THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-I

TCP 20/2015

Sections 397, 398, 399, 402, 403, 406 of the Companies Act, 1956

MUKESH RAMANLAL GOKAL & ORS

...**Petitioners**

V/s

M/S. CONTREX PRIVATE LIMITED & ORS

…**Respondent**

Order delivered on: 18.08.2026

Coram:

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

Appearances:

For the Petitioner	:	Mr. Rishad Mehta,
For the Respondent No.1	:	Ms. Komal Patel
For the Respondent No. 7 to 10	:	Mr. Sameer Chitnis

ORDER

1. The Company Petition No. TCP 20 of 2015 was filed on 16.3.2015 by Mr. Mukesh Ramanlal Gokal and Mr. Bharat Ramanlal Gokal ("Petitioners") alleging commission of acts of oppression and mismanagement by Respondent No. 2 to 10 in the affairs of M/s Contrex Private Limited ("Respondent Company/Contrex") under Section 397, 398, 399, 402, 403 and 406 of the Companies Act, 1956 and rules applicable to it . This petition was originally filed before predecessor Company Law Board ("CLB") and came to be transferred before this Tribunal after succession of CLB by this Tribunal. The Petitioners seek following reliefs :-

   a) *That it be declared by this Hon'ble Tribunal that the affairs of the Respondent No.1 Company have been mismanaged and that the Respondent Nos.2 to 10 being the majority of the shareholders have committed acts of oppression against the Petitioners who are the minority shareholders;*

   b) *That in pursuance of the powers vested in this Hon'ble Tribunal in accordance with the provisions of Sections 397, 398, 402, 403 and 406 and other applicable provisions of the Companies Act, 1956, this Hon'ble Tribunal be pleased to appoint an Administrator to run the affairs of the Company for such period as this Hon'ble Tribunal may deem fit and proper with the help of nominees to be appointed by the Petitioners;*

   c) *That this Hon'ble Tribunal be pleased to direct that the Respondent No.11 and/or the Respondent Nos.2, 4 and 6 to take all the necessary steps to return the Title Deeds of the property of the Respondent No.1 Company viz. Plot*

No.8, Block No.48, 19, Sardar Patel Marg, Diplomatic Enclave, New Delhi admeasuring 2394 sq. yds. together with the structure standing thereupon being ground + 2 floors;

d) *That this Hon'ble Tribunal be pleased to order and direct that the arrangement between the Respondent No.1 Company and the Respondent No.11 and/or any of the Respondents pursuant to which, the property of the Respondent No.1 Company viz. Plot No.8, Block No.48, 19, Sardar Patel Marg, Diplomatic Enclave, New Delhi admeasuring 2394 sq. yds. together with the structure is being used by the Respondent N 0.11 be forthwith terminated;*

e) *That the Respondent Nos.2 to 11 be ordered to cease and desist from using the property of the Respondent No.1 Company viz. Plot No.8, Block No.48, 19, Sardar Patel Marg, Diplomatic Enclave, New Delhi admeasuring 2394 sq. yds. together with the structure for any purpose other than the legitimate business of the Respondent No.1 Company duly approved by the Board of Directors reconstituted under the supervision and directions of this Hon'ble Court;*

f) *That this Hon'ble Tribunal be pleased to reconstitute the Board of Directors of the Respondent No.1 Company by inducting the Petitioners as Directors on the Board of Respondent No.1 Company;*

g) *That the Respondent No.1 Company be ordered and directed by an order of this Hon'ble Tribunal to rectify the register of Members and to delete the* *name of Mr. Ramanlal J. Gokal appearing on Share Certificate Nos. 3 to 27, 326 to 350, 77 to 100, 551 to 576;*

h) Such further and other reliefs, orders and directions, as this Hon'ble Tribunal may deem fit and proper.

2. Contrex is a Private Limited Company, having CIN No.: U13200MH1963PTC012752 incorporated on 11th October 1963 under the provisions of the Companies Act, 1956 by father of Petitioners, Mr. Ramanlal J. Gokal and father of Respondent No. 5 & 6, namely Arun J. Gokal. Contrex has its Registered Office in the State of Maharashtra.

3. The Respondents are brothers of Ramanlal J. Gokal or their spouses or children. One Jagjivan V. Gokal had five sons namely, Ramanlal J. Gokal, Arun Gokal, Ravindra Gokal (Respondent No. 2), Ashok Gokal (Respondent No. 9) and Kishore Gokal (Respondent No. 7). Respondent Nos. 3 and 4 are wife and son of Respondent No. 2 respectively Arun Gokal Respondent Nos. 5 and 6 are sons of Mr. Arun Gokal, and after demise of Respondent No. 6 Mr. Arun Nakul Jagjivan, he was substituted by three individuals i.e. Respondent Nos. 6A, 6B and 6C. Respondent No. 8 is wife of Respondent No. 7, and Respondent No. 10 his wife of Respondent No. 7. After demise of Respondent No. 9 he was substituted by his son as Respondent No. 9A and 9B. Respondent No. 11 is M/s J V Gokal & Company, a Partnership Firm

4. The Authorized Share Capital of the Respondent Company is Rs. 5,00,000/- comprising of 5,000 equity shares and Issued and Paid-up share capital is Rs.

1,00,000/- comprising of Rs. 1,000/- equity shares, which are held by the sons of Mr. J. V. Gokal or their families.

5. It is stated that the Petitioners are entitled to 50 shares each held by Mr. Ramanlal J. Gokal in the Respondent Company jointly with the deceased, accordingly, the said shares ought to have been entered in the name of Petitioners in the Register of Members upon demise of first recorded shareholder. Accordingly, the Petitioners claim that they hold 10% i.e. 50 Shares each of the Issued and Paid-up Share Capital of the Company. The Petitioners are two of the eight members of the Company.

6. The Respondent Nos. 2 and 3 are joint Shareholders of the Respondent No. 1 Company, holding 125 Shares of the Company. The Respondent No. 2 is also Director on the Board of Directors of the Company. The Respondent Nos. 2 and 4 are joint Shareholders of the Respondent No. 1 Company to the extent of 125 Shares. The Respondent No. 5 is a joint Shareholder of the Company to the extent of 121 Shares with the Respondent No. 6. The Respondent No. 6 is a joint Shareholder of the Company to the extent of 129 Shares of the Company with the Respondent No. 5 and is also a Director on the Board of Directors of the Company. The Respondent Nos. 7 and 8 are joint Shareholders of the Respondent No. 1 Company to the extent of 200 Shares. The Respondent No. 7 is also a Director on the Board of Directors of the Company. The Respondent Nos. 9 and 10 are joint Shareholders of the Respondent No. 1 Company to the extent of 200 Shares of the Company. The Respondent No. 9 is a Director on the Board of Directors of the Company. The Respondent No. 11 is a Partnership

Firm comprising of the Respondent Nos. 2, 4 and 6, which is alleged to be in unauthorized and illegal occupation of the property and sole asset of the Company under a clandestine arrangement with the management of the Company to which the Petitioners are not party to or aware of.

7. The Company was incorporated with the main object. The main object of the Company to be pursued on its incorporation was to carry on all kinds of exploration business, and in particular to search for, prospect examine, and explore mines and ground supposed to contain minerals or precious stones and to search for and obtain information in regard to mines, mining claims, mining districts and localities alongwith other object set out in the Memorandum of Association. Presently, the Respondent is the owner of Plot No. 8, Block No. 48, 19 Sardar Patel Marg, Diplomatic Enclave, New Delhi admeasuring 2394 square yards together with the structure standing thereupon, consisting of ground plus two upper floors ("Company Property"), and its only activity is to hold the said Property, which is for the benefit, use and enjoyment of the members of the J.V. Gokal family as claimed by the Petitioners.

8. It is stated by the Petitioners that the Company was incorporated with the basic understanding between the members of the J. V. Gokal family that all branches of the J. V. Gokal family i.e., the Ramanlal Gokal and his four brothers, would have equal Shareholding in the Company, accordingly, it is claimed that the Respondent Company is a Family Company and/or a Quasi- Partnership. For this purpose, the petitioners have stated that the business of the Company has been as a matter of practice, restricted only to acquiring and holding for the

benefit, use and enjoyment of the family members; the Articles of the Company restrict transfer of shares to a third party not being part of the family; and the Petitioners have been deprived of the benefit of using the said property or from benefitting from its proper use, as such the Petitioners have been compelled to initiate the present proceedings.

9. The following two issues inter-alia have been raised in the present petition besides allegation of non provision of statutory records/documents and non-service of notice of Annual General Meeting:

(i) the rectification of the register of member to record the name of petitioners in relation to shares held by Late Ramanlal Gokal, jointly in their name, and consequential entitlement arising out of said shares in their favour;

(ii) letting out of Respondent No.1's property at New Delhi to a partnership firm i.e. Respondent No.11, with a view to unfairly exploit the use of the said property to the exclusion of the Petitioners.

10. We heard the learned Counsel for the Parties and perused the material on record.

11. During the course of arguments, it was informed by learned Counsel for the Respondent No. 1 that Respondent No. 11 has handed over vacant and peaceful possession of the property to Respondent Company on 26.05.2026, and for this purpose, he placed on record a letter dated 24.06.2026 written by the Advocates for Respondent No. 1 to the Advocates for the Petitioners. The said letter clearly states that Respondent No. 11 has no rights and/or interest in the said premises. It is further stated in the said letter that the Respondent Company has repaid a loan of Rs. 7,00,000/- taken from Respondent No. 11 and the mortgaged in

respect of said property in their favour stands released. In view of this submissions, the grievance of the petitioner in relation to beneficial enjoyment of the Respondent No. 1 property by Respondent through Respondent No. 11 stood addressed, accordingly, this issue is not being further dealt with hereinafter.

12. As regards rectification of the Register of Member to record the name of Joint Holder thereof i.e. Petitioner herein on demise of first named shareholder i.e. Late Ramanlal J. Gokal, it is noted that the issue of title over the said Shares is pending adjudication before the Hon'ble Bombay High Court in Suit No.69 of 2016 and this issue was also considered by this Tribunal while adjudicating a Company Application No. 75 of 2015 filed by M/s J.V. Gokal Charity Trust and M/s Shree Krishna Foundation to claim that these trusts are entitled to all 100 shares in terms of a Will dated 25.01.2005 and Codicil dated 28.06.2006 left by Late Ramanlal Gokal at the time of his death on 22.03.2007. It is relevant to refer the order dated 16.12.2025 passed by this Tribunal in Company Application No. 75 of 2015, the relevant part of which are extracted below:-

> *"14. It is clear from the aforesaid order that Hon'ble Bombay High Court had declined to issue any order restraining (i) the Second named shareholder to exercise their rights in the shares of the Respondent Company and for deposit of those shares, and (ii) restraining the respondent company from transmitting these shares in name of second shareholder. The Hon'ble Bombay High Court also observed that these reliefs would effectively put paid to Mukesh and Bharat's entire*

proceeding for oppression and mismanagement and would also adversely effect their specific performance suit…………

16. In the present case, the succession of shares in the title of shares is still in dispute and sub judice before Hon'ble High Court, which has after extensively considering the arguments of both sides declined to give any interim relief against the petitioners in company petition. The petitioners in the company petition are, undisputedly, recorded as second named shareholder on the register of member of the respondent company, and the Applicants are not recognized as member or successor of these shares as legal representative as yet. Accordingly, in our considered view, since the Hon'ble Bombay High Court has already taken cognizance of the dispute and the proceedings are presently pending before it, any adjudication by this Tribunal at this stage may cause irreversible prejudice and may potentially effect the proceedings before the Hon'ble High Court………………"

13. The aforesaid order dated 16.12.2025 was challenged before Hon'ble NCLAT and the Appeal came to be dismissed with the following observations:

"*3, During the course of the hearing, the Learned Senior Counsel for the Appellant submits he shall be satisfied if in case the company petition is allegedly allowed in future then the order of rectification shall be made subject to the ultimate decision in the Suit No. 69 of 2016 pending before the Hon'ble Bombay High Court. The Learned Senior Counsel for the Respondent has no objection to the same. Thus these 100 shares shall be* *dealt with in strictly in accordance with the Articles of Association of the company*."

14. It is not in dispute that the Petitioners herein are the second name holder of the shares held by deceased Ramanlal V. Gokal. It is relevant to refer Clause 65 of the Article of Association of the Respondent Company, which reads as under:-

> *"65. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.*
>
> *66. The executors or administrators or holders of a Succession Certificate or the legal representative of a deceased Member (not being one of two or more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession*

Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 68 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member"

15. It is evident from the aforesaid clause that the shares held jointly by the member(s) have to be transferred in the name of second named shareholders on demise of first named shareholder, and clause 66 of the articles specifically excludes the transfer of shares held jointly by a shareholder in case of his death. Nonetheless, even the transfer of shares held by a deceased to the Successor can only take place on production of the probate or letter of administration or succession certificate as the case may be.

16. In the case of ***Aruna Oswal...vs…Pankaj Oswal, (2020) 8 Supreme Court Cases 79****, it is* held that "*Prima facie shares vest in a nominee, and he becomes absolute owner of the securities on the strength of nomination. Rule 19(2) of the Companies (Share Capital and Debentures) Rules, 2014 framed under the Act, also indicates to the same effect. Under Rule 19(8), a nominee becomes entitled to receive the dividends or interests and other advantages to which he would have been entitled to if he were the registered holder of the securities; and after becoming a registered holder, he can participate in the meetings of the company*

17. In the present case, the shares held by deceased Ramanlal jointly with Petitioners are necessarily to be transferred in the name of second name shareholder in these shares in accordance with clause 65 of Articles and the decision in the case of Aruna Oswal (supra) interpreting effect of nomination. In so far as the

Application of clause 66 of the Articles is concerned, the same shall give right to the Successor only after decision in *Suit No. 69 of 2016 pending before the Hon'ble Bombay High Court* attains finality.

18. Further, the decision in the case of ***Chalasani Udaya Shankar v. Lexus Technologies (P) Ltd., [(2024) 10 SCC 303], Shazia Rehman v. Anwar Elahi, [2023 SCC OnLine Del4807] and Mohan Ram Prasad Devineni v. Ms. Biochemical & Synthetic Products Pvt. Ltd. [Company Appeal (AT) (CH) No.58 of 2025]*** in relation to jurisdiction of this Tribunal under Section 59 of the Companies Act, 2013/ Section 111A of the Companies Act, 1956 and on the scope of rectification are distinguishable on the facts of this case, as in none of these decisions, there was a nomination in place in relation to disputed transfer of shares. In the present case, the provisions of clause 65 & 66 of Articles are clear and there can not be any dispute as to what the Respondent Company is required to do in case of transfer of shares of a deceased shareholders, held jointly. Even para 39 of decision in case of Chalasani Udaya Shankar (Supra) clearly states that *"….The expression "rectification", as already pointed out, connotes something that ought to have been done but, by error, was not done……"*, which makes it abundantly clear that the Respondent Company ought to have transferred shares in name of second named shareholder in case of death of first named shareholder.

19. Accordingly, we are of considered view that the shares held in the name of deceased Ramnalal as first holder must be recorded in the name of the petitioner, who are second named Joint-holders in relation to those shares.

20. Having said so, it is pertinent to note that the Hon'ble Supreme Court in the case of ***Shakti Yezdani & Anr…vs…Jayanand Jayant Salgaonkar (2024) 4 Supreme Court Cases 642*** held as under:

> *62. The vesting of securities in favour of the nominee contemplated under S. 109A of the Companies Act 1956 (pari materia S. 72 of Companies Act, 2013) & Bye-Law 9.11.1 of Depositories Act, 1996 is for a limited purpose i.e., to ensure that there exists no confusion pertaining to legal formalities that are to be undertaken upon the death of the holder and by extension, to protect the subject matter of nomination from any protracted litigation until the legal representatives of the deceased holder are able to take appropriate steps. The object of introduction of nomination facility vide the Companies (Amendment) Act, 1999 was only to provide an impetus to the investment climate and ease the cumbersome process of obtaining various letters of succession, from different authorities upon the shareholder's death.*
> *63. Additionally, there is a complex layer of commercial considerations that are to be taken into account while dealing with the issue of nomination pertaining to companies or until legal heirs are able to sufficiently establish their right of succession to the company. Therefore, offering a discharge to the entity once the nominee is in picture is quite distinct from granting ownership of securities to nominees instead of the legal heirs. Nomination process therefore does not override the succession laws. Simply said, there is no third mode of succession that the scheme of the Companies Act, 1956 (pari materia provisions in Companies Act, 2013) and Depositories Act, 1996 aims or intends to provide.*
> *64. Upon a careful perusal of the provisions within the Companies Act, it is clear that it does not deal with the law of succession. Therefore, a departure from this settled position of law is not at all warranted. The impugned decision takes the correct view. The appeal is accordingly dismissed without any order on cost".*

21. As noted above, the succession of the shares held by deceased Ramanlal in terms of his last Will dated 25.01.2005 and Codicil dated 28.06.2006 is sub judice before Hon'ble High Court where before the succession of these shares is claimed by two Trusts. Accordingly, we consider it appropriate to clarify that

the petitioners shall hold these shares in trust for the benefit and interest of the person, who is finally held to be entitled to these shares in terms of the Will of the deceased in the proceedings in form of *Suit No. 69 of 2016 pending before the Hon'ble Bombay High Court*. To this extent, the Directors of the Respondent Company shall be competent to take note of restrictions/encumbrances on these shares to be recorded in the name of Petitioners.

22. In terms of the above, TCP 20 of 2015 is allowed and disposed of. Any other Application pending under C.P. No. TCP 20 of 2015 shall also stand disposed of. Any interim order passed by this tribunal in terms of this petition shall stand vacated.

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