IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

CA No.34 of 2026 IN CP NO.171/ALD/2020

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

IN THE MATTER OF:

1. **SH. DEEPENDRA SHANKER AGARWAL**
(Through His Power of Attorney)
83, Old Vijay Nagar Colony,
Agra, Uttar Pradesh- 282003

…. Applicant No. 1

2. **SMT. USHA AGARWAL**
83, Old Vijay Nagar Colony,
Agra, Uttar Pradesh- 282003

…. Applicant No. 2

Versus

1. **M/S MADHUSUDAN VEHICLES PVT. LTD.**
B-6, Lawyers Colony,
Bye Pass Road, Agra,
Uttar Pradesh- 282002

... Respondent No. 1

2. **SH. RACHIT AGARWAL**
22/44, Old Vijay Nagar Colony,
Agra, Uttar Pradesh-282003

... Respondent No. 2

3. **RAMA SHANKER & SONS HUF**
Through its Karta Sh. Rama Shanker Agarwal
22/44, Old Vijay Nagar Colony,
Agra, Uttar Pradesh-282003

... Respondent No. 3

AND IN THE MATER OF:

RACHIT AGARWAL & ANR.

......Petitioners

Versus

MADHUSUDAN VEHICLES PVT. LTD. & ORS.

.... Respondents

Order pronounced on 25.08.2026

Coram:

Mr. Praveen Gupta	:	Member (Judicial)
Mr. Ashish Verma	:	Member (Technical)

Appearances:

Sh. Arun Saxena with Sh. Rajat Gupta, Advs.	:	For the Applicant
Sh. Ravi Kapoor with Sh. Manish Dewan, Advs.	:	For the Respondents

ORDER

1. The present application has been filed by Mr. Deependra Shanker Agarwal (hereinafter referred to as "Applicant No. 1") along with Smt. Usha Agarwal (hereinafter referred to as "Applicant No. 2") (collectively herein after referred to as Applicants) under Rule 11 of the NCLT Rules, 2016 against M/s Madhusudan Vehicles Private Limited (hereinafter referred to as "Respondent No.1/Respondent Company"), Mr. Rachit Agarwal (hereinafter referred to as "Respondent No.2/ Petitioner in the main Petition") and Rama Shanker & Sons HUF; through its Karta Sh. Rama Shanker Agarwal (hereinafter referred to as Respondent No. 3/ Petitioner in the main Petition) seeking inter alia the following reliefs:

"(a) Allow the present Petition;

(b) Vacate the interim relief granted by Order dated 31.08.2020 passed by this Hon'ble Tribunal in the present Petition;

(c) Appoint an independent Administrator to immediately assume the management and control of Respondent No. 1 Company, supervise its affairs, take custody of all books, records and assets of the Company, regulate the operation of its bank accounts, and submit a comprehensive report before this Hon'ble Tribunal regarding all transactions undertaken by the Petitioners from 31.08.2020 onwards;

(d) Direct the Petitioners to preserve and produce all books of accounts, statutory records, bank statements, financial records, electronic data, documents and all other records pertaining to Respondent No. 1 Company; and

(e) Pass such other and further order(s) as this Hon'ble Adjudicating Authority may deem fit and proper in the facts and circumstances of the present case and in the interest of justice."

2. By way of background, the present Application arises out of CP No. 171 of 2020, filed by Respondent Nos. 2 and 4 herein under Sections 241–242 of the Companies Act, 2013, alleging acts of oppression and mismanagement on account of unilateral and illegal acts committed by Applicant No. 1 and his branch of the family in relation to the affairs of the Company, allegedly prejudicial to the Petitioners and against the interest of the Company. During the pendency of the main petition, this Tribunal, vide order dated 31.08.2020, permitted the Petitioners to operate the bank accounts of the Respondent Company for carrying on its day-to-day business, particularly observing that the differences between the two brothers ought not to jeopardise the existence or functioning of the Company or result in its closure.

3. The relevant excerpts of the order dated 31.08.2020 observes as under:

"After hearing the submissions made by the parties, this Tribunal is of the view that prayer made by the respondent cannot be allowed for joint operation of the bank accounts as it will result in inducting the said respondents back as directors of the Company which cannot be done at this interim stage.

Accordingly, this Tribunal hereby allows the prayer made by the petitioner by permitting the banking operations of respondent No.1 i.e. Madhusudan Motors Pvt. Ltd. to be restored with the conditions that the company will be permitted to operate the bank accounts to ensure day to day business of the company .Only routine expenditure is being permitted to be made from the bank accounts till the final disposal of the company petition by this tribunal or till the further order and it is also directed to respondent No. 1 as well as he petitioner to file the quarterly statements of the expenditure and bank accounts every three months before this Tribunal.

The purpose of allowing the banking operations is to ensure that the existence of the company is not jeopardised or become impossible to retrieve because of the existence of difference between the two brothers which may result in closure of the company. If such interim relief is not granted it would cause prejudice and economic loss to the Respondent No. 1 company and the balance of convenience at this juncture also favours the petitioner. Accordingly, this tribunal grants *interim relief directing the banks to defreeze the bank accounts of Respondent No. 1 Company."*

4. It is observed that, although the aforesaid order dated 31.08.2020 refers to Madhusudan Motors Pvt. Ltd., which is the sister concern of the Respondent Company, the interim arrangement contemplated under the said order was also made applicable to the Respondent Company vide the very same order dated 31.08.2020, whereby it was permitted to operate its bank accounts for its day-to-day business, subject to the conditions stipulated therein. The relevant excerpts of the order dated 31.08.2020 with respect to the Respondent Company are as follows:

> *"As an interim measure, the same order shall operate in the present matter and as has been passed in CP No. 153/ALD/2020, thus permitting the banking operations of the Respondent No. 1 i.e Madhusudan Vehicles Pvt. Ltd for day-to-day business of the company with the conditions as imposed in CP. No. 153/ALD/2020."*

5. It is in the aforesaid backdrop that the present Application has been filed by the Applicants, inter alia, seeking vacation of the interim relief granted by this Tribunal vide order dated 31.08.2020. The Applicants allege that the conduct of the Petitioners in the main petition has been contrary to, and in complete disregard of, the object, spirit and conditions of the interim order dated 31.08.2020.

6. The Applicants submits that the Petitioners allegedly failed to preserve/revive the Company's business, resulting in closure of the dealership, depletion of stock and cessation of business activities. On the other hand, disposing of the Respondent Company's movable assets and dealing with its principal immovable property without shareholder or Tribunal approval, including demolition of the showroom and sale of plots carved out of the property. It is further submitted that the Petitioners have failed to furnish the required financial disclosures in compliance with the interim order dated 31.08.2020 and continued to utilise Company funds through salaries, related-party payments and other expenditures allegedly for their personal interests.

7. In view of the aforesaid, the Applicants seek vacation of the order dated 31.08.2020 and apprehend that, upon the judgment dated 29.07.2026 in CP No. 190 of 2020 attaining finality or the decretal amount becoming available to Respondent No. 1 Company, the Petitioners may exercise exclusive control over its utilisation and disposition. The Applicants further seek appointment of an independent Administrator to safeguard the Company's assets and affairs, examine its financial and commercial transactions since 31.08.2020, assume control of its management and records, and supervise its banking operations.

8. Let the notice be issued to the non-applicant/Respondents in this application.

9. When the present matter came up for hearing on 24.08.2026, the Ld. Counsel representing the non-applicant/ respondents accepted the notice and further through oral submissions vehemently opposed the present application as well as the prayers for any interim being sought by the Applicants on the ground that the main matter is already coming up for hearing on 27.08.2026, as also for the reason that the present applicant owed about Rs.20 Crore to the non-applicant/ respondents. He further submits that the present asset, which was disposed off, is connected with the property, which was mortgaged with the TATA Capital Financial Services Limited ("Tata Capital"), who have initiated the proceedings under Section 138 of the Negotiable Instruments Act, 1881, and therefore an OTS was reached and as a result thereof, the asset has been disposed off. It is also submitted that the complaint has been lodged by the Applicants, which is placed at page no.414 admitting that the said payment is due to the Bank.

10. We have perused the record and also heard the Ld. Counsels representing the parties.

11. On a perusal of the order dated 31.08.2020, we find that the said order, the relevant part of which has also been reproduced herein above, deals with providing a mechanism for the purpose of operations of the bank accounts of the Respondent Company. The same has been necessitated in order to allow the Respondent Company to function smoothly and causing no prejudice to the Respondent Company in terms of its financial transactions. The present application is primarily addressed against seeking stay on the alienation of the properties of the Respondent Company in light of the aforesaid order dated 31.08.2020, in which as referred to earlier, a notice has already been issued to the non-Applicant/Respondents to file their detailed reply/objections.

12. We also find that in the present application; there is no interim prayed for seeking any directions to be issued pertaining to restraining the parties dealing with the assets of the Respondent Company. Though, there are averments made with respect to the alleged sale deed executed by the Respondent Company to discharge its financial debt due to the Financial Creditor, namely Tata Capital Financial Services Limited ("Tata Capital"). It is the case of the Ld. Counsel representing the non-Applicant/Respondent that such retrieval of the proceeds out of the sale deed is to discharge its financial burden/debt towards the said Financial Creditor, namely Tata Capital.

13. Ld. Counsel representing the non-Applicant/Respondent has also relied upon a complaint lodged by the Applicants itself where at Page No.414 of the paper book, it has been alleged by the Applicants that the Respondents are not repaying the bank loans and outstanding dues of the creditors of the Company. The said averments have been made on the basis of the complaint which is placed at Page No.410 of the paper book, the relevant part of which is at Page No.414 and reads as under:

> *"By committing the aforesaid acts, the said Directors are continuously causing wrongful loss to the Company and are illegally utilizing the funds of the Company for their personal use. It is submitted that whereas, the aforesaid Company has outstanding liabilities of more than Rs.4,00,00,000/- (Rupees Four Crores Only) towards various Banks, and despite having sufficient funds the said persons are deliberately not repaying the bank loans and outstanding dues of creditors of the Company."*

14. We also find that apparently there is no allegation levelled by the Ld. Counsel representing the Applicants about the sale proceeds of the alleged asset of the Respondent Company not being accounted in the accounts of the Respondent Company itself.

15. Accordingly, since, the detail reply/objections in the present application have been called for from the non-Applicant/Respondents and considering the fact that the order dated 31.08.2020 passed way back in 2020 did not observe anything about the alienation of the assets but it was in the context of granting interim relief directing the banks to de-freeze the bank accounts of the Respondent Company, we are therefore not inclined to pass any ad interim order at this stage. Let the matter therefore be put up for hearing on merits.

16. It is made explicitly clear that the observations and findings recorded herein shall not be construed as an expression of opinion whatsoever on merits of the present case. Further, all the issues arising out of the present application are accordingly left open for consideration and adjudication during final hearing.

17. List this matter for 27th August, 2026 as the main case is already listed for the same date.

-Sd-
Ashish Verma
Member (Technical)

-Sd-
Praveen Gupta
Member (Judicial)

Date: 25.08.2026