



NATIONAL COMPANY LAW TRIBUNAL

CUTTACK BENCH

CP No. 19/CB/2023

(An Application under Section 58 of The Companies Act, 2013 read with Rule 11 of the NCLT Rules)

In the matter of:

1. MRS. SASMITA SAHOO,

W/O Late Santosh Kumar Sahoo,
Residing At Ananta Bihar,
Kunjabangarh, Daspalla, Orissa-752084

...APPLICANT

VERSUS

1. M/S ANANTA REALCON PRIVATE LIMITED

CIN-U70109OR2017PTC026305,
Regd Office At-Kunjabangarh
Podaspalla Nayagarh
Nayagarh Odisha- 752084.

..... RESPONDENT No.1

And

2. Mr. ANANTA SAHOO

DIN-07689039,
Residing At Kunjabangarh,
Daspalla, Orissa-752084

..... RESPONDENT No.2

And

3. Mrs. SAKUNTALA SAHU,

DIN-09747784,
Residing At Kunjabangarh,
Daspalla, Orissa-752084.

..... RESPONDENT No.3

And

4. REGISTRAR OF COMPANIES, ODISHA

Having registered address at:
3rd Floor, Corporate Bhawan,
Plot No.9(P), Sector: I,
CDA, Cuttack, Odisha-753014
Email: roc.cuttack@mca.gov.in

..... RESPONDENT No.4





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DATE OF PRONOUNCEMENT: 21.08.2026

CORAM: CHEEKATI RADHA KRISHNA, MEMBER (JUDICIAL)
BANWARI LAL MEENA, MEMBER (TECHNICAL)

APPEARANCE:

FOR APPLICANT: MR. SAROJ KUMAR SAHOO, CS

FOR RESPONDENT: MR. UMESH CHANDRA SAHOO, ADV.

ORDER

PER: BANWARI LAL MEENA (MEMBER TECHNICAL)

1. The present Company Petition has been filed under **Section 58(3) of the Companies Act, 2013** by Smt. Sasmita Sahoo ("**Applicant**"), claiming to be the widow and one of the legal heirs of Late Shri Santosh Kumar Sahoo, seeking directions for transmission of 5,100 equity shares constituting 51% of the paid-up share capital of M/s Ananta Realcon Private Limited ("**Respondent No.1 Company**" / "**Respondent Company**") standing in the name of the deceased shareholder in favour of the legal heirs, along with consequential reliefs including her induction as a Director of the Respondent Company.
2. The Respondent No.1 is a private company incorporated on 19.01.2017 under the provisions of the Companies Act, 2013, bearing CIN: U70109OR2017PTC026305, having its registered office at At-Kunjabangarh, P.O. Daspalla, District Nayagarh, Odisha – 752084. At the time of its incorporation, Late Shri Santosh Kumar Sahoo and Shri Ananta Sahoo were the promoters of the Company holding 51% and 49% of the paid-up share capital respectively. Late Shri Santosh Kumar Sahoo was the Managing Director of the Company, while Shri Ananta Sahoo was one of its Directors.
3. Late Shri Santosh Kumar Sahoo passed away on 03.08.2022, leaving behind the Applicant, his widow, and a minor daughter as his legal heirs. It is the case of the Applicant that despite obtaining the Death

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Certificate and Legal Heir Certificate from the competent authority and repeatedly requesting the Respondent Company to transmit the shares held by the deceased shareholder and induct her as a Director of the Company, the Respondents failed to take any action. Aggrieved thereby, and alleging illegal appointment of Respondent No.3 as Director, non-transmission of shares and acts of mismanagement by the Respondents, the Applicant has preferred the present Company Petition under Section 58(3) of the Companies Act, 2013.

4. The averments made by the Applicant in the Company Petition are as follows:

4.1. The Respondent No.1 Company, namely *Ananta Realcon Private Limited*, was incorporated on 19.01.2017 under the provisions of the Companies Act, 2013, bearing CIN: U70109OR2017PTC026305, having its registered office at At-Kunjabangarh, P.O. Daspalla, Nayagarh, Odisha-752084. The Company was promoted by Late Shri Santosh Kumar Sahoo and Shri Ananta Sahoo, who subscribed to 51% and 49% of the paid-up share capital of the Company respectively.

4.2. It is stated that the main objects of the Respondent Company are to undertake the business of real estate development, acquisition, purchase, sale, leasing and development of lands, residential and commercial projects, construction activities and other allied businesses as set out in the Memorandum of Association. At the time of incorporation, Late Shri Santosh Kumar Sahoo was appointed as the first Managing Director of the Company, whereas Shri Ananta Sahoo was appointed as its first Director.

4.3. The Applicant submitted that the authorised as well as paid-up share capital of the Respondent Company is ₹1,00,000/- divided into 10,000 equity shares of ₹10/- each. Out of the said shares, Late Shri

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Santosh Kumar Sahoo held 5,100 equity shares constituting 51% of the paid-up share capital, while Shri Ananta Sahoo held 4,900 equity shares constituting the remaining 49%.

4.4. It is averred that Late Shri Santosh Kumar Sahoo, who was the Managing Director and majority shareholder of the Respondent Company, passed away in a road accident on 03.08.2022, leaving behind his wife, namely Smt. Sasmita Sahoo (the present Applicant), and his minor daughter, Shradhashree Sahoo, as his legal heirs. The Applicant thereafter obtained the Death Certificate and the Legal Heir Certificate issued by the competent authority.

4.5. The Applicant submitted that after obtaining the requisite documents, she approached the Respondent Company and its Board of Directors on several occasions requesting transmission of the 5,100 equity shares held by her deceased husband in favour of herself and her minor daughter and further sought her induction as a Director of the Company. However, according to the Applicant, the Respondents failed to take any action on the said request and ignored the representations made by her.

4.6. It is further alleged that Respondent No.2, Shri Ananta Sahoo, without convening a valid meeting of the Board of Directors, appointed his wife, Respondent No.3, Smt. Sakuntala Sahu, as an Additional Director of the Company and simultaneously caused the cessation of Late Shri Santosh Kumar Sahoo as Managing Director by filing e-Form DIR-12 on 29.09.2022, despite the Applicant's pending request for transmission of shares.

4.7. Aggrieved by the inaction of the Respondent Company, the Applicant submitted a complaint before the Registrar of Companies,



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Odisha, on 30.11.2022 alleging non-transmission of shares, acts of mismanagement and the illegal appointment of Respondent No.3 as Director. Pursuant thereto, the Registrar of Companies issued show cause notices dated 02.12.2022 and 23.12.2022 to the Respondents, to which the Respondent Company submitted its reply on 28.12.2022.

4.8. Thereafter, on 24.01.2023, the Applicant again addressed a communication to the Respondent Company with a copy to the Registrar of Companies requesting transmission of shares. It is stated that on 30.01.2023, the Registrar of Companies issued a further show cause notice to Respondent Nos.1 to 3 directing them to furnish their explanation regarding the alleged non-transmission of shares and the appointment of Respondent No.3.

4.9. The Applicant further stated that she submitted the prescribed share transmission forms to the Respondent Company through Speed Post on 30.01.2023, which were duly delivered on 31.01.2023. However, despite receipt of the documents, no action was taken by the Respondent Company or its Directors for effecting the transmission of the shares.

4.10. It is alleged that the Respondent Company owns substantial immovable properties and that Respondent Nos.2 and 3 have been dealing with the assets and funds of the Company without the knowledge or consent of the Applicant. According to the Applicant, taking advantage of the demise of Late Shri Santosh Kumar Sahoo, the Respondents have alienated certain properties of the Company and siphoned off its funds, thereby causing prejudice to the interests of the Applicant and her minor daughter as legal successors to the majority shareholder.

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4.11. The Applicant contended that, having failed to secure transmission of the shares despite repeated representations and statutory intervention by the Registrar of Companies, she has been constrained to invoke the jurisdiction of this Tribunal under Section 58(3) of the Companies Act, 2013 seeking transmission of the shares standing in the name of her deceased husband along with consequential reliefs.

4.12. The Applicant has further prayed for directions to induct her as a Director of the Respondent Company, to take appropriate action against Respondent No.2 in respect of the alleged illegal appointment of Respondent No.3, to reject the e-Form DIR-12 relating to such appointment, to record the cessation of Late Shri Santosh Kumar Sahoo from the date of his demise, and pending disposal of the petition, to restrain the Respondents from alienating the assets or properties of the Company or diluting its share capital.

5. The submissions made by the Respondent Nos. 1 to 3 in their reply are as follows:

5.1 The Respondent Nos. 1 to 3 have filed a common reply through Respondent No. 2, Shri Ananta Sahoo. It is submitted that Respondent No. 1, *Ananta Realcon Private Limited*, is a company duly incorporated on 19.01.2017 under the Companies Act, 2013 having its registered office at Kunjabangarh, P.O. Daspalla, District Nayagarh, Odisha. It is stated that the Company was incorporated with two Directors, namely Late Shri Santosh Kumar Sahoo, holding 51% of the share capital, and Shri Ananta Sahoo, holding the remaining 49%. According to the Respondents, Late Shri Santosh Kumar Sahoo unfortunately passed away on 03.08.2022 due to an accident.

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- 5.2 The Respondents contend that the present Company Petition is not maintainable as the Applicant has no locus standi to seek transmission of the shares held by the deceased shareholder. It is submitted that Late Shri Santosh Kumar Sahoo had neither executed any nomination in respect of his shares nor filed Form SH-13 under the provisions of the Companies Act, 2013. Consequently, according to the Respondents, the transmission of shares is required to be governed by the Articles of Association of the Company as well as the applicable law of succession.
- 5.3 It is further submitted that Articles 23 to 26 of the Articles of Association govern the transmission of shares upon the death of a shareholder. The Respondents contend that while the Articles recognize the nominee or legal representative as the person entitled to claim transmission, the Board possesses discretionary powers in such matters. It is their case that in the absence of a nomination, the determination of the legal heirs and their respective entitlement to the shares of the deceased shareholder is governed by the Hindu Succession Act, 1956, and raises questions relating to succession and inheritance which fall exclusively within the jurisdiction of the competent Civil Court.
- 5.4 In support of the above contention, the Respondents have placed reliance upon the judgment of the Hon'ble Delhi High Court in **Sita Chaudhary v. Verinder Singh & Ors. 2022 SCC OnLine Del 2235**, to contend that while the jurisdiction of the National Company Law Tribunal is confined to matters relating to rectification of the Register of Members, disputes involving determination of right, title and interest in shares are beyond the scope of its summary jurisdiction and are required to be adjudicated by a Civil Court after leading detailed evidence.

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- 5.5** The Respondents further submit that the Applicant has incorrectly claimed exclusive entitlement to the shares held by the deceased shareholder by ignoring the rights of Respondent No. 3, who, being the mother of Late Shri Santosh Kumar Sahoo, is also a Class-I legal heir under the Hindu Succession Act, 1956. It is therefore contended that even if the shares are ultimately found transmissible, Respondent No. 3 would also be entitled to a proportionate share in the estate of the deceased.
- 5.6** It is further contended that the Applicant never submitted any valid application in the prescribed format for transmission of shares together with the requisite supporting documents. According to the Respondents, neither a succession certificate nor any other document establishing the Applicant's exclusive legal entitlement to the shares was produced before the Company. Hence, the Respondents submit that no occasion arose for the Board to consider the Applicant's request for transmission.
- 5.7** In reply to the allegations relating to the appointment of Respondent No. 3 as Director, the Respondents deny any illegality and submit that after the demise of Late Shri Santosh Kumar Sahoo, a casual vacancy arose on the Board of Directors. In order to ensure compliance with the provisions of the Companies Act, 2013 requiring a private company to have a minimum of two Directors, Respondent No. 3 was appointed as Director and the requisite e-Form DIR-12 was filed before the Registrar of Companies. It is further submitted that filing of DIR-12 for cessation of the deceased Director and appointment of a new Director was merely a statutory compliance and that the appointment would be subject to approval at the ensuing General Meeting in accordance with the Articles of Association and the provisions of the Companies Act, 2013.

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5.8 The Respondents further submit that the complaints preferred by the Applicant before the Registrar of Companies were misconceived as the Applicant was not reflected as a member in the Register of Members of the Company. It is stated that the Respondents duly responded to all the show cause notices issued by the Registrar of Companies and denied the allegations levelled by the Applicant.

5.9 The Respondents have also denied the allegations that the Applicant had submitted a complete application for transmission of shares or that the Company deliberately failed to act upon the same. It is reiterated that the prescribed forms and supporting documents were never furnished and that the Applicant has failed to establish any exclusive right over the shares held by the deceased shareholder.

5.10 With regard to the allegations of alienation of Company assets and siphoning of funds, the Respondents submit that Respondent No. 1 is a real estate company and naturally owns immovable properties. However, they categorically deny the allegations of siphoning of funds or misappropriation of the Company's assets and contend that the Applicant has not furnished any material particulars or evidence in support of such allegations.

6. The submissions made by the Applicant in the Rejoinder Affidavit are as follows:

6.1 The Applicant has filed a Rejoinder Affidavit and submitted that the objection regarding absence of nomination was misconceived. According to the Applicant, nomination of shares under the Companies Act is only an enabling provision and not a mandatory requirement, particularly in the case of a closely held family company such as the Respondent Company.

6.2 It is further submitted that Article 23 of the Articles of Association of the Respondent Company itself recognizes the nominee or the

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legal representatives of a deceased sole shareholder as the persons entitled to be recognized by the Company in respect of the deceased member's interest in the shares. The Applicant further relies upon the guidelines governing transmission of shares in unlisted companies and submits that in the absence of nomination, a Legal Heir Certificate together with an Indemnity Bond is sufficient for considering transmission of shares.

6.3 The Applicant submits that she has obtained a Legal Heir Certificate issued by the competent authority evidencing her status as one of the legal heirs of Late Shri Santosh Kumar Sahoo and contends that the said document sufficiently establishes her entitlement to seek transmission of the shares held by the deceased shareholder.

6.4 With regard to the contention of the Respondents that Respondent No. 3 is also entitled to a share in the estate of the deceased under the Hindu Succession Act, the Applicant submits that she has no objection to the lawful distribution of the shares amongst the legal heirs in accordance with the applicable law.

6.5 The Applicant further submitted that she has never received any communication from the Respondent Company pointing out any deficiency in the documents submitted for transmission of shares. It is stated that had any such communication been received, the Applicant would have duly complied with the requirements, if any.

7. The Applicant has also filed written submissions/convenience notes, wherein the following contentions have been advanced:

7.1 The Applicant reiterated that, despite repeatedly approaching the Respondent Company for transmission of the 51% shareholding held by her deceased husband and seeking induction as a Director of the Company, the Respondents failed to take any action on her request.

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- 7.2** The Applicant further contended that Respondent No. 2, without convening a valid meeting of the Board of Directors, appointed Respondent No. 3, Smt. Sakuntala Sahu, as Director of the Company and filed e-Form DIR-12 recording the cessation of Late Shri Santosh Kumar Sahoo. It is submitted that the said action was objected to by the Registrar of Companies, Odisha, who issued communications and show cause notices calling upon the Respondents to explain the alleged illegal appointment and the failure to effect transmission of shares.
- 7.3** It was further submitted that the Applicant had lodged complaints before the Registrar of Companies regarding non-transmission of shares, acts of mismanagement and the alleged illegal appointment of Respondent No. 3. Pursuant thereto, the Registrar of Companies issued various show cause notices to the Respondents, who subsequently submitted their replies before the statutory authority.
- 7.4** The Applicant submitted that she had forwarded the prescribed share transmission forms along with the requisite documents to the Respondent Company through Speed Post on 30.01.2023, which were duly delivered on 31.01.2023. However, despite receipt of the said documents, the Respondents failed to take any steps for transmission of the shares.
- 7.5** The Applicant has further relied upon the newspaper publications, copies of the Record of Rights pertaining to the immovable properties of the Respondent Company and other documents filed by way of additional documents in support of her contention that the Company owns substantial landed assets.
- 7.6** The Applicant has also sought to rebut the objections raised by the Respondents regarding the absence of nomination. It is contended that the issue stands clarified by the material placed on record, including the applicable guidelines relied upon by the Applicant. It



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was further submitted that the Articles of Association of the Respondent Company specifically contain provisions governing transmission of shares upon the death of a shareholder.

7.7 The Applicant has further alleged that during the pendency of the present Company Petition, Respondent No. 2 transferred and alienated certain immovable properties belonging to Respondent No. 1 Company, and has relied upon the revenue records and additional documents placed on record in support of the said allegation.

8. The Respondent Nos. 1 to 3 have also filed written submissions/convenience notes, wherein the following contentions have been advanced:

8.1 The Respondents submitted that there is no dispute that Late Shri Santosh Kumar Sahoo had not executed any nomination in respect of his shares, nor had the Applicant obtained any succession certificate, probate or letters of administration. According to the Respondents, the transmission of the shares has not been effected in accordance with the Articles of Association of the Company.

8.2 The Respondents contend that the principal issue involved in the present Company Petition is not merely one relating to transmission or rectification of the Register of Members, but involves determination of the right, title and interest in the shares of a deceased shareholder, which necessarily raises questions concerning succession and inheritance.

8.3 It was further submitted that such issues fall outside the summary jurisdiction of this Tribunal under Section 58 of the Companies Act, 2013. According to the Respondents, the Applicant seeks transmission of the shares solely on the basis of inheritance without first establishing her legal entitlement before a competent Civil Court and, therefore, the present Company Petition is not maintainable.

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- 8.4 In support of the aforesaid contention, the Respondents have relied upon the judgments of the Hon'ble Supreme Court in ***Ammonia Supplies Corporation (P) Ltd. v. Modern Plastic Containers (P) Ltd.***, (1998) 7 SCC 105, and ***Cyrus Investments Pvt. Ltd. v. Tata Sons Ltd.***, (2021) 9 SCC 449, to contend that the jurisdiction of the National Company Law Tribunal is confined to matters of rectification of the Register of Members and does not extend to adjudication of complex disputes involving succession, title or inheritance.
- 8.5 The Respondents further submitted that transmission of shares does not take place automatically upon the death of a shareholder. It is their case that, in the absence of a valid nomination, transmission is governed by the Articles of Association of the Company as well as the applicable law of succession. The Respondents rely upon Articles 23 to 26 of the Articles of Association and contend that the Board is required to recognise only those persons who are lawfully entitled to the estate of the deceased shareholder.
- 8.6 The Respondents have also placed reliance upon the judgment of the Hon'ble Supreme Court in ***V.B. Rangaraj v. V.B. Gopalakrishnan***, (1992) 1 SCC 160, to contend that the Articles of Association are binding upon the Company and its members and are required to be strictly complied with while considering any request for transmission of shares.
- 8.7 It is further submitted that the Applicant has wrongly claimed exclusive entitlement to the entire 51% shareholding of the deceased shareholder. According to the Respondents, Respondent No. 3, being the mother of Late Shri Santosh Kumar Sahoo, is also a Class-I legal heir under the Hindu Succession Act, 1956 and is equally entitled to succeed to the estate of the deceased. Therefore, without adjudication of the respective rights of all the Class-I legal heirs by a competent

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Civil Court, no transmission of the shares can be directed exclusively in favour of the Applicant.

8.8 The Respondents further contend that the Applicant has failed to comply with the statutory requirements governing transmission of shares, inasmuch as she did not furnish the prescribed transmission form together with the requisite succession documents and other records contemplated under the Companies Act, 2013 and the applicable Rules. It is, therefore, submitted that no cause of action has arisen under Section 58 of the Companies Act, 2013.

8.9 With regard to the allegations relating to mismanagement, appointment of Directors, complaints before the Registrar of Companies and the affairs of the Company, the Respondents submit that such allegations are wholly extraneous to the scope of the present proceedings under Section 58 of the Companies Act, 2013, which are confined to the issue of transmission and rectification of the Register of Members. It is further submitted that despite the complaints lodged by the Applicant, no adverse action has been taken against the Respondents by the Registrar of Companies.

9. The Applicant has also filed written notes of arguments, wherein the following submissions have been advanced:

9.1 The Applicant submitted that after the demise of Late Shri Santosh Kumar Sahoo on 03.08.2022, the Applicant obtained the requisite Death Certificate and Legal Heir Certificate from the competent authority and repeatedly approached the Respondent Company seeking transmission of the shares held by the deceased shareholder in favour of the legal heirs and her induction as a Director of the Company. However, according to the Applicant, the Respondents failed to take any action on her request.

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- 9.2** The Applicant further submitted that, Respondent No. 2 appointed Respondent No. 3 as a Director of the Company and filed the necessary statutory forms recording the cessation of the deceased Director, which, according to the Applicant, was objected to by the Registrar of Companies. It was further submitted that despite repeated complaints made before the Registrar of Companies and the issuance of show cause notices by the statutory authority, the Respondents failed to effect transmission of the shares.
- 9.3** The Applicant reiterated that she had duly forwarded the prescribed share transmission documents to the Respondent Company and that no communication pointing out any deficiency in the said documents was ever received from the Respondents. It is contended that the refusal to transmit the shares is arbitrary and contrary to the provisions of the Companies Act, 2013 and the Articles of Association of the Company.
- 9.4** The Applicant has further relied upon the additional documents placed on record, including newspaper publications, translated copies of the Record of Rights relating to the immovable properties of the Respondent Company and the records relating to the alleged transfer of certain immovable properties during the pendency of the present proceedings. According to the Applicant, these documents demonstrate that Respondent No. 2 has continued to deal with and alienate the assets of the Company despite the pending dispute relating to the majority shareholding.
- 9.5** The Applicant has also sought to meet the objection raised by the Respondents regarding the absence of nomination by placing reliance upon the applicable guidelines and the provisions contained in the Articles of Association governing transmission of shares. It is submitted that nomination is not mandatory and that the Legal Heir Certificate and other documents produced by the Applicant

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sufficiently establish her entitlement to seek transmission of the shares.

ANALYSIS AND FINDINGS

10. This Tribunal has heard the learned counsel for the Applicant as well as the learned counsel appearing for Respondent Nos.1 to 3, and has perused the Company Petition, the Reply Affidavit, the Rejoinder Affidavit, the written submissions/convenience notes filed by the respective parties, and the documents placed on record.

11. On a conspectus of the pleadings and submissions advanced, the following points arise for determination:

(i) Whether the present Company Petition under Section 58(3) of the Companies Act, 2013 is maintainable, in light of the objection raised by the Respondents that the dispute involves adjudication of succession and inheritance falling outside the summary jurisdiction of this Tribunal;

(ii) Whether the absence of a nomination under Section 72 of the Companies Act, 2013/Form SH-13 is fatal to the Applicant's claim for transmission of shares;

(iii) Whether the Applicant alone is entitled to transmission of the entire 51% shareholding (5,100 equity shares) held by the deceased shareholder, or whether the same are required to be transmitted in favour of all the Class-I legal heirs of the deceased;

(iv) Whether the grievance relating to the appointment of Respondent No.3 as Additional Director and the filing of e-Form DIR-12 recording cessation of the deceased Managing Director calls for adjudication in the present proceeding;

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(v) Whether the allegations of mismanagement, alienation of Company properties and siphoning of funds warrant any protective directions in the present proceeding.

Issue (i) Whether the present Company Petition under Section 58(3) of the Companies Act, 2013 is maintainable, in light of the objection raised by the Respondents that the dispute involves adjudication of succession and inheritance falling outside the summary jurisdiction of this Tribunal?

12. The Respondents have relied upon ***Sita Chaudhary v. Verinder Singh & Ors.***, 2022 SCC OnLine Del 2235, ***Ammonia Supplies Corporation (P) Ltd. v. Modern Plastic Containers (P) Ltd.***, (1998) 7 SCC 105, and ***Cyrus Investments Pvt. Ltd. v. Tata Sons Ltd.***, (2021) 9 SCC 449, that the jurisdiction under Section 58 is summary in nature, confined to rectification of the Register of Members, and does not extend to adjudication of disputed questions of title, succession or inheritance, which must be relegated to a competent Civil Court.
13. The proposition of law canvassed by the Respondents is not in dispute and is well settled. However, the applicability of the said principle turns upon whether the present case, on facts, involves a *bona fide* and serious dispute as to title, or merely the application of settled principles of succession to essentially undisputed facts. On a careful reading of the pleadings, it is noticed that there is no dispute between the parties regarding (a) ***the factum of death of Late Shri Santosh Kumar Sahoo on 03.08.2022***; (b) ***the absence of any nomination or testamentary disposition by the deceased***; (c) ***the identity of the surviving legal heirs, namely the Applicant (widow), Shradhashree Sahoo (minor daughter)***,

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and Respondent No.3 (mother); and (d) that all three are Class-I heirs under the Schedule to the Hindu Succession Act, 1956.

The Applicant, in her Rejoinder, has in fact expressly conceded that she has no objection to lawful distribution of the shares amongst all the legal heirs. In these circumstances, what survives is not a contested question of title requiring a full-dressed trial, but a question of applying a settled statutory rule of succession to admitted facts, a task squarely within the competence of this Tribunal while exercising jurisdiction under Section 58(3). The facts of the present case are therefore distinguishable from *Sita Chaudhary* (where rival claims of a Will and natural succession were pitted against each other) and from *Ammonia Supplies* and *Cyrus Investments* (which dealt with complex, contested questions of title incapable of summary determination). The objection to maintainability, accordingly, does not survive qua the relief of transmission.

Issue (ii) Whether the absence of a nomination under Section 72 of the Companies Act, 2013/Form SH-13 is fatal to the Applicant's claim for transmission of shares?

14. It is not disputed that Late Shri Santosh Kumar Sahoo had not made any nomination under Section 72 of the Companies Act, 2013, and had not filed Form SH-13. However, the absence of nomination by itself does not prevent the legal heirs of a deceased shareholder from claiming transmission of shares in accordance with law. Article 23 of the Articles of Association of the Respondent Company also recognises the legal representative(s) of a deceased member for the purpose of transmission of shares. Therefore, the objection of the Respondents that the absence of nomination, by itself, defeats the



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Applicant's claim for transmission cannot be accepted. The question as to the entitlement and proportion of the shares among the legal heirs would, however, have to be considered separately in accordance with the applicable law and the Articles of Association of the Company.

Issue (iii) Whether the Applicant alone is entitled to transmission of the entire 51% shareholding (5,100 equity shares) held by the deceased shareholder, or whether the same are required to be transmitted in favour of all the Class-I legal heirs of the deceased?

15. The Applicant has sought transmission of the entire 5,100 equity shares (51%) exclusively in her own favour and that of her minor daughter, without reference to the entitlement of Respondent No.3. However, this claim cannot be accepted in view of the fact that Respondent No.3, being the mother of the deceased, is also a Class-I legal heir under the Schedule to the Hindu Succession Act, 1956. In the absence of a Will, and there being no dispute that the deceased died intestate, the estate of the deceased including the 5,100 shares in question would devolve simultaneously upon all Class-I heirs, namely the widow (Applicant), the minor daughter, and the mother (Respondent No.3), each taking one share, in accordance with Sections 8, 9 and 10 read with the Schedule to the Hindu Succession Act, 1956. There being three Class-I heirs and no other claimant having been brought on record, each of the said three legal heirs would ordinarily be entitled to an equal, i.e., one-third, share in the shareholding of the deceased. This position is not seriously resisted by the Applicant, who has, in her Rejoinder, accepted that lawful distribution amongst all legal heirs would not be objectionable to her. Accordingly, the claim for transmission of

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the entire 51% shareholding exclusively in favour of the Applicant (and her minor daughter) cannot be sustained; transmission would have to be effected in favour of all three Class-I legal heirs in equal proportion, subject to appropriate safeguards for the minor's share being held by the Applicant as natural guardian.

Issue (iv) Whether the grievance relating to the appointment of Respondent No.3 as Additional Director and the filing of e-Form DIR-12 recording cessation of the deceased Managing Director calls for adjudication in the present proceeding?

16. Insofar as the Applicant's grievance touching upon the appointment of Respondent No.3 as Additional Director without a validly convened Board meeting, and the filing of e-Form DIR-12 recording cessation of the deceased as Managing Director, is concerned, this Tribunal is of the view that such reliefs travel beyond the narrow compass of a petition under Section 58(3), which is confined to the question of transmission/rectification of entries in the Register of Members. Questions relating to the validity of the Board proceedings, appointment or removal of directors, and the consequential statutory filings are matters that may be considered in appropriate proceedings under Sections 241-242 or other relevant provisions of the Companies Act, where the validity of such proceedings, including notice, quorum and the circumstances surrounding the appointment, can be examined in detail. While the Registrar of Companies has, admittedly, issued show cause notices on this very count, no final adverse action appears to have been taken thereon as yet. This Tribunal, therefore, does not deem it appropriate to record any conclusive finding regarding the validity or otherwise of the appointment of Respondent No.3 or the filing of Form DIR-12.

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However, upon transmission of the shares in accordance with law, the legal heirs entitled to the shares would be entitled to exercise their rights as members of the Company, including their right to participate and vote in a duly convened general meeting and to take such steps for reconstitution of the Board as may be permissible in law. This shall, however, be without prejudice to the right of any party to avail such other remedy or initiate appropriate proceedings, if so advised, in respect of the appointment of Respondent No.3 or the filing of Form DIR-12.

Issue (v) Whether the allegations of mismanagement, alienation of Company properties and siphoning of funds warrant any protective directions in the present proceeding?

17. The allegations of siphoning of funds and general mismanagement, being bereft of material particulars, are not amenable to adjudication in the present summary proceeding and are, accordingly, left open to be agitated, if so advised, in appropriate proceedings. Having regard to the allegations regarding the alleged alienation of the immovable properties of Respondent No. 1 Company, this Adjudicating Authority is of the considered view that the relief sought by the Petitioners, in the nature of restraining or prohibiting further alienation or transfer of the Company's immovable properties, cannot be granted in the present proceedings under Section 58 of the Companies Act, 2013.

18. In view of the foregoing discussion, this Tribunal records its findings as under:

(a) The present Company Petition filed under Section 58(3) of the Companies Act, 2013 is maintainable to the extent of seeking





transmission of the shares held by Late Shri Santosh Kumar Sahoo, as the fact of his death and the identity of the legal heirs are not in dispute.

(b) The absence of nomination under Section 72 of the Companies Act, 2013 does not, by itself, disentitle the legal heirs from seeking transmission of the shares. The Legal Heir Certificate placed on record, along with such indemnity and other documents as may be required in accordance with law and the Articles of Association of the Company, **shall be sufficient for considering the transmission of the shares.**

(c) The 5,100 equity shares, representing 51% of the share capital of Respondent No.1 Company, held by Late Shri Santosh Kumar Sahoo, **shall be transmitted in equal proportion amongst the three Class-I legal heirs, namely, the Applicant, the minor daughter Shradhashree Sahoo, through the Applicant as her natural guardian, and Respondent No.3, subject to compliance with the applicable statutory requirements.**

(d) The questions relating to the validity of the appointment of Respondent No.3 as Director and the consequential filing of Form DIR-12 are not required to be adjudicated in the present proceedings under Section 58(3) of the Companies Act, 2013. The said issues are accordingly left open to be considered in appropriate proceedings.

(e) Having regard to the allegations regarding the alleged alienation of the immovable properties of Respondent No. 1 Company, this Adjudicating Authority is of the considered view that the relief sought by the Petitioners, in the nature of restraining or prohibiting further alienation or transfer of the Company's immovable

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properties, cannot be granted in the present proceedings under Section 58 of the Companies Act, 2013. If the Petitioners are apprehensive of any such alienation or transfer and seek appropriate injunctive or protective measures in respect thereof, they are at liberty to avail of such remedies as may be available to them under the appropriate statutory provisions by instituting separate proceedings before the competent forum. Accordingly, no direction restraining or prohibiting alienation or transfer of the immovable properties of Respondent No. 1 Company can be issued in the present proceedings under Section 58 of the Act.

19. Accordingly, CP No. 19/CB/2023 stands **PARTLY ALLOWED and DISPOSED OF.**

BANWARI LAL MEENA
MEMBER (TECHNICAL)

CHEEKATI RADHA KRISHNA
MEMBER (JUDICIAL)