S.No.1

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
03-08-2026 After Court-II

IA (CA) Nos.183, 184, 185, 186, 187, 188 & 267/2025
in CP No.27/241/HBD/2025
U/s. 241 R/w 59, 161, 166, 447, 448 & other applicable Provisions of Companies Act, 2013

IN THE MATTER OF:
Ms. Mantrawadi Nagachandrika & 10 others **…Petitioner/s**

VS

M/s. M P R Refractories Pvt Ltd & 18 others **…Respondent/s**

C O R A M:-
SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

CP No.27/241/HBD/2025

Orders Pronounced, recorded vide separate sheets.

In the result, this CP No.27/241/HDB/2025 is Dismissed.

IA (CA) Nos.183, 184, 185, 186, 187 & 188/2025

In view of the orders passed in CP No.27/241/HDB/2025, these applications are all dismissed.

IA (CA) 267/2025

In view of the orders passed in CP No.27/241/HDB/2025, this application is disposed of.

Sd/- **Sd/-**

MEMBER (T) **MEMBER (J)**

Apoorva

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-1

C.P No.27/241/HDB/2025

[Application under Section 241, 242, R/w 213, 188, 130 and 129 of the Companies Act, 2013, R/w Rule 11 & 13 of National Company Law Tribunal Rules, 2016]

IN THE MATTER OF M/S. MPR REFRACTORIES LIMITED

Between:

1. **Mantravadi Nagachandrika,**
   W/o. Late Mantravadi Nagaraj Rao,
   R/o. 1-10-114/2, Subbamma Nilayam,
   Ashok Nagar, Hyderabad – 500020.
   (Represented by Power of Attorney Holder)
   Mantravadi Venkata Ramana Rao,
   R/ o. Flat No.1405, Aagate block,
   My Home Apartments, Madinaguda,
   Hyderabad- 500049.

2. **Mr. M. Chandra Sekhar Rao,**
   S/o. Late Mantravadi Poornachandra Rao,
   R/o. 1-10-208, Ashok Nagar,
   Hyderabad - 500020.
   (Represented by Power of Attorney Holder)
   Mantravadi Venkata Ramana Rao,
   R/ o. Flat No.1405, Aagate block,
   My Home Apartments, Madinaguda,
   Hyderabad- 500049.

3. **Mrs. M. Lalitha,**
   W/o. M. Chandra Sekhar Rao
   R/o. 3rd Floor, 1-10-114, Subbamma Nilayam,
   Ashok Nagar, Hyderabad - 500020 (T.S).

4. **Mr. M. Venkata Chaitanya,**
   S/o. M. Chandra Sekhar Rao.
   (Represented by Power of Attorney Holder)
   Mantravadi Venkata Ramana Rao,
   R/ o. Flat No.1405, Aagate block,
   My Home Apartments, Madinaguda,
   Hyderabad- 500049.

5. **Ms. Mantravadi Namrata,**
D/o. M. Chandra Sekhar Rao.
(Represented by Power of Attorney Holder)
Mantravadi Venkata Ramana Rao,
R/ o. Flat No.1405, Aagate block,
My Home Apartments, Madinaguda,
Hyderabad- 500049.

6. **Mantravadi Bhaskar Sharma,**
S/o. Late Mantravadi Poornachandra Rao,
R/o. 1-10-114/1, Subbamma Nilayam,
Ashok Nagar, Hyderabad - 500020.

7. **Mrs. M. Mallika,**
W/o. Mr. M. Bhaskar Sharma,
R/o. 1-10-114/1, Subbamma Nilayam,
Ashok Nagar, Hyderabad - 500020.

8. **Mantravadi Venkata Ramana Rao,**
S/o. Late Mantravadi Poornachandra Rao,
R/o. Flat No.1405, Aagate block,
My Home Apartments, Madinaguda,
Hyderabad- 500049.

9. **Mantravadi Vidya,**
W/o. Mantravadi Venkataramana Rao,
R/o. Flat No.1405, Aagate block,
My Home Apartments, Madinaguda,
Hyderabad-500049.

10. **Mantravadi Sai Krishna,**
S/o. Mantravadi Venkataramana Rao,
R/o. Flat No. 1405, Agate Block,
My Home Apartments, Madinaguda,
Hyderabad -500049.
(Represented by Power of Attorney Holder)
Mantravadi Venkata Ramana Rao,
R/ o. Flat No.1405, Aagate block,
My Home Apartments, Madinaguda,
Hyderabad- 500049.

11. **Ms. Mantravadi Shruthi,**
D/o. Mantravadi Chandrasekhar Rao.

(Represented by Power of Attorney Holder)
Mantravadi Venkata Ramana Rao,
R/ o. Flat No.1405, Aagate block,
My Home Apartments, Madinaguda,
Hyderabad- 500049.

...Petitioners

AND

1. **M/s. MPR Refractories Limited,**
Plot No. 140 B & C,
IDA Bollaram, Jinnaram Mandal
Medak -502325

2. **Mr. M. Sai Sudhakar,**
R/o. 1-10-208, Ashok Nagar,
Hyderabad -500020

3. **Mr. Rajeev Mishra,**
R/o. C-3118, Green Field Colony,
Behind S.B.I, C-Block,
Sector-42, Amar Nagar,
Faridabad, Haryana – 121003.

4. **Mr. Venkata Shiva Prasad Devulapalli,**
Plot No. 897, Road No. 46,
Jubilee Hills,
Hyderabad - 500033.

5. **Mr. Ranganathan Kalyan Kumar,**
S/o. T. N Rangarajan,
R/o. 1-1-379/111, Jawahar Nagar,
38, SRT QTS, Chikkadpally,
Hyderabad, Telangana - 500020.

6. **K. Srinivasa Rao Karnam,**
H. No. 20-18/1, Flat No. 302,
Meghana Kuteer,
Gautam Nagar, Opp. Water Tank,
Malkajgiri, K V Ranga Reddy,
Telangana - 500047.

7. **Mrs. M. Mrinalini,**
R/o. 1-10-208, Ashok Nagar,
Hyderabad -500020.

8. **Mr. Bhaskara Murthy,**
2-2-1136/3/2/A, Plot No. 164,
Nallakunta, Near Ramalayam,
Hyderabad -500044.

9. **M/s. MPR Refraindustries Private Limited,**
Having its Registered Office Address at Plot No. 118,
Alakapur Township, Neknampur,
Narsingi, Rangareddy Reddy District,
Telangana - 500075.
Represented by its Director,
Mrs. M. Srilatha,
R/o. 1-10-208, Ashok Nagar,
Hyderabad - 500020.

10. **Mr. Ajit Shukla,**
S/o. Ramchand Shukla,
R/o. A-5, Surya Puja Apartments,
Opp. Chief Justice Bungalows,
Judges Bungalow Road, Bodakdev,
Ahmedabad, Gujrat -380015.

11. **Mrs. M. Srilatha,**
W/o. Mr. Sai Sudhakar,
R/o. 1-10-208, Ashok Nagar,
Hyderabad - 500020.

12. **Mrs. Kiran Mishra,**
W/o. Mr. Rajeev Mishra,
R/o. C-3118, Green Field Colony,
Behind S.B.I, C-Block,
Sector-42, Amar Nagar,
Faridabad, Haryana - 121003.

13. **M/s. MPR Industries,**
Having its Registered Office at,
Arena 1, 4th Floor, Plot No. 118,
Sy. No. 115, Road No. 16, Alkapur Township,
Neknampur Village, Narsingi,

Gandipet, Hyderabad - 500075.
Represented by its Partner,
Mr. Venkata Shiva Prasad Devulapalli.

14. **ICICI Bank Limited,**
Represented by its Authorized Signatory,
Having its registered Office At,
ICICI Bank Tower
Near Chakli Circle, Old Padra Road,
Vadodara, Gujrat - 390007.

Also at:

i. **ICICI Bank Limited,**
Having its Corporate Office at,
ICICI Bank Tower,
Bandra - Kurla Complex,
Mumbai, Maharashtra - 400051.

ii. **ICICI Bank Limited,**
Vivekananda Nagar Branch Office,
Plot No.941, H No.3-5-60/A,
Vivekanand Nagar Colony,
Kukatpally, Rangareddy Dist,
Hyderabad, Telangana, 500072.

15. **Mr. N. Naveen Kumar,**
Partner,
M/s. Naveen & Associates,
Chartered Accountants,
R/o. Flat No. 302, Bishan Apartments,
Srinagar Colony, Panjagutta,
Hyderabad, Telangana - 500082.

16. **Income Tax Department,**
Represented by Principal Chief Commissioner of Income Tax,
For the State of Telangana,
Ministry of Finance, Government of India,
10th Floor, C Block, Income Tax Towers,
10-2-3, A.C. Guards, Masab Tank,
Hyderabad, Telangana - 500004.

17. Reserve Bank of India,
New Central Office Building,
Shahid Baghath Singh Road,
Mumbai -400001.

18. The Registrar of Companies,
2nd Floor, Corporate Bhawan,
GSI Post, Nagole, Bandlaguda,
Hyderabad - 500068 (TS).

19. Regional Director,
South East Region,
Ministry of Corporate Affairs,
3rd Floor, Corporate Bhawan, Bandlaguda,
Nagole, Tattiannaram village
Hayat Nagar Mandal, Ranga Reddy District,
Hyderabad, Telangana -500 068.

....Respondents

Date of Order: 03.08.2026

Coram:

Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Shri Sanjay Puri, Member (Technical)

Counsels Present

For the Petitioner : Mr. Asad Hussain, Ld Counsel

For the Respondent Nos. 1,2,3,7,11,12,13 : Mr. Anshuman Sharma, Ld Counsel

1. This petition has been filed under Section 241, 242, R/w 213, 188, 130 and 129 of the Companies Act, 2013, Read with Rule 11 & 13 of National Company Law Tribunal Rules, 2016, seeking the following reliefs:

a) To Declare that, the Respondents No. 2 to 8 and 11 are Oppressors and Mis-Managers acting against the interest of the Respondent No.1 Company.

b) To pass Consequential appropriate Orders in consequence of Relief (A) under section 164 of Companies act, 2013.

c) To Declare Board Resolution vide Board Meeting Dt. 15.06.2024, authorizing Respondent No.6 on behalf of Respondent No.1 Company with respect to purchase of Property as Null and Void and not binding on the Respondent No.1 Company.

d) To Declare Filings/Meetings/Resolutions with respect to execution and purchase of Property vide Doc. No. 2556/2024 as Null and Void.

e) To Declare Filings/Meetings/Resolutions with respect to execution and purchase of Property vide Doc. No. 2557/2024 as Null and Void.

f) To Declare and Recognize the illegality and fraud done by Respondents No. 2 to 13 in fraudulently purchasing Property in the name of Respondent No.1 Company vide Doc. No. 2556/2024.

g) To Declare and Recognize the illegality and fraud done by Respondents No. 2 to 13 in fraudulently purchasing Property in the name of Respondent No.1 Company vide Doc. No. 2557/2024.

h) To Declare the Conveyance Deed/Sale Deed vide Doc. No. 2556/2024 executed between Respondent No.1 Company and Respondent No.9 Company as null and void and not binding on Respondent No.1 Company.

i) To Consequentially Direct the Respondents No. 2 to 12 to Deposit Amount/Return Monies with Respondent No.1 Company equivalent to the Sale Consideration as stated in Conveyance Deed/Sale Deed vide Doc. No. 2556/2024 along with 24% Interest from the date of execution of said document.

j) To Declare the Conveyance Deed/Sale Deed vide Doc. No. 2557/2024 executed between Respondent No.1 Company and Respondent No.9 Company as null and void and not binding on Respondent No.1 Company.

k) To Consequentially Direct the Respondents No. 2 to 12 to Deposit Amount/Return Monies with Respondent No.1 Company equivalent to the Sale Consideration as stated in Conveyance Deed/Sale Deed vide Doc. No. 2557/2024 along with 24% Interest from the date of execution of said document.

l) To Declare the Credit Facility/Loan obtained by Respondent No.1 from Respondent No.14 vide Charge Id No. 100809040 vide SRN No. AA9300726, on the basis of Mortgaging/Creating Charge on Property fraudulently obtained by Respondent No.1 Company vide Doc. No. 2556/2024 and 2557/2024 as Null and Void and not binding on Respondent No.1 Company.

m) To Declare the Credit Facility/Loan obtained by Respondent No.1 from Respondent No.14 vide Charge Id No. 100708173 vide SRN No. AA9218942, on the basis of Mortgaging/Creating Charge on Property fraudulently obtained by Respondent No.1 Company vide Doc. No. 2556/2024 and 2557/2024 as Null and Void and not binding on Respondent No.1 Company.

n) To Remove Respondent No.15 as Auditor of Respondent No.1 Company.

o) To Direct the Respondent No.1 to file rectified filings with respect to illegal and fraudulent obtained Credit Facilities/Loan from Respondent No.14 vide Charge Id No. 100809040 vide SRN No. AA9300726.

p) To Direct the Respondent No.1 to file rectified filings with respect to illegal and fraudulent obtained Credit Facilities/Loan from Respondent No.14 vide Charge Id No. 100708173 vide SRN No. AA9218942.

q) To Direct the Respondents No. 18 and 19 to conduct Investigation into the Conduct and Filings of Respondents No. 1 to 13 and 15 with respect to purchase of Property(s) by Respondent No.1 Company vide Doc. Nos. 2556/2024 and 2557/2024 and the subsequent creation of Charge over the said Property(s) with Respondent No. 14 vide Charge Id No. 100809040 vide SRN No. AA9300726 and Charge Id No. 100708173 vide SRN No. AA9218942.

r) To Direct the Reopening of accounts of Respondent No.1 company for the last 8 Financial Years from 2017-18 to 2024-25.

s) Any other Order or Order(s) as the Hon'ble Tribunal may deem fit.

APPLICANT'S SUBMISSIONS

2. The present Company Petition has been filed by the Petitioners alleging acts of oppression and mismanagement in the affairs of Respondent No.1 Company, MPR Refractories Limited. According to the Petitioners, the authorised share capital of the Company is Rs.7,00,00,000/- divided into 70,00,000 equity shares of Rs.10/- each and the paid-up share capital is Rs.3,09,10,000/- divided into 30,91,000 equity shares of Rs.10/- each. It is further submitted that the Company is a family company owned and controlled by the brothers consisting of Petitioners Nos.1 to 4, Respondent No.2 and their family members.

3. The Petitioners submit that they collectively hold approximately 35.93% of the shareholding of Respondent No.1 Company. It is further asserted that Petitioner No.1, being the wife of Late Mr. Mantravadi Nagaraja Rao, is entitled under his Will dated 26.07.2019 to 1,39,700 shares standing in his name and also to 5,15,000 shares which were the subject matter of earlier proceedings in C.P. No.433/241/HDB/2020. According to the Petitioners, the said 5,15,000 shares are presently being fraudulently

reflected in the name of Respondent No.2 in the records maintained with the Ministry of Corporate Affairs. It is further submitted that an Economic Offences case being C.C. No.42/2019 was filed by Late Mr. Mantravadi Nagaraja Rao against Respondents Nos.1 and 2, which came to be dismissed for default on 03.04.2025, and that steps are being taken for restoration of the said proceedings.

4. The Petitioners further submit that disputes amongst the shareholders of Respondent No.1 Company are pending before various judicial forums. According to the Petitioners, Civil Appeal Nos.5124/2021 and 5889/2021 are pending before the Hon'ble Supreme Court and valuation of the Company is being undertaken therein. The Petitioners state that the said proceedings arise out of Company Appeal No.91/2019 and Company Petition No.138/2018. It is further asserted that in C.P. No.138/2018, Respondents Nos.1 to 8 had given a statement that the Company would not disturb the existing shareholding pattern and would not remove Mr. M. Chandrasekhar Rao as Director and Mr. M.V. Ramana Rao as CEO of the Company, however the Respondent No.1 violated the said undertaking.

5. The Petitioners further state that during the pendency of the aforesaid disputes, Respondent No.1 Company conducted a rights issue pursuant to Offer Letter dated 21.09.2020. According to the Petitioners, the said rights issue was challenged and was set aside by this Tribunal vide order dated 28.11.2023[1] in C.P. No.433/241/HDB/2020. The Petitioners further state that Contempt Cases being C.A. Nos.3/2024 and 6/2024 are pending alleging non-compliance of the said order. It is also their case that by order dated 06.08.2024, this Tribunal stopped implementation of the agendas/resolutions passed in the Annual General Meeting dated 25.07.2024 without leave of the Tribunal. Till now no such leave has been granted and the execution proceedings are in

[1] Page 241 of the Petition (Volume II)

abeyance by virtue of Order dated 09.09.2024[2] of the Hon'ble NCLAT, Chennai in Company Appeal (AT) No. 10/2024.

6. The Petitioners submit that the present Company Petition has been filed with respect to credit facilities/loans and property(s) obtained by Respondent No.1 Company in collusion with shareholders and common directors/management of Respondents Nos.9 to 13. According to the Petitioners, the said credit facilities/loans and property(s) were obtained from Respondent No.14 Bank based on fraudulent representation, misrepresentation, suppression of facts and more importantly by mortgaging assets internally acquired through entities namely Respondents Nos.9 and 13. The Petitioners further state that Charge ID Nos.100809040 and 100708173 were created in favour of Respondent No.14 Bank for an amount of Rs.14,81,00,000/- each.

7. The Petitioners contend that upon inspection of the charge forms, they found that the property situated at R.S. No.503/1/P1, near Bhachau, Sikara Village, Kutch, Gujarat, was shown as security under immovable fixed assets. It is further asserted that the Petitioners, who claim to be shareholders and promoter/ex-directors of the Company, were unaware of such an asset of the Company and had never been intimated about its purchase. According to the Petitioners, the balance sheets of the Company and the auditor's report are silent regarding such purchase. The Petitioners further state that they obtained an encumbrance statement[3] relating to the said property and that the same revealed a series of transactions involving Respondents Nos.1 to 13.

8. The Petitioners state that on 20.04.2021 Respondent No.4, claiming to be a partner of Respondent No.13, executed an agreement of sale in respect of part of the said land admeasuring Ac.2-22 guntas for a consideration of Rs.25,00,000/-. It is further stated that on the same date Respondent No.5 obtained a Special Power of Attorney in respect of

[2] Page 326 of the Petition (Volume II)
[3] Page 359 of the Petition – Annexure 18 (Volume II)

the land admeasuring Ac.5-04 guntas. According to the Petitioners, on 23.09.2021 Respondent No.13 purchased two extents of land admeasuring Ac.2-22 guntas each from the original owners under Document Nos.2980/2021 and 2981/2021 for a consideration of Rs.25,00,000/- each.

9. The Petitioners further state that on 07.02.2022 Respondent No.9 purchased the said extents from Respondent No.13 under Document Nos.472/2022 and 473/2022 for a consideration of Rs.45,00,000/- each. According to the Petitioners, Respondent No.9 was represented by Respondent No.11 and Respondent No.13 was represented by Respondent No.12. The Petitioners further state that on 06.06.2022 the said lands were mortgaged to SIDBI, Kutch Branch, for Rs.4 Crores and that the mortgage was released on 02.05.2023.

10. According to the Petitioners, Respondent No.1 Company, represented by Respondent No.6, thereafter purchased the aforesaid land from Respondent No.9 under Document Nos.2556/2024[4] and 2557/2024[5] dated 20.06.2024 for a consideration of Rs.82,50,000/- each. The Petitioners state that Respondent No.1 Company purchased the total extent of Ac.5-04 guntas for a total consideration of Rs.1,65,00,000/-, whereas Respondent No.9 had purchased the same extent for Rs.90,00,000/- and Respondent No.13 had purchased it from the original owners for Rs.50,00,000/-. It is further asserted that the value of the land as per the Superintendent of Stamps, Gandhinagar, is Rs.30,54,720/-[6].

11. The Petitioners further contend that Respondent No.4 is a partner of Respondent No.13 and that Respondent No.10 and Respondent No.11 are directors of Respondent No.9. According to the Petitioners, Respondent No.11 is the wife of Respondent No.2 and Respondent No.10 is the wife of Respondent No.3, who is also a partner of Respondent

[4] Page 644 of the Petition – Annexure 28 (Volume IV)
[5] Page 679 of the Petition – Annexure 29 (Volume IV)
[6] Page 370 of the Petition – Annexure 19 (Volume II)

No.13. It is their case that the aforesaid transactions constitute related party transactions and that no special resolution was passed nor any notice issued to the Petitioners in relation thereto.

12. The Petitioners further allege that Respondent No.1 Company suppressed orders passed by the NCLT and NCLAT pertaining to the oppression and mismanagement and the rights issue proceedings and failed to file Form INC-28 before the Registrar of Companies. According to the Petitioners, the said information was not reflected in the MCA records and material information was thereby suppressed from financial institutions.

13. The Petitioners also contend that even for obtaining the aforesaid loans, a special resolution was required and that no such resolution was passed after notice to the Petitioners. The Petitioners further state that legal notices dated 17.03.2025 were issued to the concerned parties. According to the Petitioners, SIDBI, by notice dated 24.04.2025, informed them that the loan account relating to Respondent No.9 stood closed. The Petitioners further state that they addressed complaints to the Reserve Bank of India and exchanged correspondence with Respondent No.1 Company and Respondent No.14 Bank regarding the transactions in question.

14. The Petitioners rely upon a Board Resolution dated 15.06.2024[7] annexed to Document Nos.2556/2024 and 2557/2024 authorising Respondent No.6 to purchase the property on behalf of Respondent No.1 Company. According to the Petitioners, no notice of the said Board Meeting/Resolution was served upon them and no special resolution was passed in respect of the purchase of the property or the related party transactions.

15. The Petitioners further allege that the transactions are not reflected in the balance sheets of the Company and that the property was purchased

[7] Page 669 of the Petition – Annexure 28 (Volume IV)

at inflated prices through related party transactions and subsequently used for obtaining credit facilities from Respondent No.14 Bank.

COUNTER FILED BY RESPONDENTS NO. 1 AND 2

16. Respondent Nos. 1 and 2 have filed a Joint Counter opposing the maintainability of the Petition and denying all allegations of oppression, mismanagement, illegality, fraud and wrongdoing attributed to them. At the outset, the Respondents contend that the Petition is liable to be dismissed in limine as being misconceived, vexatious, an abuse of process of law, and an attempt to re-agitate issues which have either already been adjudicated or are presently the subject matter of proceedings before superior judicial forums. According to the Respondents, the Petition is founded upon factual inaccuracies, deliberate misrepresentations and suppression of material facts, including the failure of the Petitioners to disclose material orders passed by the Hon'ble NCLAT and the Hon'ble Supreme Court which directly govern the disputes sought to be raised in the present proceedings.

17. The Respondents submit that substantially identical disputes relating to the Rights Issue dated 17.10.2020, the shareholding pattern of the Company, allegations of oppression and mismanagement and other corporate actions had already been considered by this Tribunal in CP No.433/241/HDB/2020, which culminated in the order dated 28.11.2023. It is their case that the Petitioners have sought to reopen the same disputes through the present proceedings despite the pendency of Company Appeal (AT) No.10 of 2024 before the Hon'ble NCLAT, Chennai Bench. The Respondents further contend that the Petitioners deliberately suppressed the interim order dated 01.07.2025 passed by the Hon'ble NCLAT, Chennai Bench in Company Appeal (AT) No.10 of 2024, whereby the operation and effect of the order dated 28.11.2023 and all consequential proceedings were stayed, as well as the order dated 28.07.2025[8] passed by the Hon'ble Supreme Court in Civil Appeal

[8] Page 34 of the Counter dated 18.08.2025 filed on behalf of Respondents No.1 & 2 – Annexure B

No.9630 of 2025 declining to interfere with the said order. According to the Respondents, the present proceedings constitute an impermissible collateral challenge to matters already under consideration before the appellate forum and amount to forum shopping and abuse of process.

18. The Respondents further contend that the Petition is barred by the principles of res judicata and constructive res judicata. It is submitted that the allegations, grievances and factual foundation underlying the present Petition are substantially identical to those raised in the earlier proceedings and therefore cannot be re-agitated through a fresh petition. According to the Respondents, the Petitioners are attempting to circumvent the appellate process by initiating parallel proceedings before this Tribunal and thereby seek to obtain indirectly what they have failed to secure before superior forums.

19. The Respondents have furnished particulars regarding the Company and its shareholding structure. It is stated that Respondent No.1 Company has an authorised share capital of Rs.7,00,00,000/- and a paid-up share capital of Rs.4,34,91,000/- comprising 43,49,100 equity shares. Respondent No.2 is stated to hold 8,59,500 equity shares constituting 19.76% of the Company's shareholding, while Respondent No.7 holds 12,64,800 equity shares constituting 28.39% of the shareholding. The Respondents dispute the shareholding figures stated by the Petitioners and contend that the Petitioners have incorrectly represented themselves as holding 35.93% of the Company's share capital. According to the Respondents, the correct shareholding position is reflected in the statutory filings made with the Registrar of Companies and, collectively, the Petitioners hold only about 25.54% of the Company's paid-up share capital. The Respondents further submit in their Additional Counter that subsequent developments, including the judgment dated 16.10.2025[9] passed by the Hon'ble NCLAT in Company Appeal (AT) No.10 of 2024 and

[9] Page 14 of the Additional Counter dated 04.02.2026 filed on behalf of Respondents No.1 & 2 – Annexure AR/1.

the Annual Return filed on 30.10.2025[10] in Form MGT-7, conclusively establish the current shareholding position and dispel any continuing dispute concerning the Rights Issue or alleged dilution of shareholding.

20. The Respondents further submit that the Petition fails to disclose any sustainable cause of action under Sections 241 and 242 of the Companies Act, 2013. According to them, relief under the said provisions is available only where there exists a continuing course of oppressive or prejudicial conduct affecting the affairs of the Company. It is contended that the grievances raised by the Petitioners relate only to concluded transactions, namely the Rights Issue initiated on 21.09.2020 and the allotment made on 17.10.2020, as well as a property transaction undertaken subsequently, none of which constitute continuing acts of oppression or mismanagement. The Respondents contend that isolated corporate actions, even if assumed to be irregular, cannot by themselves attract the jurisdiction of this Tribunal under Sections 241 and 242.

21. The Respondents have also questioned the maintainability of the Petition on the ground that several Petitioners have not personally affirmed the pleadings and affidavits accompanying the Petition. It is submitted that the Power of Attorney relied upon by Petitioner No.8 is dated 11.09.2019 and does not authorise institution of the present proceedings. The Respondents contend that the attorney holder lacks personal knowledge of the facts and is therefore incompetent to affirm the pleadings on behalf of the Petitioners.

22. On merits, the Respondents deny all allegations relating to the acquisition of the Gujarat property, creation of charges, availing of credit facilities, related party transactions, fraudulent conduct, inflated valuation, banking irregularities and suppression of material information. It is submitted that the acquisition of the Gujarat property was considered and approved after detailed deliberations in Board

[10] Page 21 of the Additional Counter dated 04.02.2026 filed on behalf of Respondents No.1 & 2 – Annexure AR/2.

Meetings[11] held on 10.04.2024, 22.04.2024, 27.05.2024 and 15.06.2024. According to the Respondents, the acquisition was commercially justified owing to operational and logistical advantages, including proximity to raw materials and reduction of transportation costs. It is further stated that independent valuation reports, feasibility studies and legal opinions were obtained before approval of the transaction and that all statutory requirements were duly complied with.

23. The Respondents admit that the Gujarat property transaction constituted a related party transaction within the meaning of Section 2(76) of the Companies Act, 2013. However, they contend that the transaction was undertaken strictly in accordance with Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014. According to them, the value of the transaction was within the statutory thresholds prescribed under Rule 15(3), and therefore only Board approval was required. It is submitted that the related party director disclosed its interests, abstained from participation wherever required and that the transaction was supported by independent valuation reports and legal opinions. The Respondents specifically deny the Petitioners' allegation that a special resolution of shareholders was necessary for the said transaction.

24. The Respondents further submit that the acquisition of the Gujarat property, the related financing arrangements and the creation of charges were all undertaken pursuant to valid Board resolutions and in compliance with the Companies Act, 2013. According to them, statutory filings, including Form CHG-1, were duly made with the Registrar of Companies and all charges were properly registered. It is further submitted that as far as the Gujarat property acquisition and its related financing in the Financial Year 2024-25, is concerned, the same shall reflect in to the assets of the company in terms of the annual accounts of the relevant financial year and shall be duly disclosed in the company's

[11] Page 38 to 43 of the Counter dated 18.08.2025 filed on behalf of Respondents No.1 & 2 – Annexure B

audited financial statements for the relevant year, to be filed in Form AOC-4 and MGT-7, all of which are matters of public record. The Respondents therefore deny the allegations that the property was acquired at an inflated value, utilised for improper purposes or used to secure loans illegally.

25. The Respondents also deny all allegations concerning fraudulent banking transactions, irregular credit facilities and unlawful borrowings. It is submitted that the various loans referred to by the Petitioners were lawfully obtained after independent due diligence by the lending institutions and are duly reflected in the Company's records. The Respondents contend that the Petitioners are not parties to such transactions and therefore lack locus standi to challenge them. Reliance is placed upon communications issued by RBI, SIDBI and ICICI Bank to contend that the complaints lodged by the Petitioners have not resulted in any adverse findings against the Respondents. According to the Respondents, the Petitioners have repeatedly addressed complaints and notices to banks, regulators and third parties with the sole object of harassing the Respondents and disrupting the Company's business operations.

26. In the Additional Counter, the Respondents have further relied upon subsequent developments. Particular emphasis is placed upon the judgment dated 16.10.2025 passed by the Hon'ble NCLAT, Chennai Bench in Company Appeal (AT) No.10 of 2024, wherein it was held that upon final disposal of a Company Petition, all interlocutory orders and interim observations merge with the final order and cannot thereafter be relied upon independently in subsequent proceedings. According to the Respondents, the Hon'ble NCLAT further emphasised the principles of merger, finality of litigation and judicial discipline and held that parties cannot selectively rely upon stray observations made in earlier proceedings while ignoring the final outcome thereof. The Respondents contend that this judgment completely undermines the foundation of the present Petition, which allegedly seeks to rely upon observations made

in earlier proceedings despite the dismissal of the underlying Company Petition.

27. The Respondents have also referred to the order dated 28.11.2025[12] passed by the Hon'ble Supreme Court in Civil Appeal No.13811 of 2025. According to them, the Hon'ble Supreme Court merely issued notice and referred the parties to mediation before the Supreme Court Mediation Centre without staying the judgment of the Hon'ble NCLAT dated 16.10.2025. Consequently, it is contended that the NCLAT judgment continues to remain binding and operative. Reliance is also placed upon the order dated 15.01.2026[13] passed by the Hon'ble Supreme Court in Civil Appeal No.5124 of 2021 and Civil Appeal No.5889 of 2021, wherein it was observed that once a Company Petition is disposed of, all interim orders passed therein cease to operate and do not automatically revive upon remand. According to the Respondents, the said order further reinforces the principle that successive company petitions cannot be employed to revive lapsed interim orders or re-agitate concluded issues.

28. The Respondents additionally contend that notwithstanding the pendency of appellate proceedings and mediation before the Hon'ble Supreme Court, the Petitioners have continued to pursue multiple and overlapping proceedings before different forums on the basis of the same factual matrix. It is submitted that the Petitioners have filed successive applications, sought impleadment of numerous parties and attempted to expand the scope of the present proceedings beyond the original pleadings. According to the Respondents, such conduct amounts to procedural abuse, burdens the judicial system and seeks to obtain collateral advantages through multiplicity of proceedings rather than bona fide adjudication of disputes.

29. On the aforesaid grounds, the Respondents contend that the present Company Petition is devoid of any cause of action, barred by principles

[12] Page 44 of the Additional Counter dated 04.02.2026 filed on behalf of Respondents No.1 & 2 – Annexure AR/3.
[13] Page 46 of the Additional Counter dated 04.02.2026 filed on behalf of Respondents No.1 & 2 – Annexure AR/4.

of res judicata and constructive res judicata, founded upon suppression of material facts, and not maintainable under Sections 241 and 242 of the Companies Act, 2013. They accordingly pray that the Petition be dismissed with exemplary costs.

30. We have heard the learned counsels for the parties and have also perused the entire record.

31. At the outset, it is noticed that the counter affidavit in the present Company Petition has been filed only by Respondent Nos.1 and 2. No separate counter affidavit has been filed by the remaining Respondents. The issues arising in the present Company Petition are, therefore, considered on the basis of the pleadings, documents and other material placed on record.

ANALYSIS AND FINDINGS

32. The present Company Petition has been filed alleging acts of oppression and mismanagement in the affairs of Respondent No.1 Company. The Petitioners primarily challenge the acquisition of an immovable property situated at RS No. 503/1/P1 and RS No. 503/1/P2, Near Bhachau, Sikara Village, Kutch, Gujarat by Respondent No.1 Company from Respondent No.9 under registered Sale Deed Nos.2556/2024 and 2557/2024 for a total consideration of Rs.1,65,00,000/-. The other reliefs claimed in the Company Petition are consequential to the challenge laid to the said transaction. According to the Petitioners, the said acquisition constituted a related party transaction undertaken in violation of the provisions of the Companies Act, 2013, the consideration paid was grossly inflated, and the property was thereafter utilised for creation of charges in favour of the lending institutions for availing credit facilities.

33. Respondent Nos.1 and 2 have opposed the Company Petition both on maintainability and on merits. At the threshold, it is contented that the disputes between the parties have been the subject matter of repeated

proceedings before this Tribunal, the Hon'ble NCLAT and the Hon'ble Supreme Court, and that under the guise of challenging the acquisition of the Gujarat property, and that the present proceedings constitute yet another attempt to re-agitate issues concerning the affairs and management of Respondent No.1 Company which either stand concluded by earlier adjudication or continue to remain the subject matter of appellate proceedings. Without prejudice to the said objection, the Respondents maintain that the acquisition of the Gujarat property was a bona fide commercial decision taken after due deliberation by the Board, upon obtaining the requisite professional opinions and in compliance with the applicable statutory provisions.

34. Since the maintainability of the present proceedings has been specifically questioned, the said issue requires consideration at the outset. The principal objection of Respondent Nos.1 and 2 is that the present Company Petition is barred by the principles of res judicata and constructive res judicata in view of the earlier proceedings in C.P. No.433/241/HDB/2020 and the appellate proceedings arising therefrom.

35. There can be no dispute that the parties have been engaged in several rounds of litigation concerning the affairs of Respondent No.1 Company and that orders have been passed by this Tribunal, the Hon'ble NCLAT and the Hon'ble Supreme Court in relation thereto. The principle of res judicata bars the re-adjudication of issues which were directly and substantially in issue between the same parties and have attained finality before a competent forum. The principle of constructive res judicata extends the bar to matters which might and ought to have been raised in the earlier proceedings but were omitted. The object of both doctrines is to secure finality to judicial decisions and prevent multiplicity of litigation. However, these principles apply only where the subsequent proceedings arise from the same cause of action or seek to re-agitate issues which were directly and substantially in issue, or which ought to have been raised, in the earlier proceedings.

36. Having considered the rival submissions, we are unable to accept the objection. Although C.P. No.433/241/HDB/2020 also arose out of disputes between the same parties concerning the affairs of Respondent No.1 Company and involved, *inter alia*, issues relating to the Rights Issue, allotment and transfer of shares and other matters concerning the management of the Company, the present Company Petition, however is founded upon a distinct cause of action arising from the acquisition of the Gujarat property under registered Sale Deed Nos.2556/2024 and 2557/2024, both executed on 20.06.2024, the alleged related party nature of the transaction, the creation of charges over the said property and the consequential corporate actions undertaken. These transactions admittedly took place subsequent to the order dated 28.11.2023 passed in C.P. No.433/241/HDB/2020 and, therefore, neither formed the subject matter of the earlier proceedings nor could they have been directly and substantially in issue therein. Consequently, the present proceedings cannot be said to be barred by the principles of res judicata or constructive res judicata.

37. While rejecting the objection as to maintainability, it is equally necessary to define the scope of the present petition. This Tribunal is not revisiting issues which have already been adjudicated in the earlier proceedings or are the subject matter of the appellate proceedings arising therefrom. The present adjudication is confined to the transactions specifically impugned in this Company Petition and to the question whether those transactions, examined on the basis of the pleadings and material placed on record, disclose acts of oppression or mismanagement warranting interference under Sections 241 and 242 of the Companies Act, 2013.

38. The rejection of the preliminary objection does not, however, dispense with the Petitioners' obligation to establish a case for grant of relief under Sections 241 and 242 of the Companies Act, 2013. Section 241 contemplates the invocation of the Tribunal's jurisdiction where it is alleged that the affairs of the company have been or are being conducted in a manner prejudicial to public interest, or in a manner prejudicial or

oppressive to any member or members, or in a manner prejudicial to the interests of the company. The Tribunal does not sit in appeal over every commercial or managerial decision taken by the Board of Directors, nor does every allegation of statutory non-compliance or corporate irregularity necessarily constitute oppression or mismanagement. The burden lies upon the Petitioners to establish, on the basis of cogent and credible material, that the conduct complained of lacks probity or fairness and has resulted in prejudice either to the proprietary rights of the members or to the interests of the company.

39. The scope of this jurisdiction was authoritatively explained by the Hon'ble Supreme Court in ***Shanti Prasad Jain v. Kalinga Tubes Ltd., (1965) 35 Comp Cas 351***, while interpreting Section 397 of the Companies Act, 1956, corresponding to Section 241 of the Companies Act, 2013. The Hon'ble Supreme Court observed as under:

> *"…it is not enough to show that there is just and equitable cause for winding up the company, though that must be shown as preliminary to the application of section 397. It must further be shown that the conduct of the majority shareholders was oppressive to the minority as members and this requires that events have to be considered not in isolation but as a part of a consecutive story. There must be continuous acts on the part of the majority shareholders, continuing up to the date of petition, showing that the affairs of the company were being conducted in a manner oppressive to some part of the members. The conduct must be burdensome, harsh and wrongful and mere lack of confidence between the majority shareholders and the minority shareholders would not be enough unless the lack of confidence springs from oppression of a minority by a majority in the management of the company's affairs, and such oppression must involve at least an element of lack of probity or fair dealing to a member in the matter of his proprietary rights as a shareholder…"*

40. The aforesaid principles were further explained by the Hon'ble Supreme Court in ***Needle Industries (India) Ltd. v. Needle Industries Newey (India) Holding Ltd., (1981) 3 SCC 333***, wherein it was observed:

"49. …The true position is that an isolated act, which is contrary to law, may not necessarily and by itself support the inference that the law was violated with a mala fide intention or that such violation was burdensome, harsh and wrongful. But a series of illegal acts upon one another can, in the context, lead justifiably to the conclusion that they are a part of the same transaction, of which the object is to cause or commit the oppression of persons against whom those acts are directed..."

"52. It is clear from these various decisions that on a true construction of Section 397, an unwise, inefficient or careless conduct of a Director in the performance of his duties cannot give rise to a claim for relief under that section. The person complaining of oppression must show that he has been constrained to submit to a conduct which lacks in probity, conduct which is unfair to him and which causes prejudice to him in the exercise of his legal and proprietary rights as a shareholder…"

41. Having considered the legal principles governing the exercise of jurisdiction under Sections 241 and 242 of the Companies Act, 2013, it is now necessary to examine the allegations made in the present Company Petition. Since the principal challenge relates to the acquisition of the Gujarat property and the consequential corporate actions flowing therefrom, the issues shall be considered in the sequence in which they arise from the impugned transaction.

42. The minutes of the meetings of the Board of Directors placed on record indicate that the decision to establish a manufacturing facility in the State of Gujarat and the consequent acquisition of the Gujarat property was not taken immediately preceding the execution of the Sale Deeds. The proposal was first placed before the Board on 10.04.2024 and was thereafter considered in a series of meetings held on 22.04.2024, 27.05.2024 and 15.06.2024 before the transaction was finally approved.

43. In particular, the minutes of the Board Meeting dated 22.04.2024[14] record that the Board considered the feasibility of establishing a factory

[14] Page 39 of the Counter dated 18.08.2025 filed on behalf of Respondents No.1 & 2 – Annexure D

in the State of Gujarat and deliberated upon the proposal of acquiring land instead of operating from leased premises. The Minutes further record that, after discussions on the consultants' report, it was proposed that the Company acquire land belonging to M/s. MPR Refra Industries Private Limited and that Mr. Sai Sudhakar Mantravadi, being the related party, did not participate in the deliberations relating to the proposed acquisition. The Minutes of the subsequent meeting held on 27.05.2024[15] further record that the Board considered the feasibility and valuation report relating to the land submitted by M/s. Vardhaman Engineers. At the meeting held on 15.06.2024[16], Mr. Sai Sudhakar Mantravadi again recused himself from the deliberations on account of the proposed related party transaction. The Chairman informed the Board that an opinion had been obtained to the effect that no General Meeting of the Company was required since the value of the proposed purchase did not exceed the prescribed threshold. The Board was further informed that the negotiations for purchase of the property had been completed and that, having considered the opinion, the viability report and the earlier deliberations, the Company proposed to proceed with the acquisition. The Board thereafter authorised the purchase of the property and appointed Mr. Karanam Srinivasa Rao, Director of the Company, to complete the purchase and execute all necessary documents in connection therewith.

44. The aforesaid Minutes indicate that the proposal for acquisition of the Gujarat property underwent successive stages of consideration before the Board, commencing with the proposal for establishing the manufacturing facility, followed by examination of the feasibility and valuation reports, consideration of the legal implications arising from the related party nature of the transaction and the ultimate authorisation to complete the purchase. The Minutes further indicate that the concerned related party Director did not participate in the deliberations concerning

[15] Page 41 of the Counter dated 18.08.2025 filed on behalf of Respondents No.1 & 2 – Annexure D
[16] Page 43 of the Counter dated 18.08.2025 filed on behalf of Respondents No.1 & 2 – Annexure D

the proposed acquisition. On the basis of the material presently available, therefore, it cannot be said that the transaction was approved without deliberation or as an undisclosed Board action.

45. However, the existence of Board approval does not, by itself, conclude the controversy. A transaction otherwise approved by the Board may nevertheless invite scrutiny under Sections 241 and 242 of the Companies Act, 2013 if the surrounding circumstances disclose lack of probity, unfairness or prejudice to the interests of the Company or its members. The specific allegations advanced by the Petitioners must therefore be examined on their own merits.

46. The principal challenge of the Petitioners is that the acquisition of the Gujarat property constituted a related party transaction undertaken in contravention of Section 188 of the Companies Act, 2013. It is contended that the purchase of the property required prior approval of the shareholders by way of a Special Resolution and that no such approval was obtained. It is further alleged that the Petitioners, being shareholders of Respondent No.1 Company, were neither informed of nor served with notice of the Board Meeting or resolution authorising the purchase.

47. The Respondents do not dispute that the acquisition of the Gujarat property constituted a related party transaction. The Board Minutes also record that the transaction was considered as a related party transaction and that the concerned Director abstained from the deliberations. In view of the admitted position, it is unnecessary to examine whether the parties fall within the definition of "related party" under Section 2(76) of the Companies Act, 2013. Once the related party nature of the transaction stands established, its validity falls to be examined in the light of Section 188(1) of the Companies Act, 2013.

48. Section 188(1) of the Companies Act, 2013 provides that no company shall enter into any contract or arrangement with a related party, inter alia, for buying or selling property of any kind except with the consent of

the Board of Directors accorded by a resolution passed at a meeting of the Board. The first proviso to Section 188(1) further provides that prior approval of the company by a resolution is required only in respect of such transactions as may be prescribed. For the purposes of the said proviso, Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 prescribes the monetary thresholds for obtaining such prior approval in respect of the transactions specified under Section 188(1). Insofar as the purchase of property is concerned, prior approval of the company by a resolution is required only where the value of the transaction amounts to ten per cent or more of the net worth of the company, computed on the basis of the audited financial statements of the immediately preceding financial year. Thus, while every related party transaction falling within the ambit of Section 188(1) requires the consent of the Board of Directors by way of a resolution passed at a meeting of the Board, prior approval of the company by a resolution is additionally required only where the statutory threshold prescribed under Rule 15(3) is attracted.

49. The Minutes indicate that the proposed acquisition was considered by the Board in the meetings held on 22.04.2024, 27.05.2024 and 15.06.2024. The Board specifically noted the related party nature of the transaction, considered the legal opinion obtained in that regard and the concerned Director abstained from the deliberations before the Resolution authorising the purchase was passed. Consequently, the requirement of Board approval under Section 188(1) stands demonstrated from the material available on record.

50. The Petitioners, however, contend that the transaction additionally required prior approval of the company's shareholders by a resolution. Apart from making such an assertion, no material has been placed before this Tribunal to establish that the monetary threshold prescribed under Rule 15(3) stood attracted. The Petition contains no computation of the Company's net worth based on the audited financial statements of the immediately preceding financial year, nor any material demonstrating

that the value of the transaction amounted to ten per cent or more of such net worth so as to require prior approval of the company by a resolution under the first proviso to Section 188(1) read with Rule 15(3).

51. Although the Petitioners have described Annexure-15[17] in the index to Volume-II of the Petition as comprising the Notice of the Annual General Meeting, Board's Report, extracts of the Annual Return, and the Independent Auditor's Report of the Respondent No.1 Company held on 25.07.2024, the documents actually annexed are the financial statements for the year ended 31.03.2019 and not those pertaining to the financial year relevant to the impugned transaction of June 2024. Likewise, while the Respondents have produced the receipt of filing Form AOC-4[18], the audited financial statements forming part thereof have not been placed on record. Consequently, the financial material necessary to determine whether the threshold prescribed under Rule 15(3) stood attracted is unavailable before this Tribunal.

52. The Petitioners have also contended that they were not served with notice of the Board Meeting or the Resolution authorising the purchase of the property. However, this contention proceeds on the assumption that, in their capacity as shareholders, they were entitled to such notice. Section 173 of the Companies Act, 2013 requires notice of every Board Meeting to be given to every Director of the Company and does not contemplate issuance of such notice to shareholders as a matter of course. Unless it is first established that the impugned transaction required prior approval of the company under the first proviso to Section 188(1) read with Rule 15(3), the absence of notice of the Board Meeting to the Petitioners, merely in their capacity as shareholders, cannot invalidate the Resolution passed by the Board.

53. The next allegation concerns the consideration paid by Respondent No.1 Company for the acquisition of the Gujarat property. According to the

[17] Page 327 to 354 of the Petition (Volume II)
[18] Page 44 of the Counter dated 18.08.2025 filed by Respondents No.1 & 2 (Annexure E)

Petitioners, the successive transfers culminating in the purchase of the property by Respondent No.1 Company for a consideration of Rs.1,65,00,000/-, when compared with the earlier sale transactions and the Jantri value of the land[19], issued by the Superintendent of Stamps, Gandhi Nagar, Gujarat, demonstrate that the purchase consideration was disproportionately high.

54. Allegations of oppression and mismanagement founded upon overvaluation of a corporate asset cannot be sustained merely on the basis of suspicion or inference arising from the sequence of transactions. Where it is alleged that a company has acquired property at a grossly inflated value, the Tribunal must be satisfied on the basis of cogent and convincing evidence, that the consideration paid bore no reasonable nexus to the prevailing market value of the property or that the transaction was otherwise structured for an improper purpose. Mere participation of related parties or an increase in consideration reflected in successive transfers does not, by itself, justify an inference of oppression or mismanagement.

55. The Petitioners have placed considerable reliance upon the Jantri value of the land issued by the Superintendent of Stamps, Gandhi Nagar. However, the Jantri value prescribed under the stamp laws serves primarily as a benchmark for levy of stamp duty and registration of conveyances. It is neither conclusive of the actual market value of a property nor determinative of the consideration for which a property may lawfully be transferred. The actual market value of an immovable property may depend upon several factors, including its location, commercial potential, nature of the property and the prevailing market conditions. Consequently, the mere circumstance that the consideration reflected in a registered Sale Deed exceeds the Jantri value cannot, by itself, establish that the transaction was oppressive, prejudicial to the interests of the Company, or otherwise vitiated by overvaluation.

[19] Page 370 of the Petition (Volume II) – Annexure 19

56. Apart from relying upon the Jantri value of the land and the increase in consideration reflected in the successive sale transactions, the Petitioners have not produced any independent material to establish that the market value of the property as on the date of purchase by Respondent No.1 Company was substantially lower than the consideration reflected in the registered Sale Deeds. No valuation report, expert opinion, market assessment or other objective material has been produced to demonstrate that the property was acquired at a grossly inflated value. The burden of substantiating the allegation of overvaluation rested upon the Petitioners, which they have failed to discharge. In the absence of independent evidence demonstrating that the consideration paid was grossly inflated or otherwise unfair to Respondent No.1 Company, the allegation of overvaluation cannot be sustained.

57. The material placed on record, therefore, does not establish that the consideration paid by Respondent No.1 Company was grossly inflated or otherwise indicative of a transaction lacking in probity. The allegation of overvaluation is founded principally upon the difference in consideration reflected in the successive sale transactions and the Jantri value of the land relied upon by the Petitioners. These circumstances, by themselves, are insufficient to constitute oppression or mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013.

58. The Petitioners further contend that the credit facilities obtained by Respondent No.1 Company from Respondent No.14 and the creation of charges over the Gujarat property in connection therewith are illegal and void. According to the Petitioners, the credit facilities were obtained by creating charges over a property which had itself been acquired through an unlawful related party transaction at an inflated consideration. It is further alleged that the said credit facilities were obtained on the basis of fraudulent representations, misrepresentation and suppression of material facts, and that Respondent No.14 thereafter declined to furnish the information sought by the Petitioners by citing confidentiality.

59. A careful examination of the pleadings shows that the challenge to the credit facilities and the creation of charges is founded entirely upon the Petitioners assertion that the acquisition of the Gujarat property was unlawful. The allegations of collusion, fraudulent representation and suppression of facts are also advanced in support of the same challenge. However, apart from the challenge to the acquisition of the property, no independent statutory infirmity in the sanction of the credit facilities or the creation and registration of the charges under the Companies Act, 2013 has been pleaded. The validity of the impugned credit facilities and the consequential creation and registration of charges is, therefore, dependent upon the success of the Petitioners' challenge to the underlying acquisition.

60. As discussed hereinabove, the Petitioners have failed to establish that the acquisition of the Gujarat property was undertaken in contravention of Section 188 of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, or that the consideration paid by Respondent No.1 Company was grossly inflated so as to constitute oppression or mismanagement. Consequently, the challenge to the credit facilities and the creation of charges must also fail. The allegations of fraud, misrepresentation, suppression of facts and collusion, being founded on the same premise, also remain unsupported by cogent evidence.

61. Even when all the circumstances relied upon by the Petitioners are viewed cumulatively, they do not disclose a continuing course of conduct lacking in probity or fairness, nor do they establish that the affairs of Respondent No.1 Company have been conducted in a manner oppressive to any member or prejudicial to the interests of the Company. The acts complained of cannot be characterised as burdensome, harsh or wrongful towards the Petitioners in their capacity as members of the Company so as to warrant interference under Sections 241 and 242 of the Companies Act, 2013. At best, the material relied upon by the Petitioners raises concerns regarding the commercial propriety of the

impugned transaction. However, such concerns, in the absence of cogent evidence establishing illegality, unfair prejudice or lack of probity, are insufficient to invoke the jurisdiction of this Tribunal.

62. Accordingly, the Petitioners have failed to make out a case for grant of relief under Sections 241 and 242 of the Companies Act, 2013. The reliefs sought by the Petitioners are either consequential to or founded upon the principal allegations advanced in the Company Petition. Since those allegations have not been established, no independent basis survives for grant of the said reliefs. Accordingly, all the reliefs sought in the Company Petition are rejected.

63. Accordingly, Company Petition No.27/241/HDB/2025 is dismissed.

64. In view of the findings recorded herein and the dismissal of the Company Petition, the reliefs sought in I.A. No.267/2025 do not survive for separate consideration. Accordingly, the said application is disposed of.

65. The reliefs sought in I.A. Nos.183/2025, 184/2025, 185/2025, 186/2025, 187/2025 and 188/2025 are interim in nature and/or consequential to the reliefs sought in the main Company Petition. Since the Company Petition has been dismissed, no independent cause survives for consideration of the said applications. Accordingly, I.A. Nos.183/2025, 184/2025, 185/2025, 186/2025, 187/2025 and 188/2025 are also dismissed.

Sd/-	**Sd/-**
SANJAY PURI	**RAJEEV BHARDWAJ**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**