IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

C.P. No. 23/(MB)/2025

Company Petition under Section 241 & 242 read with Sections 130, 210, 212 & 213 of the Companies Act, 2013

Tarannum Khan,
Adult, Indian Inhabitant

Ahmed Nensey,
through Tarannum Khan as
guardian and Next Friend

Fatima Nensey,
through Tarannum Khan as
guardian and next friend
All having address at Manchester Heights,
12/13 floor 10th Road, Near Uphar Building
Khar (West) Mumbai-400 052

... Petitioners

VERSUS

Royal Palms (India) Pvt. Ltd,
Survey No. 169, Aarey Milk Colony
Near Unit No. 26, Goregaon East,
Mumbai – 400065

Dilawar Amir Nensey,
1201/1204, Morrocon Building,
Royal Palm Estate, Aarey Milk Colony,
Goregaon East, Mumbai-400065

Omar Muhamed Nensey,
Palms Hotel, Royal Palm Estate,
Aarey Milk Colony, Goregaon East,
Mumbai–400065

Rahat Amir Nensey,
Bungalow No. 25, Survey No.169,
Unit 26, Aarey Colony, Goregaon East,
Mumbai – 400065

IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

CP No. 23/(MB)/2025

Tarannum Khan and Ors…vs…Royal Palms (India) Pvt. Ltd and Ors.

Amir Ahmedally Nensey,
Bungalow No. 25, Survey No.169,
Unit 26, Aarey Colony, Goregaon East,
Mumbai – 400065

Royal Palms Constructions Pvt Ltd,
Survey No. 169, Aarey Milk Colony,
Near Unit No 26, Goregaon East,
Mumbai – 400065

Vinay Tukaram Nagaonkar,
Survey No. 169, Aarey Milk Colony,
Near Unit No 26, Goregaon East,
Mumbai – 400065

Anand D. Joshi,
1, Runwal Pratishtha, 1202/27,
Shivajinagar, Apte Road,
Behind Sailtosh Bakery, Pune- 411004

M/s. HMA & Associates,
Runwal Pratishtha, 1202/27, Shivajinagar, Apte Road,
Behind Santosh Bakery, Pune- 411004

Government of India,
3rd floor, Jeevan Deep Building Sansad Marg,
New Delhi-110001

Income Tax Department,
Aayakar Bhavan, M. K. Road,
Mumbai - 400 020

Registrar of Companies (Mumbai),
100, Everest, Marine Drive, Mumbai- 400 002

… Respondents

Order delivered on 31.08.2026

IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

CP No. 23/(MB)/2025

Tarannum Khan and Ors…vs…Royal Palms (India) Pvt. Ltd and Ors.

CORAM:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Shri Sushil Mahadeorao Kochey
Hon'ble Member (Judicial)

Appearances:

For the Petitioners	**:**	Mr. Kunal Mehta a/w Mr. Haaris Koradia, Advocates i/b Mr. Sujit Lahoti, Advocate
For Respondent Nos. 1 to 4	**:**	Mr. Chetan Kapadia, Sr. Advocate a/w Mr. Rohan Agarwal, Mr. Aqil Khan, Aleze Kodare, Sharique Nachan, Sauda Nachan & Insha Shaikh, Advocates
For Respondent Nos. 8 & 9	**:**	Judicare Law Associates

O R D E R

Per : CORAM

1) The present Company Petition is filed under Section 241-242 of the Companies Act, 2013, seeking various reliefs for redressal of oppression and mis-management including forensic audit into the transactions of Respondent Company.

2) The facts leading to the filing of the present Company Petition are briefly as under:

i. The Petitioner No.1 is the Mother of the Petitioner Nos.2 and 3, who are minors and she is the widow of late Muhammad A. Nensey who passed away on 21.09.2021, who held 20% shares in the Respondent Company. Late Muhammad A. Nensey passed away intestate and therefore, as per Muslim Personal Law, Petitioner No. 1 has become a Shareholder, holding 2.50% of the Company's Equity Share Capital whereas, the Petitioner Nos. 2 and 3 hold 4.33% and 2.17% of the Company's Equity Share Capital respectively. Accordingly, the Petitioners collectively hold 9% of the Equity Share Capital of the Company. Since there are 8 Shareholders in the Company; it is contended that the Petitioners' qualify for the purpose of maintaining the Petition under Section 244 of the Companies Act, 2013.

ii. The Respondent No. 1 Company/**Royal Palms (India) Pvt. Ltd.,** was started by the Respondent No. 5, Father in Law of the Petitioner No. 1 and is engaged in the business of Real Estate Development and Hotels. Respondent No.5, who was

the Chairman of Royal Palms group., had two sons viz., Late Muhammad Nensey and Respondent No.2 and they both held the Directorial Positions. Late Muhammad had one son from his first marriage i.e., Respondent No.3 herein.

iii. Late Muhammed held a key position in the group since Respondent No.1 is a family Company. In the year 2013-14, the Respondent No.5 resigned from the chairmanship of the Royal Palms group. However, Late Muhammed, Respondent No.2, Respondent No.4 and Respondent No.5 continued to remain Directors in various entities of Respondent No. 1.

iv. The Respondent No. 1/Company holds various Properties, such as Palm Hotels, The Imperial Palace Hotel, Four-Star Hotel, Palms Hotel & Convention Centre, Emeralds Club, Palms Villas and Land & Cars. The main business of the Company was Running the Five-Star Hotels and the convention Center; giving out the hotel property or a part thereof for the purpose of film shooting; selling individual

plots to purchasers who would construct bungalow/villas on the same.

v. The Respondent No.1 owns approximately 240 Acres of land in the City of Mumbai (Goregaon). It owns and runs a Five-Star hotel namely the Imperial Palace Hotel which has a Built-up Area of 41202.67 square meter and owns & runs the Palms Hotel and Convention Centre, having Built-up Area of 35,000 square feet out of this area and more than 170 acres of vacant land was meant for development / sale as bungalow / villa plots. The Company was being run jointly by Family Members.

vi. In or about early 2020, the relationship between Late Muhammed, his brother Respondent No.2, his Son Respondent No.3 became strained with Respondent No.5. Therefore, Petitioner No. 1's deceased husband along with Respondent Nos.2 and 3 had filed a Company Petition under Sections 241 and 242 of the Companies Act, 2013 against Respondent No. 5, Mr. Amir Ahmedally Nensey before this

Tribunal bearing C.P. No. 308/MB/2021, which was withdrawn sometimes in November, 2023.

vii. On 21.09.2021, Late Muhammed suddenly passed away in Mumbai. Petitioner No.1 believes that late Muhammed's death may not have been natural and she had, in February 2023, filed a criminal complaint with the Dindoshi Police Station calling for an investigation into his death. The criminal complaint was filed in February 2023. Until March,2023, Petitioner No. 1 was being given a sum of Rs. 3 lakhs per month towards monthly expenses inclusive of car EMI and school fees of petitioner Nos.2 and 3. After Petitioner No. 1 filed the Criminal Complaint i.e. from March 2023, there has been no support from Respondent Nos. 2 to 5 in relation to the living expenses and day to day affairs of the Petitioners.

viii. In the later part of 2023, Petitioner No. 1, had engaged in discussions with Respondent Nos.2, 3 and 4 for the purpose of ensuring that their day-to-day needs are met and their future is secured. During the course of these negotiations, Petitioner

No. 1 became aware of the fact that the most substantial assets comprising the Royal Palms Group are held in Respondent No. 1 and it is through Respondent No. 1 that Late Muhammed, Respondent Nos.2, 3, 4 and 5 were generating income which had enabled their lifestyles.

ix. The Petitioner No. 1, for the first time, on 12.09.2023 received a notice from Respondent No. 1 to attend its AGM. It is at that juncture that Petitioner No. l started to take some interest in the affairs of the Company with the limited ability and understanding that she has. She had to engage the services of Lawyers as well as Chartered Accountants to help her analyse and understand her position & role in the Company; the Petitioners' status with their present Shareholding and their rights as Shareholders.

x. It came to the knowledge of the Petitioners that immediately after late Muhammed's passing away, the distribution of his shares in Respondent No. I had, to the · extent necessary, been achieved qua Respondent Nos. 2, 3, 4 and 5; no

distribution/transmission had taken place in favor of the Petitioners until 2023.

xi. The Petitioners uncovered the fraudulent activities and transactions which the Respondent Nos.2 to 9 have been indulged in; sale of company's assets were done without accounting for the same in the audited balance sheets and zero income being reflected therein because the money is not being paid to the Company and the same is being siphoned away by Respondent Nos.2 to 4.

xii. It is contended that the majority of the Shareholders of the Company cannot indulge in such transactions; sell off assets of the Company without the Company receiving a single penny. The fact that this has occurred in such a systemic manner and on a large scale, is nothing but Oppression and Mis-management.

xiii. It is further alleged that the Respondent Nos. 2 & 3 utilized the Company's money to meet personal expenses of the Directors. Company is paying enormous credit card bills and paying

remuneration of few lakhs per month to the directors. Huge cash dealings in relation to the leasing out the Hotel Properties for shooting of Films; consequent deprivation of the income and siphoning of funds by the majority shareholders for their personal enrichment are being alleged by the Petitioners.

xiv. It is contended that instances of oppression and mismanagement demonstrate the following three major pattern of transactions which the Company is routinely entering into:-

(i) First is a class of transactions where the company's stock in trade i.e. villa / bungalow plots being sold but no income is being reflected in the Company's financial statements. It is stated that 97 Plots of Land have been sold by the Company since 2016 and none of these sale transactions are reflected in the Audited Financial Statements of the Company. This can only mean that money has been diverted to ultimately benefit the majority shareholders and deprive the Petitioners of the fruits of the income of the Company.

(ii) Second are transactions whereby, the Company is paying crores of rupees for the personal expenses of the directors, which expenses have no connection with the business of the company. And;

(iii) Third is class of transactions wherein the routine course of business of leasing out its hotel premises for shooting films, the Company is accepting huge amounts of cash.

xv. The Company's Account are prepared in Fraudulent Manner and its business is mis-managed by the Respondents to such an extent that it could only be termed as fraudulent, unlawful and oppressive towards its members such as the Petitioner. Therefore, it is stated that this is a fit case to invoke the powers conferred upon the Tribunal by Sections 210, 212 and 213 of the Companies Act and order and direct an investigation into the affairs of the company by the Central Government and the Serious Fraud Investigation Office.

3) It is therefore contended that, the affairs of the Company are mis-managed and run by Respondent Nos. 2 to 4 in the manner oppressive to the Petitioners, which is against the interest of the Company, and therefore the present Company Petition is seeking reliefs and directions to bring an end to the acts of Oppression & Mis-management; appointment of Administrators; directions to the Forensic Auditor and directions to the Serious Fraud Investigation Office to investigate into the affairs of the Company; removal of Respondent Nos. 2 to 4 from the Board of Directors of the Company; restraining Respondent Nos. 2 to 7 from dealing with the properties of the Company, etc.

Response of Respondent Nos. 1 to 4

4) Respondent Nos. 1 to 4 filed Reply and denied the entire case of the Petitioners and contended : -

i. The present Company Petition is not maintainable as it fails to disclose any cause of action. Since the Petitioners have become Shareholders in the Company in November, 2022. The Present Petition is being used as an indirect method to gain

access to the Respondent No. 1 company's books prior to the Petitioners being a part of the company and raise disputes based thereon. The present petition is therefore not maintainable and should be dismissed at the outset itself.

ii. It is further contended that the Petitioner No. 1 is acting in her personal capacity and maintain the present Petition as natural guardian of Petitioner Nos. 2 and 3. It is further contended that, under Shariah Law, the guardian of the properties and other material interests of the Petitioner Nos. 2 and 3 is their Grandfather i.e., Respondent No. 5. The Petitioner No. 1 is only the custodian of the minors i.e., Petitioner Nos. 2 and 3 in personal capacity. Thus, Petitioner No. 1 has no right to maintain the present Company Petition and hold the company hostage by way of the captioned Petition.

iii. It is contended that, the Petitioner No. 1 had initially requested the Company to transfer the shareholding of Petitioner No. 2 and 3 in her own name claiming that she will eventually transfer the shares to the Petitioners No. 2 and 3

when they attain majority. However, it was the Respondent Nos. 2 and 3 who insisted on the shares being allotted to their rightful owners as there were reservations about the true intent and honesty of Petitioner No. 1.

iv. Petitioner No. 1 is claiming acts of Oppression & Mis-management which pertains to the period before the Petitioner No. 1 become the Shareholder in the Respondent No. 1 Company but also during the time when her own Husband i.e. Late Muhammad Nensey was the Managing Director of the same. Therefore, Petitioner No. 1 is attempting to falsely claim that the acts committed while her husband was in charge of the affairs of the company amounted to mis-management of the Company. Petitioners inherited their shares in the company which cannot give rise to a cause of action to re-open transactions taken place during the life time of her Husband managing the affairs as the Managing Director of Respondent Company. It is further contended that the Petitioner No. 1 has herself accepted the books of accounts

of the company in two separate AGMs, and she is claiming fraud on allegations pertaining to a time period before she became a Shareholder.

v. The Petitioner No. 1 is falsely claiming that assets of the Company have been sold without the same being reflected in the balance sheet of the Company. The Petitioners in the present Petition had also made such bogus claims against the Respondent Nos. 1 to 4 while making a complaint to the Economic Offences Wing of the Mumbai Police. It is contended that the complaint was closed by the Police after investigation and finding that no cognizable offenses were detected.

vi. The Petitioner No. 1 is attempting to use the present Petition to illegally and forcefully get a seat of Director of the Company. The Petitioner No. 1 has been making false and fabricated claims pertaining to the Respondent Nos. 2 and 3 about siphoning of money from the Respondent No. 1 Company.

vii. It is contended that all the transactions of the Company have been shown in the Financial Statements, the Audited Statements have been accepted in the Annual General Meeting. No illegality or fraud or mis-management could be attributable to the Respondents.

viii. The Respondents further filed their Additional Reply on 03.04.2025, wherein, it is contended that Villa Plots are part of Palms Hotel and were sold and credited to the Hotel Block under Fixed Assets and only capital gain arising from sale of part of such block is accounted for as "exceptional item" in Profit and Loss Account. The Accounting Treatment is accordingly met in the Books of Account of the Company. Therefore, the allegations that the Sale Proceeds are not shown in the Account Books and the entire money is siphoned off, has no basis.

ix. It is contended that the companies are functioning under a burden of debts and legal proceedings, due defaults in payments of maintenance dues by numerous societies. The

business of the Company is extremely capital-intensive and very high amounts of bills of expenditure are generated on a regular basis.

x. It is contended that the Respondent No. 1 Company is currently headed by the Respondent No. 2 who has been a director of the company since 1994. The Respondent No. 3 has been the director of the company since the year 2016. Late Mr. Muhammad A. Nensey was not only the Managing Director but was also directly involved in the running of the business of the Respondent No. 1 Company since 1991 till his death in 2021, who was 20% Shareholder. The Petitioner No. 1 was never involved with the Respondent No. 1 Company in any capacity. Respondent No. 1 Company carried out its business under the leadership of her late husband i.e., Late Muhammad Nensey for years without any issue.

xi. After the death of Muhammad Nensey, the Petitioner No. 1 received 2.5% of Shareholding, the Petitioner No. 2 received 4.34% of the shareholding, the Petitioner No. 3 received 2.16%

of the shareholding, and Respondent No. 3 received 4.34% of the Shareholding in the Respondent No. 1 Company as per Muslim Shariah Law. Respondent No. 4 (mother of Late Muhammad Nensey who received 3.332% of the Respondent No. 1 Company as per Shariah Law) and Respondent No. 5 (Father of Late Muhammad Nensey who received 3.332% of the Respondent No. 1 Company as per Shariah Law). It is submitted that there was no opposition to the Petitioners becoming shareholders by the other shareholders and family members. It is further submitted that Late Muhammad Nensey's share were transferred expeditiously after his death.

5) It is therefore contended that the present Company Petition is *mala fide* inspired by ill motive of grabbing the shareholdings of the minors and interfere in the entire company by becoming the director and therefore, prayed for dismissal of the present Company Petition.

Response of Respondent Nos. 8&9

6) Respondent Nos. 8 filed their Affidavit in Reply and contended as under: -

i. He was appointed by Mr. Amir Nensey along with the other directors of the Company. Mr. Amir Nensey and Mr. Muhammad Nensey gave direct instructions regarding the workings of the Respondent No. 1 Company until 2020 - 21 and he was personally involved in the day to day functioning. He has audited all the financial statements of the Respondent No. I Company.

ii. The reply has been filed to explain financial Statements of the Company. It is contended that Exhibit-H(Colly) are the Financial Statements of the Company from the Year 2016 to 2024. It is submitted that these Statements have been duly adopted by the Shareholders of the Respondent No. 1 Company. The Financial Statements from the year 2016 to 2021 were also assented to by the Mr. Muhammad Nensey and the Board of Directors of the Company and for the Year

2019 were even signed by Late Mr. Muhammed Nensey and the Financial Statements for the years 2023 and 2024 have been assented to by the Petitioner No. 1 herself.

iii. It is contended that the Petitioner No. 1 is relying on the incorrect document i.e. Exhibit – D of the Petition which is a Document known as MGT – 7, which is an Annual Return and a statutory filing done before the Registrar of Companies by the Company Secretary, which cannot be considered detailed statutory tax filings in Form AOC - 4 with the Registrar of Companies and under the Income Tax Act. The said Exhibit -D is the incorrect document to rely upon for understanding the treatment of the sale of the Villas.

iv. It is contended that Royal Palms India was initially formed to build and operate hotels i.e. Imperial Palace, Palms Hotels, Palms Villas etc. After construction of the Palms Hotels was completed sometime in the year 2005 - 2006 and Palms Villas in 2008 – 2009, the same became operative, all the Hotels were added to the fixed asset block of the Company. The hotel

business completely got shut down sometime in the year 2011-2012.

v. The Palms Hotel had a separate section known as Palms Villas having around 100 villas. After the closure of the hotel business, it is understood, that Mr. Muhammad Nensey along with other directors realized that the Palms Villas were not even generating any independent revenue by way of separate bookings, but there was interest shown by prospective purchasers for leasing out the villa's structures independently.

vi. It is further contended that an outstanding loan of more than Rs. 65 Crores was due to Edelweiss ARC and for which nearly Rs. 1000 crores worth of assets and personal guarantees of the directors were given at the lime of securing the original loan amount from SBI, which then was restructured and assigned to Edelweiss. It was therefore, decided to generate funds by leasing out the Villa plots so as to pay off Edelweiss and free the Properties/Securities from the encumbrances. It was therefore decided that it would be in the best interest of the

company to have the villa structures leased out rather than wait to restart the hotel business; as the maintenance and operation expenses were increasing but the income from hotel business had stopped.

vii. The villas had become dilapidated as they had been lying unused for a considerable period of 2-3 years. While leasing the villas out, they were leased on 'as is where is basis' to avoid costs of repairs. Therefore, the villas had to be leased out at a less than market rate and hence discounts were given. It is only the Villa structures which are leased out and not the plots on which they stand. As the Villa plots were already part of the Fixed Asset Block after completion of the construction, the alienation of the Villas plots could only have been deducted from the Fixed Asset Block.

viii. Petitioners insistence that the Villa Plots ought to be disclosed or accounted as Inventory or Sales revenue is in complete ignorance of the accounts. In fact, the Petitioners' Rejoinder is completely silent on the Financial Statements and Accounts

annexed at Exhibit H(Colly) to the Reply dated 03.04.2025 of the Respondents. Those very accounts confirm everything about the treatment of the funds received and profits / losses booked from lease of the Villa Plots.

ix. The alienation of the Villa plots, which was part of Palms Hotels was always deducted from the Fixed Asset Block. The properties continued to remain on the fixed asset block. There is no requirement in law that there has to be any bifurcation in the audited financial statements or that Palms Hotel has to be shown as the separate division of the company for accounting purposes. The lease agreements entered into with 3rd parties will never mention how the company is treating the villas in their Books of Accounts as this pertains to the internal functioning of the Company.

x. Since the Villas, being part of the Palms Hotel, were included in the Fixed Asset block of the company with the other hotels and accordingly accounted for in the Statement of Accounts, as and when the villas were given on long leases, the Fixed

Assets block was reduced proportionately and the same is visible in the statements provided in Exhibit-H (Colly).

xi. The Petitioner has miscalculated the total consideration amounts for the Agreements as approx. Rs. 147 Crores. The actual total amount as per the Petitioners' own table at Exhibit C comes to approx. Rs. 137 Crores which also is an inflated amount as the total consideration amount added from all the Agreements mentioned therein comes to a total of approx. Rs. 121 Crores.

xii. Petitioner is either unaware or has deliberately suppressed knowledge of discount letters issued under signature of her husband Muhammad Nensey to the buyers of various Villas. The Villas were leased out on long term basis and the agreements describe them as 'Service Apartments'.

xiii. The ready reckoner rate of the Villas was much higher than the market price in many transactions. Consequently, the Agreements could not be registered at a consideration below the ready reckoner rate as that would lead to taxation issues.

Thus, discount letters were issued to the Villa owners after the registration of the Agreement and the consideration amount was accordingly discounted to that extent. Further, the discounts had to be given to cover the deficiencies in the agreed scope of work, which remained incomplete at the end of Respondent Company. Agreements were signed by the Petitioners husband Muhammad Nensey who also collected payments from the Villas purchasers.

xiv. As far as the income generated from the bookings of the hotels for shoots is concerned, the same is mentioned as "Shooting Charges" under the sub heading Income from Projects / Hotels Clubs which comes under the heading "Revenue from Operation", which is completely ignored by the Petitioners.

xv. The allegation of the directors using the company funds for their personal expenses is also contrary to the record. The Petitioner's Husband was a director along with the Respondents and would draw a Director's remuneration like the other Directors. In fact, the EMI's for 2 cars, a Mercedes

GLS and a Ford Mustang that were purchased in the name of Muhammad Nensey and used only by him and the Petitioner, were paid from the company's accounts.

xvi. It is further contended that the Petitioner has secretly sold the Mercedes GLS car after the death of Muhammad Nensey after which the EMI payments stopped from the Company Bank Account. Petitioners case is based on a misguided notion and her reliance on the wrong document proves that she has not appreciated the actual Financial Statements of the Respondent No. 1 company **being Exhibit H (Colly) of the Affidavit in Reply of the Respondents dated 03.04.2025.**

7) It is therefore contended that the present Company Petition be dismissed.

8) Considering the rival contentions of the Parties and the allegations made by the Petitioner in the present Company Petition, the alleged acts of Oppression & Mis-management which emerge prominently are: -

i. The company's stock in trade i.e. villa / bungalow plots are sold and no income is reflected in the Company's financial statements;

ii. The Company is paying crores of rupees for the personal expenses of the Directors, which expenses have no connection with the business of the company;

iii. In the routine course of business of leasing out its hotel premises for shooting films, the Company is accepting huge amounts of cash.

9) Ld. Counsel for the Petitioners has made exhaustive submissions to contend that the Petitioners being recognised Shareholders of the Company was deprived of her rights to participate in the functioning of the Company and having made the investigation, it was revealed that the Respondent Nos. 2 to 4 were selling assets of the Respondent No. 1 Company and the income arising there from was not shown in the Books of Account of the Company. Huge amount acquired by the Company through sale of its assets have

been siphoned off by the Respondent Nos. 2 to 4. It is also submitted that over a period of eight years, the Respondents systematically sold its most valuable assets i.e. 97 Villas/Bungalow Plots without reflecting any corresponding income in its Audited Financial Statement.

10) It is submitted by the Petitioners that Mehta Choksi & Shah LLP, Chartered Accountants, engaged by the Petitioners, had already examined the Company's account on two earlier occasions and furnished the Report dt. 30.10.2025 & 18.03.2026 and further Report on 15.06.2026.

11) It is submitted by the Petitioners that the Income Tax Assessment Order on which Respondents have relied upon shows the pattern of conduct of the Respondents across the years and fora, this pattern gives rise to the possibility that the money from the sale of Villa Plots is not reaching the company's own bank account or is being siphoned away. Perusal of the Company's Audited Financial Statement from the F.Y. 2016 onwards shows that the revenue from

the sale of product is consistently recorded as "zero", even as Company's inventory Villa Plots had steadily reclined year to year, which shows that this money has not been received by the Company at all or if received, has been diverted to the Respondent Nos. 2 to 4 which constitutes both deprivation of the Corporate Revenue and acts of oppression against the Petitioners as Shareholders.

12) It is submitted by the Petitioners that the Affidavit in Reply filed by the Respondent Nos. 8 & 9 encloses many Annexures. The explanation offered is that Villa sales are booked net of discounts through Ledger Heads, disposal of Tangible Assets, less reversal of disposal plus exceptional items and this net figures appears in the Financial Statement as "Sale of Tangible Assets"/Capital Working Progress not as "Revenue from Operations". It is further explained that transactions by transactions, Annexure – 1 that in large number of cases, sales are booked to the extent of amount received i.e. on cash receipt basis notwithstanding possession or completion status. These are very entries that are already under challenge. The very

Auditor whose clarification of the account is impugned in the Petition explaining his own work using his own figures without producing single primary document. This format was tested by CA and was found point by point not withstand to the Scrutiny.

13) It is submitted by the Ld. Counsel for the Petitioner that upon perusal of these Financial Statements from 2016 onwards shows that revenue from sale of products is consistently recorded as "zero", even as Company's inventories of Villa Plots has steadily declined year to year. It is submitted that this money has not been received by the Company at all or if received, the same has been diverted by the Respondent Nos. 2 to 4 constituting both deprivation of corporate revenue and an act of oppression against Petitioners as Shareholders.

14) It is further submitted that the Petitioners have carried out independent review from Mehta Chokshi & Shah LLP, Chartered Accountants (MCS), who has examined the Company's Account on two earlier occasions and furnished Reports, it shows that the

revenue recognised on cash receipt and not on accrual basis, executed, part paid transactions never booked at all, amounts received in excess of agreement value with no supporting evidence, cancelled transactions that are never evidenced nor consistent, significant outstanding balance, sum over nine years old left unexplained, single largest transaction in the entire set is wholly undocumented (i.e. transaction with Accord Land Developers Pvt. Ltd.) is the largest transaction by a wide margin, yet no agreement, bank statement, board resolution or statutory filing has been produced in respect of it. Sales was booked after the agreement date including during the pendency of this very proceeding, the discount letters are internally inconsistent and in place herewith irreconcilable, no consistent methodology for the quantum of discount, non production of fixed asset register, despite Respondent No. 8's own clarification that one is maintained. No unit-wise reconciliation of construction, sale & inventory is placed on record, GST Compliances and TDS Compliances are not demonstrated, no underlying sale agreement, lease deed or possession documentation,

no fair value or comparable sale analysis. It is concluded by MCS in terms that the material furnished primarily comprises of reconciliation, Ledger extracts and summary schedule, the primary accounting record, source document and statutory records necessary for independent verification have not been furnished and that consequently, the explanation advanced in the Affidavit remained incapable of independent validation. MCS expressly confirmed that the concerned raised in its earlier Reports remain unsolved. It is the case that no independent explanation has been offered at all.

15) The crux of the arguments of the Ld. Counsel for Petitioners is that the affairs of the Company are carried out in a prejudicial and oppressive manner as against the interest of the Shareholders. The transactions are not carried out in a transparent manner, the sales are not booked and reflected in the account books as required. The Petitioners have been deprived of all the necessary documents for the inspection and analysis and audit by the independent persons;

therefore, it is contended that the Forensic Audit into the affairs of the Company is required.

16) Ld. Counsel for the Respondent Nos. 1 to 4 have sought to explain and meet the allegations made by the Petitioners by submitting that, the Respondents have not only explained but also shared the Audited Financial Statements of the company from the Yea 2016 to 2024 for Petitioner No. 1's perusal which is at Exhibit - H colly. The Respondents have heavily relied upon the response and the explanations given by the Respondent No. 8, the Auditor of the Company in its Affidavit in Reply dt. 11.09.2025 and contended on the lines of the explanation given by respondent no.8. It is submitted that the Respondent No. 8 Auditor has explained the Petitioners' contention, that the Villas plots ought to be disclosed or accounted as "Inventory" or " Sale Revenue", is in complete ignorance of accounts. In fact the Petitioners' rejoinder is completely silent on the Financial Statements and Accounts annexed at Exhibit - H colly, to the Reply dt. 03.04.2025 of the Respondents. Those very accounts confirmed everything about the treatment of funds

received and the Profit/Losses booked from Lease of Villas' plots. Hotels mentioned above were built to run, operate & generate income. Inventory, by definition, is something that is produced to be sold which was not the case with the Hotels and their Properties which will always remained in the Fixed Assets Block.

17) It is therefore submitted that all assets as well as disposal thereof have been correctly accounted in the Books of Accounts till date. It is also settled accounting practice that when assets are sold, in this case, the Villas being the Assets of the company, the value is proportionately reduced from Assets side or else the balance sheet would never tally. There is absolutely no merit in the allegations that there is disappearance of assets or that there is no data available about the Assets and accounts.

18) It is further submitted that the open plot lands, when they were sold, are treated as pure income. This is mainly because total land parcel is approximately is 240 Acres and the FSI thereon has already been utilised for construction of Buildings, Hotels, etc.

Further, the land has been declared as NDZ/Green Zone, many years back and hence there is no balance envisaged with the company and hence the buyers of the Plots may not be able to construct anything substantial on the plot until and unless NDZ/Green Zone specifications are removed by the Government in future. Considering all the above factors, it is unviable to assign any value to the plots, and hence, as a prudent measure the whole of the same value of the open plots of lands were already considered as income of the company in the previous year's Financial Statements when the sale took place.

19) Another reason for the sale is not being reflected under the head of "Income" but being reflected as "Advance" is due to cases where only part of consideration of sale of plots was received from the buyer and the reason that it is shown as an "Advance" against "Sale of Land" was because in some cases, no sale agreement was registered transferring title as only part consideration was received but that transaction cannot be booked as an "Income" till the entire consideration is received. The Agreement is registered and the title

is transferred to the Buyer and therefore till such time it is treated and is shown as an "Advance" due to contingencies like possibility of deal not getting completed or buyer seeking cancellation/return of the money, if the transaction is not go through, therefore, it is submitted that there is no siphoning or surreptitious sale as alleged by the Petitioner and the fact of the matter is that the Petitioner has not understood the financial statements and the treatment of the transactions, though the treatment of those transactions is in accordance with the applicable accounting standards prescribed under Companies Act, 2013 or Institute of Chartered Accountants of India, as the case may be.

20) It is further submitted that the Petitioner's conduct is itself a fit ground to dismiss the Company Petition, as at the relevant time, the husband of the Petitioner, late Mr. Muhammad Nensey was the managing the affairs of the Company and a Member of the Company cannot file case of Oppression of Mis-management on the basis of events prior to them becoming a member of the Company.

The reliance is placed to the Judgment of the NCLT, Ahmedabad Bench in the case of ***Powerfin Corporations Limited... Vs... M/s. Shree Maheshwar Hydel Power Corporation Limited (2019) 213 Comp CAS 491***.

21) It is further submitted that the substantial part of the Petitioner's claim/allegations are barred by Limitation. The Company Petition is admitted filed on 09.12.2024 and the Petitioner is therefore to question the transaction from Sr. No. 82 onwards at Exhibit - C of the Company Petition which has arisen between the year 2020-2021. It is submitted that the Hon'ble National Company Law Appellate Tribunal in the case of ***M/s. Esquire Electronics Inc. & Anr. v. Netherlands India Communications Enterprises Ltd. & Ors. (Company Appeal (AT) No. 26 of 2016*** has upheld the principal that only actions which are committed three years prior to filing of the Company Petition can be undertaken before the NCLT under Section 241-242 of the Companies Act, 2013.

22) It is further submitted that the Petitioner No. 1 is not entitled to maintain the present Company Petition in the name of Petitioner Nos. 2 & 3, who are Minors and as per the Muslim Personal Law, the Guardian of the property of the Minor Children is the Grandfather and not the Mother. Even otherwise, the Petitioner No. 1 has not furnished any order under the Guardians and Wards Act, 1890, allowing her to maintain the Company Petition in the name of her Children.

23) It is submitted that the Hon'ble Allahabad High Court has upheld this Principle in the case of ***Kaneeza Khatoon...Vs...Iqbal Ahmed & Others_ (2012) SCC OnLine ALL 1533***, wherein it is held that under the Muslim Personal Law, a mother is not entitled to act as the Guardian of the property of the minor children. Therefore, Petitioner's claim of Oppression and Mis-management was not based on any new action or allegations, the Petitioner cannot rely supposed transactions of the past to maintain the case of Oppression and Mis- management.

24) It is further submitted that the Hon'ble Supreme Court in the case of ***Tata Consultancy Services Ltd. v. Cyrus Investments Pvt. Ltd. (2021) 9 SCC 449*** has held that "*at the stage of granting relief in an application under these provisions, the final question that the Court should ask itself is as to whether the order to be passed will bring to an end the matters complained of*".

25) Further, the reliance is also placed on the Judgement of the Hon'ble Supreme Court in the case of ***V.S. Krishnan and Others…v... M/S. Westfort Hi-Tech Hospital Ltd. and Others (2008) 3 SCC 363*** and submitted that after considering various judgments the Hon'ble Supreme Court has culled out the following propositions:- that (a) where the conduct is harsh, burdensome and wrong; (b) where the conduct is mala fide and is for collateral purpose were although the ultimate objective may be in the interest of the Company, immediate purpose would result in an advantage for some shareholders; (c) the action is against probity and good conduct; (d) oppressive acts complained of may be fully

permissible under the law and therefore the test as to whether an action is oppressive or is not based on whether it is legally permissible or not since even if legally permissible if the action is otherwise against Probity or good conduct or is burdensome, harsh, wrong or is mala fide or for collateral purpose it would amount to oppression under Section 397-398 of the Companies Act, 1956; (e)Once the conduct is found to be oppressive under Section 397-398 of the Companies Act, 1956, the discretionary powers given to the Company Law Board under Section 402(b) to set right, remedy, or put an end to such oppression is way wide; (f) as to what are the facts which would give rise or to constitute oppression is basically a question of fact and, therefore, whether an Act is oppressive or not is Fundamental or basically a question of fact.

26) Further, reliance is placed on the judgment of the Co-ordinate Bench in the case of ***_Mohan Thomas…v... M/s. Forbes Ewart And Figgis Pvt. Ltd. & 5 Others (2021) SCC OnLine NCLT 2562***, to contend that "*It is important to note that in every case under Section 241*

of the Act, it is obligatory on the part of the complainant to establish "persistent and persisting course of unjust conduct". This is significant as far as the matter before us, is concerned as various courts have held that past acts which have come to an end would not be taken for the purpose of invoking the court's jurisdiction under Section 241 of the Act".

27) Ld. Counsel for the Respondents further relied upon the judgment of the Hon'ble Supreme Court in the case of ***Shanti Prasad Jain v. Kalinga Tubes Ltd. (1965) SCC OnLine SC 15***, to explain the scope of Oppression and Mis-management and ultimately it is submitted that the Petitioner No. 1 has not been able to show any continue action or new action can only be used to invoke provisions of Section 241-242 of the Companies Act, 2013. The past acts which the Petitioner No. 1 is seeking to adjudicate before this Tribunal cannot be adjudicated by way of the present Company Petition.

28) It is, therefore, submitted that the Petitioner has not been able to show any conduct or any other form of mis-management whatsoever by the Respondents.

29) It is pertinent to note that the present Petitioner No. 1 has filed this Petition along with her minor children. The status of the present Petitioners is not in dispute. The Petitioner No. 1 is the second wife of late Mr. Muhammad Nensey and the Petitioner Nos. 2 & 3 are the children born out of that wedlock. Till the demise of her Husband (i.e. Late Mr. Muhammad Nensey) the Petitioner No. 1 was not concerned with the affairs of the Company and she was not even the member or the shareholder of the Respondent No. 1 Company. It is only upon the demise of late Mr. Muhammad Nensey that she acquired share in the property of her late husband and as per the Muslim Personal Law she acquired 2.3% shares along with her children and father and the Stepson. The transfer of shares or recognising the Petitioners as the Shareholders of the Company was promptly done by the Respondents as per law.

30) It is the contentions of the Respondents that under the Muslim Law the Guardian of the Minor Children is not the Mother. The Commentary of Mulla on the Principles of Mohammedan Law explains at para 359 as to who are the Guardians of the Property of the Minor.

359. Legal guardians of property

The following persons are entitled in the order mentioned below to be guardians of the property of a minor [56]:—

(1) the father;
(2) the executor appointed by the father's will;
(3) the father's father;
(4) the executor appointed by the will of the father's father.

Baillie, 689: Macnaghten, 62, 304.

Mother, brother, uncle, etc., not legal guardians

The four guardians mentioned in this section are hereinafter called legal guardians . The only relations who are legal guardians of the property of a minor are (1) the father, and (2) the father's father. No other relation is entitled to the guardianship of the property of a minor as of right , not even the mother, brother or uncle. But the father or the paternal grandfather of the minor may appoint the mother, brother, uncle, or any other person as his executor or executrix, in which case they become legal guardians and have all the powers of a legal guardian as defined in 362 and 366. The Court also may appoint any one of them as guardian of the property of the minor, in which case they will have all the powers of a guardian appointed by the Court, as stated in 363 and 367. (see note 1 to 364 below)

Minor possessing more than one property

Income not sufficient to maintain him — the legal guardian is competent to alienate any of the properties.[57]

A widowed mother is not the legal guardian of the property of her minor children and cannot, bind the children by any act in relation of the property. Therefore she cannot sell or mortgage the property. Even if she be a co-heir with them, it does not give her any more rights, except to manage the estate till partition among the share holders.[58]

Recently, the Jharkhand High Court has held that a mother is not de jure guardian of her minor children under

Mohammedan Law and therefore has no right to sell an interest of her minor children in immovable property and such transaction is not merely voidable but void.

Thus in the instant case, the mother of the minor children is entitled to inherit a portion of property (i.e. 1/8) of her deceased husband; she is not entitled to alienate immovable property, which fell in shares of her minor children.[59]

"A brother is not a lawful (sic) guardian under Mahomedan law Neither the mother nor the brother is a legal (sic) guardian though the father or the paternal grandfather of the minor may appoint the mother, brother or any other person as executor or executrix." [60]

The persons who are entitled to appoint a guardian of the property of a minor by will are his father and father's father. Even the mother has no power to appoint by will a guardian of the property of her minor children. A mother's executor is not a legal guardian , nor is a brother's executor, nor an uncle's executor. In fact, no executor, except the father's executor or the father's father's executor, can be a legal guardian of the property of the minor: Macnaghten, 304. As to the powers of a legal guardian , (see 362 and 366)

31) This shows that the mother cannot act as a guardian, unless appointed as executor under the will. Admittedly, there is no will produced or it is not the case of the Petitoner that under the will she has got the authority to act as guardian for the minor children and therefore as rightly contended by the Ld. Counsel for the Respondents, the Petitioner No. 1 cannot be considered as the guardian of the minor children under the Muslim Personal Law and she could not have maintained the Petition on behalf of the Minors as Guardian. However, considering the fact that she is the shareholder of the Company pursuant to the inheritance, she has

the requisite qualifying shareholding to maintain the Petition. The Petition as filed by the Petitioner No. 1 thus can be considered by this Tribunal. Even otherwise, the Respondents have not challenged the maintainability of the Petition on the basis of the Threshold as required under Section 244 of the Companies Act, 2013.

32) Be that as it may, it is the case of the Petitioner that, after the death of her Husband, the Respondents were taking care of Petitioners herein. She was being paid Rs. 3,00,000/- per month for maintenance and upbringing of the Children. It is contended by the Respondents that she has filed FIR with the police against the Respondents alleging that the death of her Husband was not a natural death and the investigation into the same was carried out by the Police. The body of the Late Husband was exhumed after two years and the investigation was made and no substance in the allegations made by the Petitioner was found. After this, the Petitoner No. 1 alleges that the Respondents have stopped giving the amount as it was given to her earlier. It is submitted by the

Respondents that it is only thereafter the Petitioner No. 1 has appointed the independent Auditor and at the instance of the independent Auditor's Report she found certain discrepancies as alleged in the Petition and therefore the present Petition is filed alleging basically that the substratum of the Respondent No. 1 Company was being scrambled to extinguish the assets of the company by the improper sale and without disclosing the income derived there at from the properties in the financial statements thereby siphoning huge amount from the sale of properties of the Company by the Respondent Nos. 2 to 4 for their personal gains.

33) The Respondents have produced all the Financial Statements of the Company i.e. the balance sheet, statement of Profit and Loss, cash flow statement, etc. and have also explained the accounting treatment.

34) It is mentioned that the Financial Statements under historical cost convention is on accrual basis so far as plant equipment and properties are concerned, the company has adopted cost module to

measure the gross carrying amount of the Property, plant and equipment as specified in AS-10. Property Plant and Equipment are stated at cost less depreciation less impairment losses. Cost comprises purchase price, capitalised borrowing cost and subsequent expenditure if it increases the future benefit from the existing assets. Cost has been subsequently adjusted to the extent of CENTRAL VALUE ADDED TAX (CENVAT) and VALUE ADDED TAX (VAT CREDIT) available and exchange difference arising on translation with settlement of foreign currency. Thus, as per the Indian Standards the property of the Company is dealt with and is reflected in the statements of accounts of the Company.

35) The cash flow statements also show the sale of tangible assets, capital working progress. The depreciation and the net block statement extensively deal with the land building plant and machinery, etc.

36) All the Financial statements from the Year 2016 onwards have been produced and the fixed assets of the company have been

shown in the financial statements of the company and even the depreciation is shown in the financial statements. The MCS report on which the Petitioner No. 1 heavily relied, makes prima facie observations from the Audited Financial Statements maintained on accrual basis, however, the observations of MCS on which the Petitioner No. 1 heavily relied is inclusive for themselves as they have stated that for want of detailed inspection they could not give a definite opinion about the financial affairs of the Company. Therefore, the allegations made by the Petitioner No. 1 about the Mis-management and the siphoning of the funds by the Respondents cannot be said to be established in the absence of definite finding by the agency through which the Petitioner No. 1 has examined the financial statements of the company. On the contrary, the financial statements of the company have been audited from time to time and have also been filed with the Registrar of the Company. No objections have been raised by any authority on the financial affairs of the Company.

37) It is pertinent to note that the land on which the Hotels and Villas are constructed by the Company is admittedly under the Green Zone. It is only pursuant to the policy of the Government for tourism purposes, the permission to build the hotel Villas was granted and the Company could utilise the entire FSI available in constructions of the Hotels, the restrictions is imposed that the Land over which the Hotels and the Villas are constructed could not be sold and therefore, since the company was under debts i.e. outstanding loans of more than Rs. 65 Crores and since the Hotel Business has collapsed and the property was being depreciated on year to year basis, the company has taken the decision to sell the Villas, which formed the Fixed Assets of the Company and accordingly, the sale of the Villas is reflected as deduction from fixed asset block and excess of deduction from fixed asset block as profit in the profit & loss account in the Audited Financial Statements of the Company.

38) The depreciation in the property/building part is also evident which finds mentions in the Financial Statements of the Company therefore, as and when the Villas are sold the fixed assets of the Company have shown decreased. It is also brought on record by the Respondents that since the Villas are in the dilapidated conditions some essential repairs were required to be carried out and the Company has undertaken those repairs, however, as per the agreements, the repairs could not be done in time and therefore, the discounts were given. In some cases, mere agreement was made and some amount was yet to be received, sale was not completed and therefore the transactions were not reflected until the sale was concluded. All these transactions have been reflected by the company in their financial statements; therefore to contend by a shareholder of 2.50% and who is inducted in the recent past as a shareholder succeeding her husband who was at helm of respondent company, would be questioning the decisions, to which her husband was an active party.

39) Heavy reliance is placed by the Petitioners on the MCS Report which is inconclusive and based on prima facie perception of the documents as conceived by them, whereas, the detailed financial statements of the company along with unit wise details of consideration received and accounted for in books have been provided by the Respondents to the Petitioner. Further, the accounting of the transactions in the books of accounts and treatment of such transaction for purpose of determination of taxable income under Income Tax Law are governed by different rules, hence, any observation of Income Tax Officer to determine taxable income for a particular year can not be made basis for concluding that all the amounts received as consideration pursuant to transfer of right to use Villas for longer period was not accounted for. Therefore, the allegations made by the Petitioners about the financial statements of the company and the affairs of the company that the revenue recognised on a cash receipt does not find substantial merit. The allegations that, part paid transactions have never been booked, the amounts received in excess of agreement

value are not supported with the documents, cancelled transactions that are neither evidenced nor consistent, outstanding balance is not explained, have been met by the Respondents and explained vide their financial statements at Exhibit - H colly.

40) As regards allegations of non-production of fixed assets registers, inconsistent methodology for the quantum of discounts, sales booked several years after the agreement date, absence of unit wise reconciliation of construction sale and inventory, and GST compliance not demonstrated, this tribunal had required Respondent Company and Respondent No. 8, the Statutory Auditor of the Company. to place on record unit wise particulars of Villa Sales and corresponding accounting of the consideration received in the Books of Accounts. Respondent Company placed unit wise details of villa sales, showing therein the name of the Buyer, agreed consideration, total amounts received, discount given and, accounting of such consideration/receipts against consideration explaining the recording of total consideration received on such sale

in the Books of the Respondent Company. The said statement clearly demonstrates that no part of the sale consideration / receipts as escaped accountings in the books of the Respondent Company. It is further noted that the discount letters were signed by the late Husband of Petitioner No. 1 and the reasons thereof are also stated in some of the cases. Further, sale of all villa units had concluded during the lifetime of late Husband of Petitioner No. 1 who was the Director of the Respondent Company till his death. Accordingly, the recording of sale consideration/receipts are duly accounted for in the books of the Respondent Company in accordance with the method of revenue recognition, permissible under applicable Accounting Standard, followed by it and this has also been confirmed by the Respondent No. 8/Statutory Auditor.

41) There is nothing brought on record to show that this accounting treatment of the assets of the company and the assets of the income by the company is not as per applicable Indian

Accounting Standards, namely AS-10 and AS-16, which are stated to have been followed.

42) It is pertinent to note that the Petitioner No. 1 has filed this Petition in a Peculiar circumstances. As long as she was getting the amounts from the Respondents towards maintenance of her children etc. there was no grievance made by the Petitioners. It is only when the Respondents stopped the maintenance to the Petitioner, the present Petition is filed. The intention is obvious to derail the entire business of the company which is already in semblance of order.

43) It is also pertinent to note that the husband of the Petitioner No. 1 was the Managing Director of the company from 1994 till 21.09.2021 until his demise and has signed the financial statements for the Year 2019. The husband of the Petitioner No. 1 has executed most of the agreements. It is therefore submitted by the Ld. Counsel for the Respondents that the Petitioners have stepped into the shoes of late Mr. Muhammad Nensey who have become a part of the

company by way of inheritance, therefore, the Petitioners cannot claim that the affairs of the company are mis-managed, as their own predecessors sanctioned the same. Even otherwise the Petitioners are barred from claiming that instances prior to their joining would amount to oppression and mis-management. It is further contended that the Petitioners were the beneficiaries of the actions of late Mr. Muhammad Nensey and therefore, after taking advantage of that, now the Petitioners cannot turn back and attack those very transactions.

44) Respondents have contended that one of the Respondents (i.e. Respondent No. 5) had made similar allegations with the Enforcement Directorate (ED) and the ED has made full -fledged investigation into the allegations and after being satisfied that the allegations are without any merits have closed the complaint. Therefore, the Petitioner was required to establish with cogent evidence and substance that the affairs of the company are not only being conducted in oppression to their rights and interest but from

the very inception were oppressive and prejudicial to the interest of the Shareholders or the Public at large.

45) In the present case, the Petitioners have not brought anything on record to show that the affairs of the company during the regime of her late Husband were conducted in Oppression or the affairs were mis-managed to the extent to cause loss to the then existing shareholders of the company or the public at large.

46) In the Case of ***Mohta Bros. (P.) Ltd. And Ors. vs Calcutta Landing And Shipping Co. Ltd. [1970] 40 COMP CAS 119 (CAL)*** the Hon'ble Calcutta High Court has held that "*it is true that it may not always be possible for one or a group of shareholders to furnish particulars of acts of mismanagement, fraud, oppression, misappropriation or other improper acts, but such inability on the part of shareholders, who have no access to the books of the company, is by no means a ground for directing an investigation into the affairs of the company or for giving any other relief to a petitioner. The petitioner must set out the facts which constitute*

acts of mismanagement, misappropriation, fraud or oppression and prove, prima facie, at any rate, that on those facts an investigation is called for".

47) The Petitioner's main concern in the present Petition is that the Forensic Audit as per the provisions of Section 210-213 of the Companies Act is required to be carried out. The Petitioner although having been supplied with all the Financial Statements of the Company and she was also invited for attending the Annual General Meeting of the Company, that having participated in the meetings of the Company has made allegations on the basis of private Report of some Auditor to make allegations and doubt all the Transactions of the Company which have been entered and dealt with by the Company even prior to induction of the present Petitioners as Shareholders in the Company and thus the present Petition is nothing but an attempt to hold the company hostage for the personal gains of the Petitioners.

48) It is further alleged by the Petitioners that the Respondents are using the Company's funds for their Personal expenses. The

Respondents have disclosed in the Audited Financial Statements of the Respondent No. 1, the remuneration given to the Directors. The Petitioner No. 1's Husband was the Director along with the Respondents. He as a Director was paid the Directors remuneration like other Directors, which is reflected in the Financial Statements. The Respondents have come up with the specific allegations that Mercedes GLS and Ford Mustang were purchased in the name Muhammad Nensey and were used by him and the Petitioners. The company was paying the EMIs of the said cars which is also reflected in the Financial Statements. It is contended by the Respondents that the Petitioners have sold the Mercedes GLS car after the death of Muhammad Nensey after which the EMI payments were stopped from the Company's Bank Account. Therefore, the allegations that the Respondents are using the funds of the company for their personal gains without accounting for the same is not well founded.

49) It is the case of the Petitioners that the income generated from the bookings of the Hotels for shooting is concerned, the same has not been reflected in the Financial Statements of the Company. It is pertinent to note that the Statutory Auditor's Affidavit explains the same that the income generated from the bookings of the Hotels for shooting is mentioned as shooting charges under sub-Head "Income from Profit Projects/Hotels/Club", which comes under the heading "Revenue from Operations". The Petitioners have not denied these explanations. As against the allegations made by the Petitioners, the income generated from this source are also reflected in the Audited Financial Statements of the Company, therefore, the allegations of mis-management and the siphoning of amounts by the Respondents is without any basis or without substantial proof and therefore does not have any merits.

50) The Hon'ble Supreme Court in the case of ***Shanti Prasad Jain v. Kalinga Tubes Ltd. (1965) SCC OnLine SC 15*** has dealt with the scope of Oppression and Mis-management and the Hon'ble Supreme Court held that "*the word oppressive is not defined. It is*

possible by way of illustration to figure a situation in which majority shareholders, by an abuse of their pre-dominant voting power, are treating the Company and its affairs as if they were their own property to be prejudiced to the minority shareholders and in which just and equitable ground exists to making of Winding-up order. But in which the alternate remedy provided by section 210 by way of appropriate order might well be opened to the minority shareholders with a view to bring to end to the oppressive conduct of the Majority. The power conferred on the court to grant a remedy in an appropriate case appears to envisage a reasonably wide discretion vested in the court in relation to the order sought by a complainer as the appropriate equitable alternative to a winding-up order".

51) In the present case, the petitioners claims oppression at the hands of Respondent Nos. 2 to 4 by alleging that the income generated by the Company by sale of its assets have not been reflected properly in the Audited Financial Statements of the Company and the huge amount of money is siphoned of by the Respondents and therefore the affairs of the company are required to be investigated into by an independent agency.

52) The Respondents have demonstrated the condition in which the Company has functioned, disclosed all the assets and dealings of the properties of the company's fixed assets in their financial statements which have been discussed in the Annual General Meetings and the necessary filings with the competent authorities have been made. The allegations of mis-management and siphoning of amounts is not well founded and even the prima facie case is not established by the Petitioners. The conduct of the Petitioners and the circumstances in which the present Petition is filed speaks for itself as to why this Petition is filed.

53) The Respondents have demonstrated that the affairs of the company have been carried out in the interest of the company. The company was already under the burden of debts since the closure of the Hotel business and the generation of the revenue was required in one form or the other for which the sale of Assets of the company was conducted and the accounting treatment have been duly given in the financial statements of the company. Therefore, the blatant

mis-use of the power of majority to the extent of mis-managing the affairs and the siphoning of the amounts for their Personal Gains are the factors which are not demonstrated sufficiently with cogent evidence.

54) Oppression of the Petitioners as Shareholders depriving her of the benefits to the extent of her entitlement have not been demonstrated and therefore, the enquiry into the affairs of the Company as sought by the Petitioners does not warrant.

55) The fact remains that Petitioners are the Shareholders of the company and Petitioner Nos. 2 & 3 are the minors and because of the serious allegations made by the Petitioners against the Respondents alleging their hands in the death of her Husband and causing mental harassment of the investigation and exhuming the body of her late husband after two years have put the parties particularly the Petitioner No. 1 and the Respondents on logger heads and therefore, it would be justified in the facts and

circumstances of the present case, that the Respondents are given an option of buy out of shares of Petitioner No.1.

56) During the course of the arguments it was brought to the notice of this tribunal that, there was a proposal made by the Respondents that the Petitioner No. 1 would be given Rs. 100 Crores and the Shares of Petitioner Nos. 2 & 3, minor children would be kept intact under the guardianship of Grandfather until they attain majority, would also be a fair proposal which the Respondents have to exercise.

57) **Accordingly, the Respondent No. 1 shall make valuation of the Shares and either the Respondent No. 1 shall pay the amount to the Petitioner No. 1 through buyback of Shares or the Respondent Nos. 2 to 5 shall pay the consideration payable to the Petitioner No. 1 either themselves individually or jointly or through their nominees, in whose names the Shares of the Petitioner No. 1 may be proposed to be acquired by the Respondent Nos. 2 to 5.** The Respondents would pay the exit

amount within 60 days from the date of valuation Report to be obtained by the Respondent Company and such valuation report shall be obtained within 45 days from the date of this Order.

58) As Petitioner No. 1 is not a Guardian of Petitioner Nos. 2 & 3, being Minor, and under Mohammedan Law and it is the Grandfather, who is a Legal Guardian of the Minors. Accordingly, the prayers made by the Petitioner No. 1 for and on behalf of the Petitioner Nos. 2 and 3 as a Guardian cannot be allowed by this Tribunal, unless consented by the Grandfather i.e. Respondent No. 5. Accordingly, we consider it appropriate to require the Grandfather/ Respondent No. 5 to make appropriate arrangement in relation to the Petitioner Nos. 2 & 3 as a Legal Guardian in respect of their interest in the Respondent Company to protect and preserve the same.

59) An Interlocutory Application bearing IA (Companies Act) No. 244 of 2025 was filed by Petitioners on 04.12.2025 for seeking interim directions to the Respondent Nos. 1 to 4 for disclosure of Bank statements of the Respondent Company, transactions in relation to

the assets of the Respondent Company, Bank Statements and Income Tax Returns of Respondent Nos. 2 to 7, and direction to SFIO for investigation or appointment of forensic Auditor. This Tribunal does not have the power to director SFIO to carry out investigation under Section 212 of the Companies Act, 2013, hence, no direction can be issued by this Tribunal. As regards other information sought by the Petitioners, it is noted that these information cannot be disclosed to the Shareholders and even the Companies Act, 2013 does not provide the access of Books of Accounts to the Members of a Company. Further, the personal information of the Directors can also not be provided by this Tribunal. As regards, appointment of Forensic Auditor is concerned, it has already been observed that the transactions in relation to the assets of the Company took place when the husband of the Petitioner No. 1, who was the father of Petitioner Nos. 2 and 3 also, was a director of the Respondent Company and certain documents in relation thereto was also executed under his signature. Further, the detailed statement in relation to sale of Villa and its accounting

treatment was already called for by this Tribunal, the prayer for Forensic Audit cannot be considered. Accordingly, the Interlocutory Application bearing IA (Companies Act) No. 244 of 2025 stands disposed of.

60) In terms of the above observations and directions, the Company Petition bearing C.P. No. 23 of 2025, filed before this Tribunal is disposed of. In view of the disposal of the captioned Company Petition, all the pending Applications, if any, arising out of the present Company Petition, is thus, stand closed and disposed of.

61) Ordered Accordingly. File be consigned to record.

Sd/- **Sd/-**

PRABHAT KUMAR
MEMBER (TECHNICAL)

SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)

Vedant Kedare
(Stenographer)