered Sale Deed dated 14.11.2024 bearing Registration No. MP042852024A11327987 was executed by Respondent No. 1 in favour of Govin Synthetic Leather Private Limited in respect of the remaining 3.38 hectares of land. According to the Petitioners, the Respondents sought to mislead the Tribunal by contending that the transaction pertained to the year 2011, whereas the purchaser company itself came into existence only in the year 2017.

33. It is lastly submitted that the Respondents have repeatedly acted in disregard of the orders of this Tribunal. In particular, it is alleged that Respondent No. 1, through its Directors, produced fabricated share certificates before this Tribunal along with the additional affidavit dated 25.12.2025 with a view to supporting the impugned alterations in the Register of Members and obtaining orders in their favour.

**<u>Submissions of Respondents 2 to 5</u>**

34. Respondents submitted that the present Company Petition is a gross abuse of the process of law and has been instituted only to exert pressure in the backdrop of long-standing family disputes concerning the properties of the family and its group companies. It was submitted that several civil, criminal and succession proceedings are already pending between the parties and that, under a family arrangement, the management of Respondent No. 1 Company had always

remained with Respondent No. 2 and the present proceedings constitute an extension of those personal disputes and have been initiated solely to secure an advantageous settlement.

35. It was further submitted that, after obtaining interim relief from this Tribunal, the Petitioners instituted Civil Suit No. RCSA 214/2025 before the Civil Court at Gohad seeking substantially similar reliefs concerning the immovable property of Respondent No. 1 Company. It was also contended that the succession and partition proceedings relating to the estate of late Mrs. Jaishree Soni are already pending before the competent civil court at Indore. Consequently, this Tribunal lacks jurisdiction to determine the inter se succession rights of the legal heirs, and in the absence of any succession certificate or declaration in favour of Petitioner No. 2, the Petitioners have no locus to seek rectification of the Register of Members in respect of the shares standing in the name of late Mrs. Jaishree Soni.

36. It is further submitted that the present Petition is hopelessly barred by limitation. It is stated that all the grievances raised by the Petitioners pertain to events between the years 2012 and 2015, whereas the present Petition was instituted only in the year 2024 after an unexplained delay of nearly a decade. It was submitted that the applications dated 23.02.2024 and 12.03.2024 seeking rectification of the Register of Members cannot revive a stale or time-barred cause of action. It was further contended that the Petitioners failed to produce any contemporaneous share certificates or other documentary material establishing their alleged individual shareholding either while seeking rectification or while instituting the present proceedings. It was also pointed out that **Company Application No. 290 of 2024** has been filed specifically questioning the maintainability of the Petition on the grounds of limitation as well as non-fulfilment of the statutory eligibility prescribed under Section 244 of the Companies Act, 2013.

37. The Respondents denied that there had been any transfer or subsequent alteration of the impugned shareholding. It was submitted that the shares in question were issued in joint names from their inception pursuant to the

rehabilitation scheme sanctioned by the Board for Industrial and Financial Reconstruction ("BIFR") by order dated 05.12.2005. Under the said scheme, the paid-up equity share capital was reduced, consolidated and fresh equity shares were issued. Accordingly, Petitioner No. 1 continued to hold 2,830 equity shares individually under Folio No. 14, whereas 4,59,567 fresh equity shares were issued jointly in the names of Petitioner No. 1 and Respondent No. 2 under Folio No. 809. Similarly, Respondent No. 6 retained 400 equity shares individually, while 4,59,566 fresh equity shares were issued jointly in the names of Respondent No. 6 and Respondent No. 2 under Folio No. 813. It was, therefore, contended that there has never been any subsequent transfer, rectification or alteration in either the share certificates or the Annual Returns. It was further submitted that the Petitioners themselves relied upon the Annual Return dated 30.09.2016 before the Debts Recovery Tribunal, Jabalpur, wherein the impugned joint shareholding stood duly reflected, and are consequently estopped from disputing the same.

38. On the aforesaid basis, it was contended that the Petitioners do not satisfy the minimum eligibility prescribed under Section 244 of the Companies Act, 2013 for maintaining a petition under Sections 241 and 242. It is further submitted that Petitioner No. 1 individually holds only 2,830 equity shares and Petitioner No. 2 only 400 equity shares. The jointly held shares cannot be reckoned towards the statutory threshold, particularly when the joint holders have not jointly authorised the institution of the present proceedings.

39. Learned Counsel submitted that, in compliance with the orders dated 21.11.2025 and 13.02.2026 passed by this Tribunal, Respondent No. 1 produced Share Certificate Nos. N-07 and N-08 and also filed an affidavit dated 05.03.2026 of Ms. Ranjesh Jain, Practising Company Secretary, affirming that the impugned shares were issued jointly from their inception. According to the Respondents, the Petitioners have failed to produce any contemporaneous record disproving the said position or establishing any unlawful alteration of the Register of Members.

40. It was further submitted that Respondent No. 2 has managed the affairs of Respondent No. 1 Company bona fide and in the best interests of the Company. Learned Counsel submitted that Respondent No. 2 personally discharged statutory liabilities amounting to ₹2,79,50,359/- and, during the BIFR proceedings, settled the dues of IDBI, IFCI, ICICI and SBI aggregating to approximately ₹717.60 lakhs. It was further submitted that Respondent No. 2 has not drawn any remuneration from the Company during the last fourteen years, has advanced interest-free financial assistance whenever required, and has ensured regular statutory compliances, including filing of financial statements, annual returns and audits. According to the Respondents, the appointments of Directors were made solely to comply with the statutory requirements applicable to a public company.

41. The allegations of oppression, mismanagement and diversion of assets were emphatically denied. It was submitted that in pursuant to thefts occurred at the factory premises, police complaints were promptly lodged by the management, whereas the Petitioners remained passive at the relevant time and are now relying upon those very incidents to level allegations of mismanagement. It was further contended that the Petitioners have not produced any material whatsoever to substantiate the allegations of siphoning of funds, money laundering or tax evasion. The Respondents also denied that the appointment of Respondent No. 3 was contrary to the Articles of Association, submitting that Article 90 does not prescribe any qualification shares and that such appointment was made in compliance with Section 149 of the Companies Act, 2013. It is stated that the appointment of Directors, by itself, cannot constitute oppression or mismanagement.

42. With regard to the sale of the Company's immovable property, Learned Counsel submitted that the valuation put forth by the Petitioners is highly exaggerated and that the property was sold at the prevailing market value as accepted by the registering authorities. It was further contended that shareholders possess no direct proprietary interest in the assets of the Company and are only entitled to their distributable share, if any, upon winding up. It was also pointed out that a

portion of the Company's land admeasuring 3.38 hectares had already been sold during the year 2011, the transaction having been duly reflected in the financial statements for the financial year 2011-12, which were available in the public domain and well within the knowledge of the Petitioners.

43. Lastly, it was submitted that the Petitioners have approached this Tribunal with unclean hands by suppressing material facts. During the period when the Company's property was under statutory attachment, the Petitioners, through their son, had themselves expressed interest in purchasing the attached property and requested the Sales Tax Authorities to recover additional dues from the Company. It was further contended that, while relying upon the attachment order passed by the Debts Recovery Tribunal, the Petitioners deliberately suppressed the subsequent order dated 08.11.2023 whereby the attachment had been lifted.

44. Finally it is submitted that the Petition is founded upon isolated and stale grievances relating principally to the alleged rectification of the Register of Members and the sale of the Company's property, without disclosing any continuing course of oppressive, prejudicial or wrongful conduct so as to attract the jurisdiction of this Tribunal under Sections 241 and 242 of the Companies Act, 2013. It was, therefore, prayed that the Company Petition be dismissed.

45. In reply to the Contempt Application, Respondents tendered an unconditional apology in the event any of their acts were perceived as showing disrespect or non-compliance. It was submitted that the Respondents have always remained bound to comply with the directions of this Tribunal and that there was neither any wilful nor deliberate disobedience of the order dated 17.05.2024.

46. It was further submitted that Respondent No. 1 Company had ceased its manufacturing activities and had no independent source of income. The Company was burdened with substantial statutory liabilities and was facing repeated proceedings initiated by various statutory authorities for attachment and sale of its assets towards recovery of outstanding dues. In these circumstances, the Board of Directors decided to dispose of the Company's immovable property so as to discharge its liabilities, and the entire sale

consideration was appropriated towards repayment of the Company's debts and statutory dues.

47. Learned Counsel submitted that the sale was effected in favour of M/s. Govin Synthetic Leather Private Limited at the prevailing market value with the object of avoiding coercive sale of the Company's assets through public auction by the Government authorities. It was submitted that, the offer being commercially acceptable, the Board authorised Respondent No. 2 to execute the necessary documents before the registering authority on behalf of the Company.

48. It was contended that Respondent No. 2 appeared before the Sub-Registrar on 16.04.2024 pursuant to the authority granted by the Board and executed the Sale Deed by affixing his thumb impression and signature in accordance with the provisions of the Registration Act, 1908. It is stated that the execution of the Sale Deed, including payment of the entire sale consideration and completion of all obligations on the part of the Company, stood concluded on 16.04.2024 itself.

49. It was further submitted that although the Sale Deed came to be registered on 20.05.2024, the registration was merely a ministerial act carried out by the office of the Sub-Registrar. Since the execution of the Sale Deed had already been completed on 16.04.2024, no further act remained to be performed by the Company or its authorised representative after that date. It was also contended that neither the Sub-Registrar nor the purchaser was a party to the present proceedings and, therefore, had no knowledge of the interim order passed by this Tribunal. Reliance was placed upon Sections 23 and 47 of the Registration Act, 1908 and Section 54 of the Transfer of Property Act, 1882 to contend that a registered instrument operates from the date of its execution and not from the date on which it is subsequently registered.

50. The Respondents further submitted that the sale consideration had been received prior to the interim order dated 17.05.2024 and, therefore, no question of wilful disobedience or violation of the order of this Tribunal could arise. It was also contended that the interim order had been obtained ex parte without affording an opportunity of hearing to the Respondents.

51. It is additionally submitted that the screenshots and other electronic material relied upon by the Petitioners were inadmissible in evidence in the absence of a certificate under Section 65B of the Indian Evidence Act.

52. On the aforesaid grounds, it was submitted that the essential ingredients of civil contempt, namely wilful and deliberate disobedience of the order of this Tribunal, were wholly absent and, therefore, the Contempt Application was liable to be dismissed.

**Submissions of Respondent No 6**

53. Respondent No. 6 filed a separate reply supporting the case of the Petitioners and opposing the stand taken by Respondent Nos. 2 to 5. It is submitted that Respondent No. 2, without her knowledge, authority or consent, fraudulently caused the Register of Members to be altered sometime in the year 2015 by inserting his name as a joint holder of the shares standing in Respondent No. 6's sole name under Folio Nos. 15 and 813.

54. It is submitted that Respondent Nos. 2 to 5, while in control of the affairs of Respondent No. 1 Company, manipulated the Register of Members and the Annual Returns by introducing Respondent No. 2 as a joint holder in respect of shares originally held exclusively by Respondent No. 6 and Petitioner No. 1. It is stated that such manipulation was undertaken with the object of acquiring control over the Company and facilitating unauthorised dealings with its immovable assets.

55. It is submitted that Respondent No. 6 is a shareholder holding 4,59,966 equity shares, constituting approximately 18.40% of the paid-up share capital of Respondent No. 1 Company under Folio Nos. 15 and 813. Reliance was placed upon the Annual Return for the financial year 2012-2013, filed with the Registrar of Companies, to contend that the said statutory records reflected Respondent No. 6 as the sole holder of the aforesaid shares. It was further submitted that the same Annual Return similarly reflected Petitioner No. 1 as the sole holder of the shares standing under Folio Nos. 14 and 809. She states

that the said statutory filings, having been certified by practising professionals, carry a presumption of correctness and have never been corrected or modified.

56. It is further submitted that Respondent No. 6 became aware only around September 2022, upon examining the subsequent Annual Returns for the financial years 2014-2015 onwards, that Respondent No. 2 had been shown as a joint holder of her shares as well as those standing in the name of Petitioner No. 1.

57. Respondent No. 6 categorically denied having ever sold, transferred, gifted, assigned or otherwise created any joint interest in her shareholding in favour of Respondent No. 2. It was submitted that she had never executed any share transfer form, consent letter or any other document authorising the inclusion of Respondent No. 2 as a joint holder.

58. It is submitted that, immediately upon discovering the alleged manipulation, Respondent No. 6 lodged a complaint dated 07.09.2022 before the Registrar of Companies, Mumbai, requesting appropriate action against the alleged unauthorised alterations made in the Register of Members and the Annual Returns.

59. It is further submitted that Respondent No. 2, while acting as Managing Director of Respondent No. 1 Company, had also sought to commercially exploit the Company's immovable property without the approval of the shareholders by circulating an unauthorised layout plan through local property brokers and collecting substantial advances from prospective purchasers.

60. It was further contended that Respondent No. 1 has failed to produce any contemporaneous record, including any instrument of transfer, application for joint holding, Board resolution, minutes of meetings or correspondence evidencing the consent of Respondent No. 6 or Petitioner No. 1 for conversion of their individual shareholdings into joint shareholdings with Respondent No. 2. It was also submitted that the plea subsequently taken by Respondent No. 1 that the shares had always been jointly held is contrary to its own statutory Annual Returns filed for the financial year 2012-2013 and earlier years, and no explanation has been furnished for such inconsistency.

61. On the aforesaid basis, Respondent No. 6 supported the reliefs sought in the Company Petition and submitted that the alleged unauthorised insertion of Respondent No. 2 as a joint holder, coupled with the alleged unauthorised dealings with the Company's principal immovable asset, constitutes acts of oppression and mismanagement warranting appropriate relief under the provisions of the Companies Act, 2013.

**Analysis and Decision**

62. Heard the learned Counsel appearing for the Petitioners and the Respondents at length. The pleadings, documents placed on record, written submissions and the authorities relied upon by the parties have been carefully considered.

63. The present Company Petition has been instituted under Sections 58, 59, 241 and 242 of the Companies Act, 2013 seeking, inter alia, rectification of the Register of Members, restoration of the Petitioners' alleged individual shareholding, and consequential reliefs on the ground of oppression and mismanagement allegedly committed by Respondent Nos. 2 to 5 in the affairs of Respondent No. 1 Company. Since the maintainability of the Petition has been seriously disputed, it is appropriate to first consider the preliminary objections before examining the allegations on merits.

64. The principal objection raised by the Respondents is that the Petitioners do not satisfy the eligibility requirement prescribed under Section 244 of the Companies Act, 2013 and, therefore, lack the requisite locus standi to maintain a petition under Sections 241 and 242. Consequently, before examining the allegations of oppression and mismanagement, it becomes necessary to determine whether the Petition fulfils the statutory requirements contained in Sections 241 and 244 of the Act.

65. Section 241 of the Companies Act, 2013 entitles a member of a company to approach the Tribunal where the affairs of the company are being conducted in a manner prejudicial to public interest, oppressive to any member, or prejudicial to the interests of the company. Section 244 prescribes the eligibility criteria for invoking such jurisdiction. In the case of a company having share capital, a

petition may be maintained by members holding not less than one-tenth of the issued share capital or by not less than one-tenth of the total number of its members.

66. According to the Respondents, Petitioner No. 1 presently holds only 2,830 equity shares and Petitioner No. 2 holds only 400 equity shares, which fall substantially short of the threshold prescribed under Section 244. The Petitioners, on the other hand, contend that this objection proceeds entirely on the basis of the very Register of Members whose correctness is under challenge in the present proceedings. It is argued that if such an objection were accepted at the threshold, any person who unlawfully alters the Register of Members could effectively defeat the statutory remedies available under Sections 241 and 242 by first reducing the recorded shareholding of an aggrieved member. Such an interpretation would not only defeat the object of Section 59 but would also render the statutory remedy under Sections 241 and 242 illusory in cases involving fraudulent alteration of the Register of Members.

67. The Petitioners have produced statutory Annual Returns for the financial years prior to 2015 reflecting substantially higher shareholding in their individual names. Therefore, the question whether the Petitioners satisfy the threshold under Section 244 cannot be determined solely on the basis of the subsequently disputed Register of Members. The issue of maintainability is thus inextricably connected with the Petitioners' claim for rectification under Section 59. It is also noteworthy that the present Petition has been instituted not only under Sections 241 and 242 but also under Sections 58 and 59 of the Companies Act, 2013, which do not prescribe any minimum shareholding requirement for seeking rectification of the Register of Members.

68. Indubitably, the Petitioner No. 1 was acknowledged as sole holder of shares registered in her name in the Annual Returns for the financial years 2006-07 and 2012-13, and the said shares were reported as jointly held in the list of shareholders circulated for the Annual General Meeting held on 30.09.2015. It is further noted that the shares held in name of Petitioner No. 1 were subsequently reported in Annual Return for the year 2021-22 as "*Mrs. Shabnam*

*Soni and Jointly Rakesh Soni [ Mrs. Shabnam Soni 2830 (ind) & 459567 (Jointly)]".*

69. In the matter of ***Montreaux Resorts (P) Ltd. & Ors. Vs. Ascot Hotels & Resorts Ltd. & Ors.*** [2018 SCC Online NCLAT 664], Hon'ble NCLAT observed as follows:

> *"17. This Appellate Tribunal vide its judgement dated 24 January, 2017 in the matter of Anup Kumar Agarwal v. Crystal Thermotech Ltd. has held as under:*
>
> *"A shareholder/member or group of shareholder/members without and notice or information cannot visualize or presume that his/their shares) will be brought down to their disadvantage, which amounts to oppression and mismanagement. On such anticipation or presumption no petition under Section 397 or 398 of the Companies Act, 1956 can be filed. Such aggrieved shareholder(s)/member(s) can file the petitioner under Section 397 and 398 of the Companies Act, 1956 only after cause of action has taken place, If that be so, the day on which a petitioner under Section 397 and 398 is filed by a shareholder/member, whose shareholding has been brought down below the requirement of having an aggregate of 10% out of the total shareholding, will be deprived to avail remedy Under Section 387 and Section 398, without their fault. He will be remediless. In 'Bhagwati Developers Pvt Ltd.' and, 'Rajahmundry Electric Supply Ltd.' aforesaid issue was not raised nor decided. For the reasons aforesaid, we are of the view that the law laid down by Supreme Court in 'Bhagwati Developers Pvt Ltd.' and 'Rajahmundry Electric Supply Corporation Ltd.' are not applicable in the case where an applicant alleges 'oppression and mismanagement' in bringing down his shareholding below the requirement of 1/10th of the total shareholding of the company, thereby deprived him of his right to sue."*

70. The Hon'ble NCLAT in case in the matter of ***Anup Kumar Agarwal & Ors. Vs. Crystal Thermotech Ltd. & Ors*** **[MANU/NL/0015/2017]** has held as follows:

> "*31. The question of oppression and mismanagement and maintainability in the present case is a mixed question of facts and law. As the petition was filed on the ground that the shareholding of the applicants has been brought down below 1/10th of the total shareholding of a Company by oppression and mismanagement, Tribunal was required to decide the question of maintainability at the time of final hearing of the Petition. Both the merit and question of maintainability were required to be decided together. On hearing the parties, in case the Tribunal forms opinion that there was no oppression and mismanagement on the date of cause of action as alleged by the applicant then in such case it was open to the Tribunal to dismiss the petition as not maintainable in view of Section 399 of the Companies Act 1956.*"

71. These legal prepositions on the issue of maintainability of the Company Petition clearly holds that a petition by a member(s) is maintainable even if such member does not meet the threshold prescribed u/s 244(1)(a) of the Company, if such member has impugned the allotments, which had the effect of bringing his shareholding below the statutory threshold.

72. In view of above, the contention of the Respondents that the Petitioner No. 1 holding 459567 shares jointly with Respondent No. 2 could not maintain this petition on the basis of these shares, in the absence of consent from Respondent No. 2 to do so, does not hold substance. The alleged changes in the status of shareholding of Petitioner No. 1 are subject matter of present petition, and in the absence of such changes, the Petitioner No. 1 is entitled to maintain the present petition u/s 244(1)(a) of the Companies Act, 2013, we are of considered view that the present petition is maintainable in terms of 244(1)(a) of the Companies Act, 2013.

73. It is not in dispute that the Annual Returns filed prior to the financial year 2014-15 consistently reflected the impugned shareholding in the individual names of the concerned shareholders, whereas the Annual Return for the financial year 2014-15 records the shares as jointly held. The Respondents have denied any alteration of the Register and have further contended that, even assuming such alteration had occurred, the cause of action arose in the year 2015 itself and the present proceedings instituted in 2024 are hopelessly barred by limitation. It has further been contended by the Respondents that statutory filings such as Annual Returns and other records filed with the Ministry of Corporate Affairs become public documents immediately upon filing and the Petitioners cannot now, after remaining silent for nearly a decade, seek to reopen entries which were always available in the public domain.

74. There can be no dispute that the principal relief sought by the Petitioners is rectification of the Register of Members, which squarely falls within the ambit of Section 59 of the Companies Act, 2013. Equally, where the facts disclose a continuing course of conduct amounting to oppression or mismanagement, this Tribunal is empowered to grant appropriate consequential relief under Sections 241 and 242 of the Act, the width of which is sufficiently comprehensive to include directions relating to the Register of Members, where the facts so warrant. Significantly, neither Section 59 nor Sections 241 and 242 of the Companies Act, 2013 prescribe any specific period of limitation for institution of proceedings. Accordingly, it is contended that the present petition is barred by limitation, as the alleged changes in status of shareholding of Petitioner No. 1 and other family members took place in 2015 and the Petitioners had knowledge thereof in 2016 itself, while the Petitioner No. 2 had relied upon the said annual return in his pleadings before DRT.

75. On perusal of such pleadings before DRT, it is noted that the Petitioner No. 2 had only stated his shareholding basis such list of shareholders, and nothing has been averred in relation to shareholding of Petitioner No. 1. Hence, even if it is admitted that the Petitioner No. 2 may had ascertained about such changes in 2016 itself, it is noteworthy that the change in the status of shareholding of

Petitioner No. 1 is in challenge before us, and it cannot be presumed that the Petitioner No. 1 also had knowledge of such alleged alteration in 2016 itself merely because her husband, the joint petitioner, had the knowledge of the shareholders as declared in Annual Return for year 2014-15 in 2016 itself. In our considered view, both Petitioner No. 1 & 2 are independent individual, and the allegation in the present petition qua change in status of shareholding of Petitioner No. 1 in the present petition pertains to Petitioner No. 1 only, accordingly, her knowledge of such alleged change matters.

76. Further, it is noted that the Respondent Company in its annual filing for the year 2021-22 has further altered the status of such shareholding reporting it as "*Mrs. Shabnam Soni and Jointly Rakesh Soni [ Mrs. Shabnam Soni 2830 (ind) & 459567 (Jointly*)]", and the said reporting is in divergence with the status of such shareholding reported in Annual return for 2014-15 wherein all shares were reported as jointly held. These further changes give rise to a fresh cause of action in relation to alleged alteration in the status of petitioner no. 1's shareholding. The annual filings with MCA are presumed to be in agreement with the statutory registers maintained by the Respondent Company and these annual filings are certified by independent professional as to be correct in accordance with such statutory registers. Since, this petition is filed in 2024, the said petition is not barred by Limitation for this reason as well.

77. It is also noted that Respondent No. 6 has filed an independent reply supporting the Petition and asserting that she continues to hold approximately 18.40% of the paid-up share capital of Respondent No. 1 Company. She has categorically stated that both she and Petitioner No. 1 were the exclusive holders of their respective shares and that Respondent No. 2 was subsequently shown as a joint holder without her knowledge or consent. Reliance has been placed on the Annual Returns for the financial years 2006-07 to 2012-13, which consistently record Petitioner No. 1 and Respondent No. 6 as the sole holders of their respective shareholdings. Upon perusal of the Annual Returns placed on record, it is evident that during the said period Petitioner No. 1 was shown holding 18.50% of the paid-up share capital under Folio Nos. 14 and 809, Petitioner No.

2 held 0.16% shareholding under Folio Nos. 12, 815, 816 and 817, while Respondent No. 6 was reflected as holding approximately 18.40% under Folio Nos. 15 and 813.

78. In view of the above controversy, this Tribunal, by order dated 21.11.2025, directed the Respondents to place on record the documentary material, if any, on the basis of which the name of Respondent No. 2 came to be recorded as a joint holder in respect of shares which had earlier been reflected as standing solely in the names of Petitioner No. 1 and Respondent No. 6. In compliance thereof, the Respondents filed an Additional Affidavit dated 10.12.2025 annexing photocopies of certain share certificates issued on 07.03.2007, contending that the shares had, in fact, been issued jointly from their inception and that no subsequent alteration had ever taken place. The Respondents have further sought to justify the said position by placing reliance upon the rehabilitation scheme sanctioned by the ***Board for Industrial and Financial Reconstruction in Case No. 92 of 1994 IN RE: M/s. AVN Tubes Ltd (earlier name of Respondent No.1), order dated 05.12.2005***.

79. It is noted that, in terms of Clause 7(E) of the sanctioned scheme, the paid-up equity share capital was first reduced by 90%, by consolidation of every ten equity shares of Re.1 each into one equity share of ₹10 each. Pursuant thereto, Petitioner No. 1's existing holding of 28,300 shares stood reduced to 2,830 shares and Respondent No. 6's holding of 4,000 shares stood reduced to 400 shares, whereafter fresh equity shares were issued pursuant to the rehabilitation scheme.

80. A comparison of the statutory Annual Returns, however, reveals that although the reduction and fresh allotment pursuant to the BIFR scheme are duly reflected, the Annual Returns for the financial years 2006-07 to 2012-13 consistently record the newly allotted shares exclusively in the individual names of Petitioner No. 1 and Respondent No. 6. It is only from the Annual Return filed for the financial year 2014-15 that the names of Respondent No. 2 and Respondent No. 5 appear as joint holders in respect of the shares standing in the names of Petitioner No. 1, Respondent No. 6 and late Mrs. Jaishree Soni. No

contemporaneous explanation for this change is forthcoming from the statutory records.

81. When queried regarding the basis on which the subsequent Annual Returns reflected joint shareholding, the Respondents reiterated that the shares had always been jointly held and relied upon the photocopies of the share certificates dated 07.03.2007, however, the originals thereof were not produced before us by either of parties. Further, the Respondents had not produced relevant borard resolutions evidencing the allotment details, the share application forms obtained from the allottee(s) or details in relation to payments received by Respondent Company in relation to these allotments.

82. Further, an affidavit dated 05.03.2026 sworn by C.A. Mr. Ranjesh Jain, who had attested the Annual Return for the year 2014-15 and subsequent returns in his professional capacity, states that,

> *"5. I say that in the Annual Returns filed for the past years, as per the practice, only the name of the First Shareholder was mentioned, as there is no statutory requirement under the Companies Act or Rules made thereunder to separately mention the name of two or more joint shareholders in respect of the statutory filings.*
> *6. I say that the names of second holders in respect of the said shares were mentioned by me as per my practice after due verification of the Company Records in the Annual Returns filed by me."*

83. It is also noted that the Annual Returns for the period between 2006-07 and 2012-13 were certified by CA Rajesh Jain and CS Neeraj Agrawal in their professional capacity, and neither of whom has filed any affidavit to support the explanation offered by CA Ranjesh Jain and explain why they certified the annual return containing the list of shareholder without including therein the name of joint holder(s). Needless to say, the insertion of Respondent No. 5 as a joint holder in respect of the shares standing in the name of late Mrs. Jaishree Soni during the pendency of succession proceedings also remains wholly unexplained.

84. It is noticed from MCA filing that the Respondent Company had filed on 02.04.2010 a Form No. 2, Return of Allotment of 22,50,000 shares on 30.06.2006, along with list of allottee(s). This form is attested by CA Rajesh Jain in his professional capacity. The list of allottee(s) contains the details of shares allotted on 30.6.2006 and reduction in shares of existing shareholders pursuant to Rehabilitation Scheme. The said list of allottee(s) reflects that the said 22,50,000 shares allotted on 30.06.2006 to the following persons:

| Sl. No. | Particulars of Allottee | No. of Shares |
|---|---|---|
| 1 | Industrial Development Bank of India | 3,68,400 |
| 2 | Industrial Finance Corpn. of India | 1,82,900 |
| 3 | Smt. Jaishree Soni | 3,20,000 |
| 4 | Mrs. Shabnam Soni | 4,59,567 |
| 5 | Mrs. Anu Soni | 4,59,566 |
| 6 | Mrs. Poonam Soni | 4,59,567 |
| Total Shares allotted | | 22,50,000 |

85. The aforesaid list of allottee(s) does not support the contention of the CA Ranjesh Jain and Respondents that the shares were allotted in joint names. The rival contentions, therefore, disclose a substantial dispute as to whether the impugned shares were originally issued in the individual names of Petitioner No. 1 and Respondent No. 6, as reflected in the contemporaneous Annual Returns, or whether they had in fact been issued jointly with Respondent No. 2 from their inception, as now claimed by the Respondents. This issue goes to the root of the Petitioners' claim for rectification of the Register of Members. The annual filings with MCA for the year 2014-15 and 2021-22 are inconsistent with each other, as annual filing for the year 2014-15, all the shares recorded in name of Petitioner No. 1, Mrs. Jaishree Soni and Respondent No. 6 were declared as jointly held, while the annual return for the year 2021-22 splits the shares of

these individuals in two part i.e. shares held by these individuals prior to allotment on 30.6.2006 as singly held and shares allotted on 30.6.2006 as jointly held. Further, the annual filing for the year 2014-15 is inconsistent with the Return of allotment of shares filed on 02.04.2010 in respect of allotment of such shares made on 30.6.2006. The statutory records have not been produced before to evidence the correct holder of these shares recorded in name of these individuals or any other documents, except a photo copy of share certificate issued in year 2007 well beyond prescribed period for issuance of share certificate for allotment of shares taken place on 30.6.2006, to substantiate allotment of shares jointly, which could counter evidence the particulars of of allottee(s) in form 2. The affidavit of CA Ranjesh Jain only clarifies that *there is no statutory requirement under the Companies Act or Rules made thereunder to separately mention the name of two or more joint shareholders in respect of the statutory filings.* However, it is noted that it may hold good for the annual return, but, in our considered view, the list of allottee(s) as filed with MCA on 02.04.2010 in respect of allotment of shares on 30.6.2006 is conclusive evidence to demonstrate in whose favor the shares were originally allotted.

86. In view of these facts, we are of considered view that the jurisdictional Registrar of Companies is directed to carry out an inquiry u/s 206 of the Companies Act, 2013 to arrive at a finding in relation to correct particulars of members in relation to shares held by Petitioner No. 1, Mrs. Jaishree Soni and Respondent No. 6. Needless to say, if need arises, inspection of books and papers of Respondent Company by an inspector appointed by Central Government in terms of Section 210 of the Companies Act, 2013 be carried out. Nonetheless, if the documents produced before jurisdictional Registrar of Companies in relation to allotment of shares in favor of Petitioner, Late Jaishree Soni and Respondent No. 6 do not evidence the application of such shares and allotment thereof in joint name, as is pleaded, the Registrar of Companies shall order modification of list of shareholder(s) filed with Annual Return by the Respondent Company accordingly for records. Needless to say, the Register of

Members maintained by the Respondent Company shall have to reflect particulars of shareholders accordingly.

87. As regards irregular appointment of Respondent No. 3 & 4 is concerned, it is noted that section 174(2) of Companies Act, 2013 provides that "*The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.*" In view of this specific provision, we do not find any merit in the contention of Petitioners that *since, the Board of Directors of the Company had only one validly appointed surviving director, i.e., Respondent No. 2 and therefore the board of directors of the company could not have acted for lack of quorum. Respondent No. 2 could only have acted to appoint a director to make up the quorum or to call for a general meeting, and for no other purpose*. Accordingly, we do not feel that the appointment of Respondent No. 3 & 4 as director is an oppressive act warranting inference of this Tribunal.

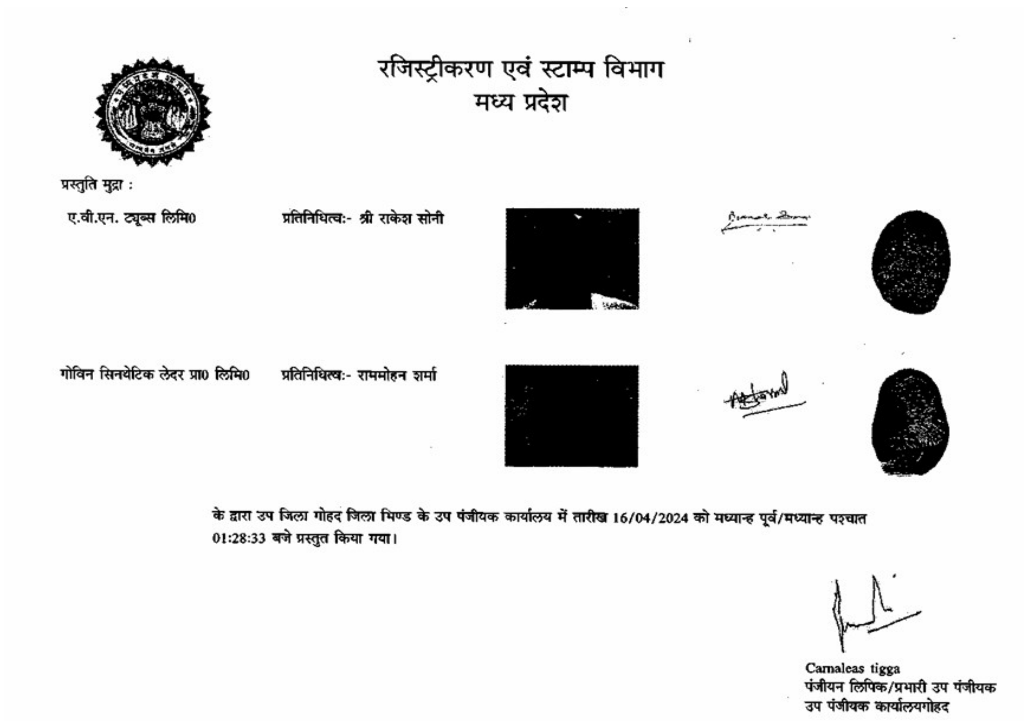
88. Since, there is no prayer in relation to sale of immoveable property at alleged undervalued consideration, we do not consider it appropriate to adjudicate the said allegation. Nonetheless, no evidence in form of contemporaneous sale instance or valuation of said property as on relevant date has been placed on record to support the allegation of undervaluation.

89. As regards denial of Financial Statements, the Auditor's Report and the Board's Report as well as notice(s) for the meeting, we direct the Respondent Company to send these annual documents required to be served to each shareholder along with notice(s) for the meetings at the email address of shareholders or under acknowledgement. The Petitioners shall notify their email address to the Respondent Company within 30 days from the date of this order for this purpose.

90. In terms of the above, the present Company Petition **CP 67 of 2024** is partly allowed and disposed of. All pending interlocutory applications, including

**Company Application No. 290 of 2024** and all other connected/interlocutory applications arising therefrom, stand disposed of. There shall be no order as to costs.

91. Insofar as **Contempt Application No. 17 of 2024** is concerned, the same was filed alleging violation of the interim order dated 17.05.2024 passed by this Tribunal during the pendency of the Company Petition directing that "*In the meantime, Respondents shall not consummate the transaction of the sale of the Property, if any, till the next date of hearing*", however, the Respondent No. 2 executed sale deed on 20.05.2024 in favor of M/s Govin Synthetic Leather Private Limited, which is owned by him and his son Mr. Sharang Soni. It is noted that the documents for registration of sale were produced on 16.05.2024, as is evidenced from the certificate issued by office of Sub-Registrar, the copy of which is reproduced hereunder:



रजिस्ट्रीकरण एवं स्टाम्प विभाग
मध्य प्रदेश

प्रस्तुति मुद्रा :

ए.वी.एन. ट्यूब्स लिमि0 प्रतिनिधित्व:- श्री राकेश सोनी [redacted]

गोविन सिनथेटिक लेदर प्रा0 लिमि0 प्रतिनिधित्व:- राममोहन शर्मा [redacted]

के द्वारा उप जिला गोहद जिला भिण्ड के उप पंजीयक कार्यालय में तारीख 16/04/2024 को मध्यान्ह पूर्व/मध्यान्ह पश्चात 01:28:33 बजे प्रस्तुत किया गया।

Camaleas tigga
पंजीयन लिपिक/प्रभारी उप पंजीयक
उप पंजीयक कार्यालयगोहद

92. Since, the order restraining the respondent company not to consummate the sale transaction was passed on 17.5.2024, and the conclusive steps for registration thereof as well receipt of consideration, had taken place prior to said order dated 17.05.2024, we are of considered view that no case of defiance of order dated 17.5.2024 is made out, as the Respondent Company, after tendering of

documents for registration, had no act to perform thereafter. In view of **Contempt Application No. 17 of 2024 has no merit, and is disposed of as dismissed.**

93. The Registry is directed to communicate a copy of this Order to the parties.

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **Prabhat Kumar** | **Sushil Mahadeorao Kochey** |
| Member (Technical) | Member (Judicial) |

Vijay Andhale