IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.303
CP 25 of 2020

Under Section 241 of Co. Act, 2013

IN THE MATTER OF:

Madhuben Prabhubhai Patel & Ors **.....Applicant**
V/s
Prachi Industries Ltd & Anr **.....Respondent**

Order delivered on: 26/10/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

-SD-
SANJEEV SHARMA
MEMBER (TECHNICAL)

-SD-
SHAMMI KHAN
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT-I, AHMEDABAD

CP No. 25 (AHM) of 2020

(A Company Petition filed under Section 241 of the Companies Act, 2013 to be read with Rule 81 of the National Company Law Tribunal Rules, 2016)

IN THE MATTER OF:

1. **Madhuben Prabhubhai Patel (Since deceased 28.06.2025)**
2. **Neetaben Prabhubhai Patel,**
3. **Namrata Patel – through POA holder Ms. Neetaben P Patel (Petition dismissed qua her for non-prosecution vide order of 02.07.2026)**
4. **Mihir Prabhubhai Patel**

All having place of residence at:
19, Ketan Society,
near Sardar Patel Colony,
Naranpura, Ahmedabad.

.... Petitioners

VERSUS

1. **Prachi Industries Limited,**
Having its Registered Office:
AT and PO Pariaj, TAL- Matar- Kheda,
And having its Administrative Office at:
1st floor, Mani Prabhu Apartment,
Navrangpura, Ahmedabad.

2. **Shital Manish Patel- Director,**
Having its residence at:
9, Anandpark Society,
Near Devendra Park,
Naranpura, Ahmedabad.

.... Respondents

Order pronounced on: 26.10.2026

C O R A M:

Mr. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
Mr. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Petitioners : Mr. Monaal Davawala, Advocate for P-2 and P-4
For the Respondents : Mr. Arjun Sheth, Advocate for R-2

O R D E R
(Per: Bench)

1. This Company Petition CP No.25 of 2020 was filed on 02.03.2020 vide Inward Diary No. 2997, by the Petitioners viz. Madhuben Prabhubhai Patel and Ors. under Section 241 of the Companies Act, 2013 to be read with Rule 81 of the National Company Law Tribunal Rules, 2016 with the following reliefs:-

(a) FINAL RELIEF

a) *To pass appropriate orders under Section 241 of the companies act, 2013 to regulate the affairs of the company and to end oppressive acts complained thereof and also to pass appropriate directions under 241 of the Act thereby ending conduct of the affairs of, company which are being conducted In manner prejudicial to public interest and the company and various stakeholders.*

b) Pass an order thereby framing a scheme under section 241 of the Companies Act, 2013 in the Respondent no. 1 company thereby the business can be managed by the Petitioners and the Respondents No. 2 And further

be pleased to direct the Respondent no.2 to place on record the minutes of the AGM/EOGM of Respondent no.1 Company

c) Direct the Respondent no.2, to prove the bonafide, to produce all the statutory records viz. Sale Register, Bank Statement, income and loss statement, Balance Sheets etc. of the Respondent no.1 Company for last 10 years before this Hon'ble Tribunal;

d) Direct the Respondent no.2 herein to transfer the Shares of the Husband of the Petitioner no.1 herein and father of the Petitioners no. 2 to 4 herein in name of the Petitioners as per their legitimate shares In the ancestral property of deceased father.

e) That Your Honours may be pleased to pass an order of injunction against the Respondent no.1 under the scheme of Section 241 from Interfering in the operation control and management of the Respondent No. I company;

f) Be pleased to direct the Respondent no.2 to account for all personal gains earned from the transactions executed on behalf of the Respondent no.1 Company and to produce the accounts of the revenue generated from the business of the Respondent no.1 Company.

g) Scheme be framed u/s. 241, to regulate the management and affairs of the company on such terms and conditions as this Hon'ble Tribunal may deem, fit and proper to end deadlock in the company.

h) Pass such other/further order/ directions, which this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case be granted;

(b) INTERIM RELIEF

a) Direct the Respondent no.2 not to act illegally and unlawfully against the interest of the Company;

b) Direct the Respondent no. 2 herein to produce all statutory documents of the Respondent no.1 Company to the Petitioners herein and also direct the Respondent no.2 herein to convene the EOGM or AGM of the Respondent no.1 Company after serving of the Notices to the petitioners herein;

c) Direct the Respondents to maintain the status-quo of the board and shareholding of the Respondent No. 1 company;

d) Restrain the Respondents from holding any Board Meetings, Annual General Meetings and Extra Ordinary General Meeting without prior permission of the Hon'ble National Company Law Tribunal:

2. The Petitioners have placed the **facts** through this Petition in the following manner: -

2.1. The Petitioners have preferred the present Company Petition as shareholders of Respondent No. 1, viz. Prachi Industries Limited, a closely held family company. Petitioner No. 1 is the wife, and Petitioner Nos. 2 to 4 are the children, of Late Prabhubhai Patel (also referred to as Prabhudas P.), while Respondent No. 2 is the widow of Late Manishbhai Patel, the son of Petitioner No. 1. Petitioner Nos. 2 and 4 are also Directors of Respondent No. 1.

2.2. It is the case of the Petitioners that, during the lifetime of Late Prabhubhai Patel, the affairs of the Company were conducted in accordance with the statutory provisions, and that after his death, Late Manishbhai Patel initially took charge of the affairs of the Company, whereafter

Respondent No. 2 captured its entire management, including the registered office, the administrative offices where the books of account are kept and, since 2014, the factory premises, without permitting the other shareholders and Directors to look into its affairs.

2.3. It is further submitted that, after the death of Late Prabhubhai Patel, Late Manishbhai Patel, without informing the Petitioners, transferred all the shares held by Late Prabhubhai Patel to his own name, although the Petitioners, being his legal heirs, were entitled thereto. The Petitioners have contended that the women members among them, being unaware of the 2005 amendment to the Hindu law, were made to sign various statutory documents, including Annual Returns, under pressure from Respondent No. 2 and her husband, and were kept in the dark about the said transfer.

2.4. It is the case of the Petitioners that, while Petitioner No. 4 was in the USA, Respondent No. 2 took over the affairs of the business behind his back; that Petitioner No. 4 had sent more than Rs. 4 crores to Late Manishbhai Patel and Respondent No. 2 for the development of the family companies, including Respondent No. 1; and that Late Manishbhai Patel had agreed, in view thereof, to transfer his shares and 72,000 out of the 90,000 shares of Late Prabhubhai Patel to the Petitioners. It is further submitted that, after the death of Late Manishbhai Patel, Respondent

No. 2 surreptitiously took over the said shares and has not transferred any shares to the Petitioners.

2.5. The Petitioners have contended that Petitioner No. 2 had given an advance of more than Rs. 19.5 lakhs to Respondent No. 1, and that Respondent No. 2, through Respondent No. 1, allegedly diverted the funds of the Company for the personal benefit of her relatives, in particular her daughter in the USA, a copy of the bank statement in support whereof has been placed on record as **Annexure F**.

2.6. It is further submitted that the revenue of Respondent No. 1 was not accounted for in its Profit and Loss Account, that its Balance Sheets do not reflect the true picture, and that Respondent No. 2 has neither shown the audited Balance Sheets to the Petitioners, nor paid any remuneration to the Directors, nor convened any meeting, including Board Meetings.

2.7. It is the case of the Petitioners that statutory notices and demands from creditors of Respondent No. 1 began to be received at their residences, and that, when they approached Respondent No. 2 in this regard, she filed a police complaint against them at Mehsana Police Station as a pressure tactic. It is further submitted that Respondent No. 2 compelled Petitioner No. 2 to give authority for the sale of the property of the Company by the Income Tax Department.

2.8. The Petitioners have contended that, though Petitioner Nos. 2 and 4 are Directors, Respondent No. 2 alone has been handling the business of Respondent No. 1, has kept them unaware of the statutory proceedings pending against the Company, including the PF and Sales Tax proceedings, and, has not attended the same, in support whereof the e-form for filing the Annual Return of the Company has been placed on record **Annexure G (Colly.).**

2.9. It is further submitted that, from the Income Tax Assessment Order received in November 2019 and other demand notices, the Petitioners came to know that Respondent No. 2 has not maintained the books of account and the statutory registers and records of the Company, including the register of members, minutes books, fixed assets register, annual returns, audited accounts and share transfer records.

2.10. It is the case of the Petitioners that, by a legal notice dated 10.12.2019, they called upon Respondent No. 2 to produce the statutory records of Respondent No. 1 and to permit inspection of its records for the last ten years, a copy whereof, along with the RPAD slip, has been placed on record as Annexure H. It is further submitted that Respondent No. 2 does not convene the AGM or any EGM of the Company, and has posted bouncers at its premises who do not permit the Petitioners to enter the office or attend any meeting.

2.11. The Petitioners have contended that the conduct of Respondent No. 2 shows a lack of probity and fair dealing, that all their efforts at a settlement have been turned down, and that, though the loss of confidence between the parties would justify the winding up of Respondent No. 1, such winding up would not be in the interest of the Company or its shareholders.

2.12. It is the case of the Petitioners that, in the aforesaid circumstances, they have approached this Tribunal under Sections 241 and 242 of the Companies Act, 2013, seeking reliefs other than winding up.

3. That on issuance of the notice in the Company Petition, Respondent No. 2 appeared and filed her **affidavit in reply** dated 15.06.2021 vide Inward Diary No. 4862 dated 17.06.2021, inter alia submitting as under: -

3.1. The Respondent No. 2 submits that the petition is barred by limitation, placing reliance on Section 433 of the Companies Act, 2013, and that only the issues arising within three years prior to the filing of the petition require to be addressed.

3.2. The Respondent No. 2 states that it is an admitted position that her late husband, Mr. Manish Patel, was managing the family business of Respondent No. 1, which was solely managed by him, and that she was not managing its affairs. Mr. Manish Patel passed away on 26.12.2014.

3.3. The Respondent No. 2 states that she learnt from her husband, before his death, that Respondent No. 1 had closed its business from 2011-2012, and that the last financial statements filed with the ROC were therefore for FY 2010-2011. No financial statements were filed thereafter, on account of the closure of the business and the death of Mr. Manish Patel, who was handling the same.

3.4. The Respondent No. 2 submits that the Petitioners have suppressed material facts by placing on record only the form for filing the financial statements, and not the financial statements and annual returns themselves, which are signed by Petitioner No. 2, Neetaben P. Patel, and that the case of the Petitioners that they were ousted from the management is therefore bogus.

3.5. The Respondent No. 2 states that Petitioner Nos. 2 and 4 are two of the three Directors of Respondent No. 1 and have been in majority control of its Board since 20.12.2004, and that Petitioner No. 4 is a Director and not merely a shareholder.

3.6. The Respondent No. 2 states that the registered office of Respondent No. 1 is at Pariaj, Taluka Matar, District Kheda, and that Petitioner No. 3, Mrs. Namrata Patel, with her husband, Pankajbhai, has been carrying on agricultural activities on the said land since the closure of the business in 2011-2012, without providing any details thereof.

3.7. The Respondent No. 2 submits that the shareholding of Respondent No. 1 as on 31.07.2006 and 25.07.2007 is of no consequence, being a matter about fourteen years old and hopelessly time-barred, and denies the allegations of harassment and of the Petitioners being thrown out of the house, which, in any event, have nothing to do with the Companies Act, 2013.

3.8. The Respondent No. 2 denies that she has taken control of the business, the affairs or the premises of Respondent No. 1, which ceased to do business in 2011-2012, and denies the allegations of coercion as bald and unsupported by any document.

3.9. The Respondent No. 2 submits that Late Prabhudas Patel passed away on 15.09.2006, that any issue regarding his shares is hopelessly time-barred, that ignorance of law is no defence, and that the alleged coercion in signing documents relates to events more than ten years old.

3.10. The Respondent No. 2 denies the allegation regarding the transfer of funds by Petitioner No. 4 as a false and concocted story, and states that the letter of Bank of Baroda was issued to Petitioner No. 2 in her personal capacity and has nothing to do with the affairs of Respondent No. 1.

3.11. The Respondent No. 2 submits that the Petitioners are evading the statutory authorities and do not have the interest of the Company at heart; that, the registered office

being in the possession of Petitioner No. 3, only the Petitioners can answer for the statutory registers; that the Company has had no business for almost ten years, so that the question of factory premises does not arise; and that no Board or general meeting can be held without the quorum, which cannot be met without the Petitioners, who control the Board and are themselves liable for not convening such meetings.

3.12. The Respondent No. 2 states that the notice dated 10.12.2019 issued by the advocate of the Petitioners was replied to by her advocate vide letter dated 25.07.2020, denies the contents of paragraphs 7 to 17 of the petition as unsupported by any document, and, submitting that the Petitioners have not approached this Tribunal with clean hands, prays that the petition be dismissed with costs.

4. In support, the Respondent No. 2 has placed on record the following documents:-

4.1. Copy of the death certificate of Late Mr. Manish Patel, the husband of Respondent No. 2, who passed away on 26.12.2014, as **Annexure A**;

4.2. Copies of the Annual Return and the Financial Statements of Respondent No. 1 Company for FY 2010-2011, filed with the ROC under the signature of Petitioner No. 2, as **Annexure B (Colly)**;

4.3. Copy of the master data of Respondent No. 1 Company, as

Annexure C;

4.4. Copies of photographs of the registered office of Respondent No. 1 Company at Pariaj, Taluka Matar, District Kheda, as **Annexure D (Colly);** and

4.5. Copy of the letter dated 25.07.2020 issued by the advocate of Respondent No. 2 in reply to the legal notice dated 10.12.2019 issued by the advocate of the Petitioners, as **Annexure E**.

5. This Tribunal vide order dated 20.10.2021, directed the Petitioners to file their rejoinder.

6. The Petitioners filed their **rejoinder affidavit** dated 02.07.2022 on behalf of Petitioner Nos. 1, 2 and 4, sworn by Petitioner No. 4, vide Inward Diary No. 3700 dated 11.07.2022, inter alia submitting as under: -

6.1. The Petitioners deny all the averments made in the reply as misconceived, and allege that Respondent No. 2, a Director of Respondent No. 1, was at the helm of its affairs along with her late husband till his death, and has thereafter been in sole and full control of the Company.

6.2. The Petitioners allege that Respondent No. 2 has given no germane reason to justify her acts, has produced no evidence of statutory compliance, and is blowing hot and cold by making misleading statements.

6.3. The Petitioners dispute the plea of limitation, contending that the facts do not attract Section 433 of the Companies Act, 2013, that Section 241 prescribes no period of three years, and that the oppression and mismanagement by Respondent No. 2 are continuing in nature.

6.4. The Petitioners dispute that the business of Respondent No. 1 was managed solely by Late Mr. Manish Patel, and allege that Respondent No. 2 managed its affairs during the lifetime of her husband and her father-in-law, Late Prabhudas P. Patel, and was equally responsible for its day-to-day functioning, particularly after the death of her husband.

6.5. The Petitioners dispute that the business of Respondent No. 1 closed in 2011-2012, as no document has been produced to show the same, and allege that the non-filing of the annual returns after FY 2010-2011 itself shows oppression and mismanagement, the closure of business being no justification for not filing the financial statements and annual returns, which remain due as the Company has not been wound up or dissolved.

6.6. The Petitioners allege that the excuse of the death of the husband of Respondent No. 2 for the non-compliance since FY 2011-2012 is false, as he admittedly passed away only on 26.12.2014, and that, Respondent No. 2 being in charge, no Board meeting or AGM was convened, so that the plea of the Petitioners holding the majority on the Board is misplaced.

6.7. The Petitioners allege that the registered office of Respondent No. 1 stands on non-agricultural land of about 69 Vighas owned by the Company, which, owing to the conduct of Respondent No. 2, has been attached by the Income Tax Department for the recovery of Rs. 4,83,94,099/- with interest as on 08.01.2018, and that the statutory authorities have initiated action against the Company and served notices at the residences of the Petitioners.

6.8. The Petitioners allege that, after the death of the husband of Petitioner No. 1, his shares were transferred in favour of the husband of Respondent No. 2 without any procedure under the Companies Act, no transfer document, application, Board approval or change in the share certificate and register having been disclosed, and that such fraudulent transfer cannot be saved by the plea of limitation.

6.9. The Petitioners deny that the transfer of funds by Petitioner No. 4 to the late husband of Respondent No. 2 is a concocted story, allege that Respondent No. 2 pressured her family members to gain full control of the Company and siphon off its funds, reiterate the contents of the petition and the notice dated 10.12.2019, and pray that the reliefs sought be granted.

7. In support, the Petitioners have placed on record the following documents: -

7.1. Copies of documents showing the involvement of Respondent No. 2 in the day-to-day affairs of Respondent No. 1 Company, as **Annexure P4-1 (Colly);**

7.2. Copies of Village Form Nos. 7/12 and 6 of the land of Respondent No. 1, as **Annexure P4-2 (Colly);** and

7.3. Copies of the Demand Drafts by which Petitioner No. 4 transferred funds to the late husband of Respondent No. 2, as **Annexure P4-3 (Colly**).

8. This Tribunal, vide order dated 21.09.2022, recorded that the pleadings were complete. However, it granted liberty to the Respondent to file an additional affidavit if any new facts had been brought on record by way of the rejoinder.

9. Respondent No. 2 filed her **affidavit in sur-rejoinder** dated 07.02.2024 to the rejoinder filed by the Petitioners, on 08.02.2024 vide Inward Diary No. D-1093, inter alia submitting as under: -

9.1. It is the case of Respondent No. 2 that the petition is vague, devoid of particulars and filed with mala fide intent. She denies that she was in charge of the day-to-day affairs of Respondent No. 1 Company along with her late husband, or that she is in sole control of the Company. It is reiterated that the business was managed solely by Late Mr. Manish Patel, who passed away on 26.12.2014, and that the Company closed its business in 2011-2012, so the last

financial statements filed with the ROC were for FY 2010-2011. It is further submitted that the Company's accounts with UCO Bank, which had extended credit facilities to it, were closed around 2011. UCO Bank issued a No Dues Certificate on 25.07.2011, and the Company's only account with that bank has not been operated since March 2013. Respondent No. 2 continues to rely on Section 433 of the Companies Act, 2013. As to the share transfer, she states that it took place almost 14 years ago and was made by her husband, so no allegation on that account lies against her.

9.2. It is further submitted that some of the documents in Annexure P4-1 (Colly) were not signed by Respondent No. 2 at all and bear her forged signatures, at pages 18, 21 and 32 of the rejoinder. It is further submitted that the same documents show several financial statements signed and approved by Petitioner No. 2 as a director. The MCA records also show Petitioner Nos. 2 and 4, along with Respondent No. 2, as signatories of Respondent No. 1. On this basis, the plea of ouster is said to be false, and Petitioner Nos. 2 and 4 are said to be trying to shift the blame for the Company's statutory non-compliance onto Respondent No. 2 to escape their own liability as directors.

9.3. It is the case of Respondent No. 2 that the land at Pariaj, Taluka Matar, District Kheda is in the possession and use of Petitioner No. 3. She denies that it was attached by the Income Tax Department for the recovery of Rs. 4,83,94,099/- because of her conduct, or that the

registered office was attached on her account. She also denies pressuring her family to gain control of the Company. As to the transfer of funds under Annexure P4-3 (Colly), she is not aware of those transactions, and no amount was transferred to her bank account. Denying all acts of oppression and mismanagement under Sections 241-242 of the Companies Act, 2013, Respondent No. 2 has prayed that the petition be dismissed with costs.

10. In support, Respondent No. 2 has placed on record the following documents: -

10.1. Copies of the No Dues Certificate dated 25.07.2011 issued by UCO Bank to Respondent No. 1, and of the document showing that its account with UCO Bank was not in operation, as Annexure A (Colly); and

10.2. Copy of the list of Directors/Signatories of Respondent No. 1, as available on the website of the Ministry of Corporate Affairs, as Annexure B.

11. This Tribunal, vide order dated 08.02.2024, granted the Petitioners three weeks' time to file a counter reply to the sur-rejoinder of Respondent No. 2, if need be, and directed the counsels to file a one-page summary of the issues involved in the petition.

12. This Tribunal, vide order dated 21.03.2024, recorded the submission of both sides that there was a likelihood of

settlement in the matter.

13. This Tribunal, vide order dated 27.06.2024, recorded that both sides had no objection to the matter being referred to mediation or to an independent mediator appointed by the Bench, and directed both sides to file affidavits, after exchanging copies with each other.

14. In compliance with the said order, Respondent No. 2 filed her affidavit consenting to the reference of the present dispute to mediation vide Inward Diary No. D-5287 dated 04.07.2024.

15. Thereafter, Petitioner No. 1 filed a similar consent affidavit consenting to the reference of the present dispute to mediation vide Inward Diary No. D-5306 dated 08.07.2024.

16. This Tribunal, vide order dated 11.07.2024, on the request of the contesting parties, referred the matter to mediation and appointed Mr. Rohit Kapoor, Ex-Member, NCLT, as the Mediator. The Mediator was directed to take up the mediation at an early date and complete it within 90 days from the date of the order, and was permitted to appoint an expert, if required, and to fix his own remuneration.

17. Thereafter, Respondent No. 2 filed a pursis vide Inward Diary No. D-7347 dated 26.09.2024, stating that the Petitioners

had withdrawn their consent to mediation, and that, therefore, no mediation proceedings took place between the parties. In support, Respondent No. 2 has placed on record copies of the email correspondence between the learned Advocates for the parties and the learned Mediator from 30.07.2024 to 01.08.2024, as Annexure A (Colly.).

18. This Tribunal, vide order dated 26.09.2024, recorded the confirmation of Petitioner No. 4, appearing in person, that the Petitioners had withdrawn their consent to mediation and were in the process of appointing new counsel, and recorded the request of the learned counsel for the Petitioners that his name be deleted from the matter.

19. This Tribunal, vide order dated 21.11.2024, recorded the appearance of new counsel for the Petitioners, and directed both sides to file their written submissions/synopsis.

20. Pursuant thereto, Respondent No. 2 filed her synopsis of written submissions dated 16.07.2025 vide Inward Diary No. D-4783 dated 17.07.2025, wherein, reiterating the contents of her reply dated 15.06.2021 and sur-rejoinder dated 07.02.2024, it has been submitted in brief as under: -

20.1. The petition is barred by limitation under Section 433 of the Companies Act, 2013, as the allegations relate to events beyond three years before its filing on 02.03.2020. The transfer of shares after the death of Late Prabhudas Patel on 15.09.2006 and the shareholding of 2006-2007 are time-barred, ignorance of law is no defence, and the alleged coercion relates to events more than ten years old.

20.2. The affairs of Respondent No. 1 were managed solely by Late Mr. Manish Patel until his death on 26.12.2014. The business closed in 2011-2012, its account with UCO Bank was closed with a No Dues Certificate dated 25.07.2011 and not operated after March 2013, and the last financial statements filed were for FY 2010-2011, which were also signed by Petitioner No. 2.

20.3. Petitioner Nos. 2 and 4 have been two of the three directors since 20.12.2004 and hold majority control of the Board. The registered office is in the possession of Petitioner No. 3 and her husband, and only the Petitioners can answer for the statutory registers.

20.4. The fund transfers in Annexure P4-3 were made to the account of Late Mr. Manish Patel, of which Respondent No. 2 is unaware. The Bank of Baroda letter concerns a personal term deposit of Petitioner No. 2. Some documents in Annexure P4-1 bear forged signatures of Respondent No. 2, and the allegations of harassment and of being thrown out of the house fall outside Sections 241-242. As the

Petitioners have made out no case, Respondent No. 2 has prayed that the petition be dismissed with costs.

21. This Tribunal, vide order dated 17.07.2025, recorded the submission of the learned counsel for the Petitioners that Petitioner No. 1, Ms. Madhuben Patel, had passed away, and granted time to the Petitioners to take appropriate steps in respect of the deceased Petitioner in accordance with law.

22. In compliance with the said order, Petitioner No. 2 filed an affidavit dated 27.08.2025 vide Inward Diary No. D-5829 dated 28.08.2025. It states that Petitioner No. 1, Ms. Madhuben Prabhubhai Patel, passed away on 28.06.2025, and prays that her name be deleted from the proceedings and that Petitioner Nos. 2 and 4 be permitted to pursue the petition. It is further stated that Petitioner Nos. 2 and 4 together hold 2,20,000 shares out of the total paid-up share capital of 8,30,000 shares of Respondent No. 1. In support, the Petitioners have placed on record a copy of the death certificate issued by the Ahmedabad Municipal Corporation dated 08.07.2025.

23. This Tribunal, vide order dated 28.08.2025, noted that the affidavit for deletion of the name of the deceased Petitioner

No. 1 had been filed only by Petitioner No. 2. It recorded the statement of the learned counsel for the Petitioners that a similar affidavit would be filed on behalf of Petitioner No. 4, and that Petitioner No. 3 was no longer pursuing the petition. Accordingly, it directed the Registry to issue notice to Petitioner No. 3, and directed the learned counsel for the Petitioners to collect the notice and serve it on Petitioner No. 3 by Registered AD/Speed Post, Dasti and email, and to file proof of service by way of an affidavit.

24. Thereafter, Petitioner No. 4 filed a similar affidavit dated 29.08.2025 vide Inward Diary No. D-5903 dated 01.09.2025. In it, he too sought the deletion of the name of the deceased Petitioner No. 1 and stated that Petitioner Nos. 2 and 4 would pursue the petition, together holding 2,20,000 out of 8,30,000 shares of Respondent No. 1 Company. In support, he placed on record the death certificate of the deceased Petitioner No. 1.

25. This Tribunal, vide orders dated 16.10.2025 and 11.12.2025, noted that the Petitioners had not filed any report of service of the notice on Petitioner No. 3, and that no one was present on her behalf. The Tribunal further recorded that the counsel

for the Petitioners had not complied with the order dated 28.08.2025.

26. This Tribunal, vide order dated 12.02.2026, rejected the service report filed by the Petitioners, as it related to an expired notice. Noting that sufficient opportunities had already been granted and that repeated adjournments had been sought, it permitted fresh service on Petitioner No. 3 subject to costs of Rs. 10,000/- to be deposited with the Gujarat State Legal Services Authority. A fresh notice was issued, and the Petitioners were directed to collect it from the Registry within three days, serve it by all modes and file a service report.

27. Thereafter, Petitioner No. 4 filed an affidavit vide Inward Diary No. D-2874 dated 01.04.2026, in compliance with the order dated 12.02.2026. In support, the Petitioners have placed on record the postal receipts, the India Post tracking reports, a copy of the notice bearing the acknowledgment of Petitioner No. 3 dated 22.03.2026, and the receipt dated 20.03.2026 issued by the Gujarat State Legal Services Authority for the deposit of costs of Rs. 10,000/- .

28. This Tribunal, vide order dated 02.04.2026, took on record the service affidavit and the proof of deposit of costs of Rs. 10,000/- with the Gujarat State Legal Services Authority. It recorded that Petitioner No. 3, Ms. Namrataben Patel, appeared in person and stated that she would engage a separate counsel to pursue the matter.

29. This Tribunal, vide order dated 02.07.2026, noted that neither Petitioner No. 3 nor any counsel or authorised representative had appeared on her behalf, and that no authorisation had been filed despite the opportunity granted. It accordingly dismissed the petition qua Petitioner No. 3 for non-prosecution. The remaining parties were directed to complete the pleadings and to file their written submissions and chronology of events.

30. Pursuant to the order dated 02.07.2026, Respondent No. 2 filed her written submissions vide Inward Diary No. D-6574 dated 06.08.2026. She has reiterated the contentions raised in her synopsis dated 16.07.2025, namely that the petition is barred by limitation, that the affairs of Respondent No. 1 were managed solely by her late husband until the business

closed in 2011-2012, and that Petitioner Nos. 2 and 4, being in majority control of the Board, are themselves responsible for its statutory compliances. She has further submitted that the Petitioners have not made out a case under Sections 241 and 242 of the Companies Act, 2013, and has prayed that the petition be dismissed with costs.

31. This Tribunal, vide order dated 13.10.2026, heard the learned counsel for Petitioner Nos. 2 and 4 and the learned counsel for Respondent No. 2, and reserved the matter for orders. It directed both sides to file written submissions with a chronology of events, setting out the facts, the issues involved, the points of law and the citations relied upon.

32. Pursuant thereto, Petitioner Nos. 2 and 4 filed their written submissions dated 23.10.2026 through e-filing on 23.10.2026, along with a chronology of events, inter alia submitting as under: -

32.1. The Petitioners submit that Respondent No. 2 has been a Director of Respondent No. 1 since its incorporation on 11.08.1994 (DIN 00005463); that she executed the registered mortgage deed dated 19.06.2007 in favour of UCO Bank on behalf of the Company as its Director; that

she signed its financial statements and annual return for FY 2010-2011; and that the land of the Company stands recorded in the revenue record against her name as its Director. Her plea that the Company was managed solely by her late husband is, therefore, contradicted by the documents.

32.2. The Petitioners submit that, from 2007, Late Mr. Manish Patel and Respondent No. 2 together held 5,10,000 shares (61.45%) of Respondent No. 1, while the Petitioners held 26.51%, and that the books, bank accounts, tax correspondence and land records were in the custody of Respondent No. 2 and her husband, so that their position as two of the three Directors did not give them control of the Company.

32.3. The Petitioners submit that the plea of closure of business in 2011-2012 rests on hearsay; that the balance sheet of the Company as on 31.03.2011 shows total assets of Rs. 6,00,33,408/-, including share application money of Rs. 1,97,62,826/-; that the charge of Rs. 10 crore in favour of UCO Bank remains open on the MCA record; and that the Company has continued to face income tax, EPFO and recovery proceedings thereafter.

32.4. The Petitioners submit that the affairs of the Company are being conducted in a manner prejudicial to its interests, pointing to an income tax demand of Rs. 6,56,81,147/-, the charge of the Tax Recovery Officer for Rs. 4,83,94,099/-

with interest on its land, and an EPFO demand of Rs. 54,49,439/- (Annexure G (Colly.) to the petition).

32.5. On limitation, the Petitioners submit that the wrong complained of is continuing, relying on Section 22 of the Limitation Act, 1963 and ***Shanti Prasad Jain v. Kalinga Tubes Ltd.***, AIR 1965 SC 1535, that several of the acts complained of fall within three years of the filing of the petition, and that Section 17 of the said Act applies, relying on ***Chalasani Udaya Shankar v. Lexus Technologies Pvt. Ltd.***, 2024 INSC 671, decided on 09.09.2024. As to the shares of Late Prabhudas Patel, the Petitioners clarify that they do not ask this Tribunal to adjudicate the succession thereto, but seek only the production of the records by which the said shares came to stand in the name of Late Mr. Manish Patel.

32.6. The Petitioners submit that the allegation of forgery made by Respondent No. 2 is bald and unsupported; that the letter of Bank of Baroda (Annexure F to the petition) records a deposit of Rs. 19,50,000/- held jointly by Petitioner No. 2 and the daughter of Respondent No. 2, which was closed on 19.12.2013 and credited to the account of the daughter; and that they do not rely on the dispute about the family residence as a ground of oppression.

32.7. The Petitioners pray for the appointment of an independent Chartered Accountant or forensic auditor to examine the books of the Company from 01.04.2011, a restraint on the

alienation or encumbrance of its assets, and the convening of a general meeting by an independent person under Sections 97 and 98 of the Companies Act, 2013, and submit that, if the continued existence of the Company is found impracticable, such further directions, including a supervised realisation of its assets and settlement of its dues, may be issued. They further state that they welcome an independent administration of the Company under the aegis of this Tribunal.

33. Thereafter, Respondent No. 2 filed her written submissions dated 16.10.2026 through e-filing on 25.10.2026, along with a compilation of five judgments, inter alia submitting as under: -

33.1. Respondent No. 2 submits that a petition under Sections 241 and 242 of the Companies Act, 2013, for which no period is prescribed, is governed by Article 137 of the Schedule to the Limitation Act, 1963 by virtue of Section 433 of the Act, and that the present petition having been filed in 2020, anything which happened before 2017 is time-barred. She relies on ***Shefali Agarwal v. Stone Age Pvt. Ltd. & Ors.***, 2026 SCC OnLine NCLAT 613, decided on 14.05.2026, which followed ***Esquire Electronics Inc. v. Nederland India Communications Enterprises***, Company Appeal (AT) No. 26 of 2016, decided on 15.02.2017, and on ***Kuldeep Singh v. Saini Cold Retreaders Pvt. Ltd. & Ors.***, 2019 SCC OnLine NCLAT

147, decided on 18.03.2019, and submits that the allegations are an afterthought intended to arm-twist her into acceding to the demands of the Petitioners.

33.2. Respondent No. 2 submits that, to maintain a petition under Section 242(1)(b), the Petitioners must first make out a justifiable case for winding up the Company on the just and equitable ground, and that the events alleged must form a consecutive story showing conduct that is burdensome, harsh and wrongful, relying on ***Needle Industries (India) Ltd. v. Needle Industries Newey (India) Holding Ltd.***, (1981) 3 SCC 333. Relying on ***Hind Overseas Pvt. Ltd. v. Raghunath Prasad Jhunjhunwalla & Anr.***, (1976) 3 SCC 259, she submits that a petitioner invoking the just and equitable clause must establish a strong prima facie case, that the relief is one of last resort, that the winding up must be just and equitable to the company and all its shareholders and not merely to the applicants, and that the grievances in the present case disclose no more than a struggle for management, and not an irremediable deadlock or a lack of probity affecting the survival of the Company.

33.3. Respondent No. 2 submits that Respondent No. 1 is a family-owned company whose affairs were managed solely by her late husband, who passed away on 26.12.2014; that its business closed in 2011-2012 and its last financial statements were filed for FY 2010-2011, which, along with its annual returns, were also signed by Petitioner No. 2;

that its accounts with UCO Bank were closed in or around 2011 with a No Dues Certificate dated 25.07.2011, its only remaining account not having been operated since March 2013; and that Petitioner Nos. 2 and 4, being two of the three Directors since 20.12.2004 and in majority on the Board, cannot complain of non-compliance or of the failure to convene meetings.

33.4. Respondent No. 2 submits that the registered office and land of the Company are in the possession of Petitioner No. 3 and her husband, who carry on agricultural activities there, so that only the Petitioners can answer for the statutory registers of the Company, and that, the Company having had no business for almost ten years, the question of handing over its records or factory premises does not arise.

33.5. Respondent No. 2 submits that the grievance regarding the transfer of the shares of Late Prabhudas Patel, who passed away on 15.09.2006, and the shareholding of the Company as on 31.07.2006 and 25.07.2007, is hopelessly time-barred; that ignorance of law is no excuse; and that the allegations of coercion relate to events more than ten years old. She submits that she is not aware of the transfer of funds to the account of her late husband shown in Annexure P4-3, which has nothing to do with the affairs of the Company, and that the letter of Bank of Baroda relates to a personal term deposit of 2012-2013 having no connection with the Company.

33.6. Respondent No. 2 submits that the Petitioners have not appeared before the statutory authorities in the interest of the Company and do not have its interest at heart; that some of the documents in Annexure P4-1 (Colly.) bear her forged signatures; that the legal notice dated 10.12.2019 was replied to vide letter dated 25.07.2020; and that the allegations of harassment and of being thrown out of the house have nothing to do with the Companies Act, 2013. She prays that the petition be dismissed with costs.

34. We have heard the learned counsel for Petitioner Nos. 2 and 4 and the learned counsel for Respondent No. 2, and perused the material available on record. Respondent No. 1 has remained unrepresented throughout the proceedings and has not filed any reply.

35. The present Company Petition was filed on 02.03.2020 by the Petitioners under Sections 241 and 242 of the Companies Act, 2013, alleging oppression and mismanagement by Respondent No. 2 in the affairs of Respondent No. 1, a closely held family company. The Petitioners seek, inter alia, appropriate orders under Section 241, including the framing of a scheme, a direction to Respondent No. 2 to produce the statutory records of the Company, and the transfer of the shares of Late Prabhubhai Patel in their favour. Respondent

No. 2 has filed her reply dated 15.06.2021, Petitioner Nos. 1, 2 and 4 have filed their rejoinder dated 02.07.2022, and Respondent No. 2 has filed her sur-rejoinder dated 07.02.2024, followed by her synopsis dated 16.07.2025 and written submissions dated 05.08.2026 and 16.10.2026, while Petitioner Nos. 2 and 4 have filed their written submissions dated 23.10.2026.

36. During the pendency of the proceedings, the matter was referred to mediation vide order dated 11.07.2024, which did not take place as the Petitioners withdrew their consent. Petitioner No. 1 passed away on 28.06.2025, and the petition was dismissed qua Petitioner No. 3 for non-prosecution vide order dated 02.07.2026. The petition thus survives at the instance of Petitioner Nos. 2 and 4.

37. Petitioner Nos. 2 and 4 are daughter and son of late Mrs Madhuben Parbhubhai Patel (Who was Petitioner No.1) respectively and Respondent No.2 is wife of late Manishbhai Parbhubhai patel, who was son of late Mrs. Madhuben Parbhubhai Patel.

38. The case of the Petitioners, in substance, is that, after the

death of Late Prabhubhai Patel in September 2006, his shares in Respondent No. 1 were transferred to the name of Late Manishbhai Patel, the husband of Respondent No. 2, without following the procedure under the Companies Act and without the knowledge or consent of his legal heirs. According to the Petitioners, the shares promised to them in view of the funds of over Rs. 4 crores sent by Petitioner No. 4 for the family companies were never transferred. After the death of Late Manishbhai Patel on 26.12.2014, Respondent No. 2 allegedly took sole control of the Company, its offices and its factory premises, and excluded the Petitioners from its affairs.

39. It is further contended by the Petitioners that Respondent No. 2 diverted the funds of the Company, did not maintain its books of account and statutory registers, did not file its financial statements and annual returns after FY 2010-2011, did not convene any Board or general meeting, and neglected the statutory proceedings pending against the Company, as a result of which its land was attached by the Income Tax Department for the recovery of Rs. 4,83,94,099/-. In their rejoinder, the Petitioners have further contended that the

oppression complained of is continuing in nature and is not barred by limitation; that Respondent No. 2, being a Director, was in charge of the day-to-day affairs of the Company and was therefore responsible for convening its meetings; that no material has been produced to show the closure of its business in 2011-2012; and that such closure, in any event, does not excuse the non-filing of its statutory returns. In their written submissions, the Petitioners have further contended that Respondent No. 2, a Director since the incorporation of the Company, executed its mortgage in favour of UCO Bank and stands recorded as its Director in the revenue record of its land; that the shareholding of Late Mr. Manish Patel and Respondent No. 2 (61.45%) and the custody of the records, rather than the composition of the Board, gave them control of the Company; and that the Company, with assets of over Rs. 6 crore as on 31.03.2011, faces income tax, EPFO and recovery proceedings, for which they seek independent supervision or, alternatively, a supervised realisation of its assets.

40. Per contra, Respondent No. 2 has opposed the petition through her reply, sur-rejoinder and written submissions. It

is her case that the petition is barred by limitation under Section 433 of the Companies Act, 2013, as the transfer of shares took place after the death of Late Prabhudas Patel on 15.09.2006, was effected by her late husband, and the other allegations relate to events more than ten years old. She contends that the business of Respondent No. 1 was managed solely by her late husband and closed in 2011-2012, and that its only bank account, with UCO Bank, was closed with a No Dues Certificate dated 25.07.2011, which is why no financial statements were filed after FY 2010-2011. She also contends that Petitioner Nos. 2 and 4 have been two of the three Directors of the Company since 20.12.2004, and that Petitioner No. 2 herself signed its financial statements. On that basis, she says the plea of ouster is untenable, and the Petitioners, being in majority control of the Board, were themselves responsible for convening its meetings and for its statutory compliances.

41. It is further contended by Respondent No. 2 that the registered office of the Company at Pariaj is in the possession of Petitioner No. 3 and her husband, who carry on agricultural activities there; that the attachment of the land

by the Income Tax Department is not on account of her conduct; and that some of the documents in Annexure P4-1 (Colly.) bear her forged signatures. She further submits that she is not aware of the fund transfers in Annexure P4-3 (Colly.), which were made to the account of her late husband, and that the Petitioners have not approached this Tribunal with clean hands. In her written submissions dated 16.10.2026, relying on ***Hind Overseas Pvt. Ltd. v. Raghunath Prasad Jhunjhunwalla & Anr.***, (1976) 3 SCC 259 and ***Needle Industries (India) Ltd. & Ors. v. Needle Industries Newey (India) Holding Ltd. & Ors.***, (1981) 3 SCC 333, she has further contended that no case for winding up the Company on the just and equitable ground is made out, the grievances disclosing no more than a struggle for management.

42. As Respondent No. 1 has neither appeared nor filed any reply, the averments made in the petition stand contested only by Respondent No. 2. The absence of a reply on behalf of Respondent No. 1, however, does not relieve the Petitioners of the burden of establishing that the petition is maintainable and that they are entitled to the reliefs sought on the material

placed on record.

43. Petitioner Nos. 2 and 4, who now pursue the petition, have stated in their affidavits dated 27.08.2025 and 29.08.2025 that they together hold 2,20,000 out of the total paid-up share capital of 8,30,000 shares of Respondent No. 1, i.e. about 26.5%. This is above the threshold of one-tenth of the issued share capital prescribed under Section 244(1)(a) of the Companies Act, 2013, and Respondent No. 2 has not disputed their eligibility on this count. The objection of Respondent No. 2 on limitation, however, goes to the root of the matter and is dealt with under Issue No.(1) hereinbelow.

44. The prayers of the Petitioners centre around the alleged unlawful transfer of the shares of Late Prabhubhai Patel, the production of the statutory records of the Company, and the conduct of its affairs by Respondent No. 2.

45. In light of the pleadings, the documents placed on record and the rival submissions advanced by the parties, the following **issues** are framed for determination by this Adjudicating Authority: -

I. **Issue No.(1):** Whether the present Company Petition under Sections 241 and 242 of the Companies Act, 2013 is maintainable at the instance of Petitioner Nos. 2 and 4, having regard to the requirements of Section 244, the plea of limitation raised by Respondent No. 2 under Section 433 of the Act and the nature of the grievances raised therein, and, if so, to what extent?

II. **Issue No.(2):** Whether Petitioner Nos. 2 and 4 have established that the affairs of Respondent No. 1 have been conducted by Respondent No. 2 in a manner prejudicial or oppressive to them, or prejudicial to the interests of the Company, within the meaning of Section 241 of the Companies Act, 2013?

III. **Issue No.(3):** Whether Petitioner Nos. 2 and 4 are entitled to the reliefs sought and, if so, to what extent?

IV. **Issue No.(4):** Whether the facts of the case justify the making of a winding up order by this Tribunal on the ground that it is just and equitable that the company should be wound up?

46. Findings on Issue No.(1): Whether the present Company Petition under Sections 241 and 242 of the Companies Act, 2013 is maintainable at the instance of Petitioner Nos. 2 and 4, having regard to the requirements of Section 244, the plea of limitation raised by Respondent No. 2 under Section 433 of the Act and the nature of the grievances raised therein, and, if so, to what extent?

(i) Section 244(1)(a) of the Companies Act, 2013 entitles any member or members holding not less than one-tenth of the issued share capital of a company to apply

under Section 241. Petitioner No. 1 passed away during the pendency of the petition, and the petition stands dismissed qua Petitioner No. 3 for non-prosecution vide order dated 02.07.2026. Petitioner Nos. 2 and 4, who now pursue the petition, have stated on affidavit that they together hold 2,20,000 out of 8,30,000 shares of Respondent No. 1, i.e. about 26.5%. Respondent No. 2 has not disputed this. The Hon'ble Supreme Court in ***Rajahmundry Electric Supply Corporation Ltd. v. A. Nageswara Rao***, AIR 1956 SC 213, held that the validity of such a petition is to be judged as on the date of its presentation, and that it is not rendered incompetent by subsequent events affecting some of the petitioning members. Petitioner Nos. 2 and 4, in any event, independently satisfy the requirement of Section 244(1)(a). The petition, therefore, does not fail for want of eligibility.

(ii) Section 433 of the Companies Act, 2013 provides that the provisions of the Limitation Act, 1963 shall, as far as may be, apply to proceedings before this Tribunal. A petition under Section 241 is thus governed by Article 137 of the Schedule to the Limitation Act, 1963, which, under the heading "Other Applications", prescribes for "any other application for which no period of limitation is provided elsewhere in this division" a period of three years from the time "when the right to apply accrues". This is subject to Section 22 of the said Act, which provides that, in the case of a continuing breach of

contract or a continuing tort, a fresh period of limitation begins to run at every moment of the time during which the breach or the tort, as the case may be, continues.

(iii) The Hon'ble Supreme Court in ***Balakrishna Savalram Pujari Waghmare v. Shree Dhyaneshwar Maharaj Sansthan***, AIR 1959 SC 798, distinguished a continuing wrong, being an act which itself continues and creates a continuing source of injury, from a wrong that is complete once committed, though its injurious effect may continue. Only the former attracts a fresh period of limitation.

(iv) The principal grievance of the Petitioners concerns the transfer of the shares of Late Prabhubhai Patel to the name of Late Manishbhai Patel after his death, which, as per Respondent No. 2, occurred on 15.09.2006, along with the non-transfer of the shares allegedly promised to the Petitioners. The transfer, if made, was a completed act. Its continuing effect on the register of members does not make it a continuing wrong. The period of limitation under Article 137 runs from the date on which the right to apply accrues, and not from the date on which the Petitioners chose to take note of the transfer. The Petitioners have themselves pleaded (para 1(B) of the petition) that, as per the list of shareholders as on 25.07.2007, the 90,000 shares of Late Prabhudas Patel stood in the name of Late Mr. Manish Patel. Time, therefore, began to run, at the

latest, from that date. As held by this Tribunal ***in Mohammedsalim Habibbhai Memon v. SNA Infraprojects Pvt. Ltd. & Ors***., RCP (Companies Act)/2/2025, decided on 07.10.2026, following the Hon'ble NCLAT in ***Smruti Shreyans Shah v. The Lok Prakashan Ltd. & Ors***., Company Appeal (AT) Nos. 25 and 32 of 2018, decided on 05.09.2019, a completed transaction does not become a continuing act merely because its consequences continue. By the Petitioners' own case, they signed various statutory documents of the Company, including its Annual Returns. Petitioner No. 2 has been a Director of the Company since 20.12.2004, and the financial statements and Annual Return for FY 2010-2011 bear her signature (Annexure B to the reply). The plea that the Petitioners were unaware of the law cannot extend the period of limitation. The present petition, filed on 02.03.2020, more than thirteen years after the death of Late Prabhubhai Patel, and long after the said transfer stood reflected in the statutory documents of the Company signed by the Petitioners, is clearly barred by limitation insofar as it seeks to question that transfer.

(v) The plea in the rejoinder that the transfer, being a fraud, cannot be saved by limitation does not advance the case of the Petitioners. Section 17 of the Limitation Act, 1963 postpones the commencement of limitation only until the fraud is discovered, or could with reasonable diligence have been discovered. The fraud

alleged has not been particularized, and Petitioner No. 2, being a Director who signed the statutory documents of the Company, had the means of knowledge of its shareholding throughout. The reliance placed by the Petitioners, in their written submissions, on ***Shanti Prasad Jain v. Kalinga Tubes Ltd.***, AIR 1965 SC 1535, does not assist them on this aspect, as that decision concerns the nature of the oppression which justifies relief, and not the commencement of limitation. Consistently with ***Chalasani Udaya Shankar v. Lexus Technologies Pvt. Ltd.***, 2024 INSC 671, decided on 09.09.2024, the date from which time began to run has been determined above on the Petitioners' own pleadings. The Petitioners have also clarified in their written submissions that they do not seek the adjudication of the succession to the said shares.

(vi) That apart, the Petitioners claim the shares of Late Prabhubhai Patel as his legal heirs under the Hindu law, and claim 72,000 shares said to have been promised in consideration of the funds sent by Petitioner No. 4. These are claims of inheritance, title and contract. The Hon'ble Supreme Court in ***Aruna Oswal v. Pankaj Oswal & Ors.***, (2020) 8 SCC 79, following ***Sangramsinh P. Gaekwad v. Shantadevi P. Gaekwad,*** (2005) 11 SCC 314, held that a dispute as to inheritance of shares is eminently a civil dispute, which cannot be adjudicated in proceedings under

Sections 241 and 242 of the Companies Act, 2013. Insofar as the Petitioners question the entry of the said shares in the register of members, the remedy, if any, lies under Section 59 of the Act and not under Section 241, and is in any case subject to the bar of limitation noted above. The claims also turn on disputed questions of fact, including the alleged forgery of documents, and affect the estate of Late Manishbhai Patel, whose heirs other than Respondent No. 2 are not before this Tribunal. Likewise, the grievances relating to the advance of Rs. 19.5 lakhs given by Petitioner No. 2, the police complaint and the alleged harassment of the Petitioners are personal in nature and do not concern the conduct of the affairs of the Company. Such grievances fall outside the scope of Section 241.

(vii) The remaining grievances are of a different character: the non-maintenance of the books of account and statutory registers, the non-filing of financial statements and annual returns after FY 2010-2011, the non-convening of meetings and the denial of inspection sought vide legal notice dated 10.12.2019. These relate to the ongoing affairs of the Company, and the defaults alleged continue from day to day. To that extent, the petition is within limitation.

(viii) The decisions relied upon by Respondent No. 2 are consistent with this view. In ***Shefali Agarwal v. Stone Age Pvt. Ltd. & Ors.***, 2026 SCC OnLine NCLAT 613, the causes of action, namely the dilution of the

shareholding of the appellant and her removal from directorship, pertained to the years 2012 and 2013, and the petition filed in 2018 was held to be barred; and in ***Kuldeep Singh v. Saini Cold Retreaders Pvt. Ltd. & Ors.***, 2019 SCC OnLine NCLAT 147, the act complained of was a single annual general meeting held in 2009 and challenged nine years later. Both decisions concern completed acts, as does the transfer of shares in the present case, and apply with full force to that grievance. They do not, however, bar the grievances of the Petitioners which relate to defaults in the conduct of the affairs of the Company that continued on the date of the petition and continue even now.

(ix) Hence, Issue No.(1) is answered accordingly by holding that the present petition is maintainable at the instance of Petitioner Nos. 2 and 4 under Section 244. However, insofar as it seeks to question the transfer of the shares of Late Prabhubhai Patel and to claim the transfer of shares in favour of the Petitioners, it is barred by limitation and raises questions of inheritance and title beyond the scope of these proceedings. The petition is maintainable only to the limited extent of the grievances relating to the ongoing conduct of the affairs of Respondent No. 1, as set out in sub-para (vii) above.

47. Findings on Issue No.(2): Whether Petitioner Nos. 2 and 4 have established that the affairs of Respondent No. 1 have

been conducted by Respondent No. 2 in a manner prejudicial or oppressive to them, or prejudicial to the interests of the Company, within the meaning of Section 241 of the Companies Act, 2013?

(i) The Hon'ble Supreme Court in ***Needle Industries (India) Ltd. v. Needle Industries Newey (India) Holding Ltd***., (1981) 3 SCC 333, held that conduct is oppressive when it is burdensome, harsh and wrongful, and involves a lack of probity and fair dealing towards a member in the matter of his proprietary rights as a shareholder. In ***Tata Consultancy Services Ltd. v. Cyrus Investments Pvt. Ltd.***, (2021) 9 SCC 449, the Hon'ble Supreme Court reiterated that relief under Sections 241 and 242 must rest on the conduct of the affairs of the company, established on the material on record.

(ii) It is not in dispute that Petitioner Nos. 2 and 4 are two of the three Directors of Respondent No. 1 and have been so since 20.12.2004, as reflected in the master data of the Company (Annexure C to the reply). The Petitioners have not denied this. Their answer in the rejoinder is only that Respondent No. 2 was in charge of the day-to-day affairs. It is, however, equally on record that Respondent No. 2 has been a Director of the Company since its incorporation on 11.08.1994; that she executed the registered mortgage deed dated

19.06.2007 in favour of UCO Bank on behalf of the Company; that the land of the Company stands recorded in the revenue record against her name as its Director (Annexure P4-2 (Colly.)); and that she signed its financial statements and annual returns. Her plea that the affairs of the Company were managed solely by her late husband cannot, therefore, be accepted. On the Petitioners' own pleading, Late Mr. Manish Patel and Respondent No. 2 together held 5,10,000 of the 8,30,000 shares (61.45%) from 2007, while Petitioner Nos. 2 and 4 held 26.51%. Being in the majority on the Board, Petitioner Nos. 2 and 4 were themselves in a position to convene meetings of the Board. As members holding more than one-tenth of the paid-up share capital, they were also entitled to requisition an extraordinary general meeting under Section 100 of the Act. Nothing on record shows that they took either step. The non-convening of meetings, therefore, cannot be laid at the door of Respondent No. 2 alone, though, as a Director of long standing whose family group held the majority of the shares, she bore no less responsibility for it than they did.

(iii) Under Section 179 of the Act, the powers of the Company are exercised by its Board of Directors. The financial statements are to be approved by the Board and signed in terms of Section 134, and filed with the Registrar under Section 137, while the annual return is to be filed within sixty days of the annual general

meeting under Section 92(4). The obligation to maintain the books of account and to file the financial statements and annual returns thus rests on the Company and on its Board, of which Petitioner Nos. 2 and 4 and Respondent No. 2 were all members. Petitioner No. 2 signed the financial statements for FY 2010-2011, and there is no material showing that Petitioner Nos. 2 and 4, as Directors, took any steps towards statutory compliance in the years that followed. Under Section 128 of the Act, the books of account are open to inspection by any Director. The record also shows a dispute as to whose possession the registered office and the records of the Company are in: the Petitioners attribute it to Respondent No. 2, while Respondent No. 2 attributes it to Petitioner No. 3, relying on photographs (Annexure D to the reply). No material has been placed to show that Respondent No. 2 has, in fact, withheld the records of the Company from the Petitioners.

(iv) The allegation of diversion of the funds of the Company rests on the bank statement at Annexure F to the petition. The said document is a letter of Bank of Baroda recording a deposit of Rs. 19,50,000/- held jointly by Petitioner No. 2 and the daughter of Respondent No. 2, which was closed on 19.12.2013 and credited to the account of the daughter. It concerns a personal deposit and not the funds of the Company, and does not, by itself, establish any

diversion of the funds of the Company, and no accounts or transaction trail have been produced to show that funds were diverted to the relatives of Respondent No. 2. The allegation that bouncers were posted at the premises is likewise unsupported by any material. The attachment of the land of the Company by the Income Tax Department relates to the tax liability of the Company. It does not, without more, establish misconduct by Respondent No. 2, particularly when, on the Petitioners' own case, the authority for the sale was given by Petitioner No. 2, albeit allegedly under compulsion, which has not been substantiated.

(v) As regards the allegation that Respondent No. 2 did not attend the statutory proceedings pending against the Company, Annexure G (Colly.) to the petition contains the e-form for filing the Annual Return of the Company for the year 2010-11, digitally signed by Respondent No. 2 as a Director, along with notices of the Employees' Provident Fund Organisation for the recovery of Rs. 54,49,439/- and of the Income Tax Department, including a notice dated 29.01.2019 reflecting an outstanding demand of Rs. 6,56,81,147/- for various assessment years. These documents establish that the Company has been exposed to substantial statutory liabilities. They are, however, addressed to the Company, and no material has been placed to show to whom they were served, or that Respondent No. 2 alone received them and withheld

them from the other Directors. The responsibility for responding to these proceedings, as for the other statutory compliances of the Company, rested on its Board collectively, of which Respondent No. 2, as much as Petitioner Nos. 2 and 4, was a member.

(vi) Even otherwise, relief under Section 242(1) requires this Tribunal to be satisfied not only that the affairs of the Company are being conducted in a manner prejudicial or oppressive to the members, but also that winding up the Company would unfairly prejudice them, although the facts would otherwise justify a winding-up order on the just and equitable ground. So far as it rests on the conduct of Respondent No. 2, the first of these requirements has not been established, for the reasons set out above. As held by this Tribunal in ***Mohammedsalim Habibbhai Memon v. SNA Infraprojects Pvt. Ltd. & Ors.***, RCP (Companies Act)/2/2025, decided on 07.10.2026, the holding of Petitioner Nos. 2 and 4 above the threshold of Section 244 confers locus, but does not by itself establish oppression or mismanagement. The prejudice caused to the interests of the Company itself by its prolonged non-compliance, and whether the facts of the case justify the winding up of Respondent No. 1 on the just and equitable ground, are considered under Issue No.(4).

(vii) On an overall consideration of the material placed before us, the affairs of Respondent No. 1 appear to

have remained in a state of neglect for a prolonged period. The business is closed since financial year 2011-2012, financial statements for years 2011-2012 and later not filed with the ROC, there is no clarity on the issue of possession and control over the assets of the Respondent No.1 (Respondent No.2 claims that the land is being cultivated by husband of Petitioner No.3). The material on record does not sufficiently establish that such neglect was attributable to Respondent No. 2 alone, or that it resulted from conduct on her part warranting the exercise of jurisdiction under Sections 241 and 242 of the Companies Act, 2013. Petitioner Nos. 2 and 4 have been Directors of the Company since 20.12.2004, as reflected in its master data (Annexure C to the reply) and the list of Directors/Signatories on the MCA portal (Annexure B to the sur-rejoinder), which they have not disputed. The only step shown to have been taken by them is the legal notice dated 10.12.2019. In her reply thereto dated 25.07.2020 (Annexure E to the reply), Respondent No. 2 did not claim to hold the records of the Company or refuse their production; she stated, inter alia, that the registered office at Pariaj is in the possession of Petitioner No. 3 and her husband, and that the administrative office at Mani Prabhu Apartment stands jointly in the names of Late Manishbhai Patel, Petitioner No. 2 and Respondent No. 2, has been lying closed for a long time, and has at all times been

accessible to Petitioner No. 2. These assertions have not been specifically controverted in the rejoinder.

(viii) The record thus does not establish that Petitioner Nos. 2 and 4 were prevented from convening meetings, inspecting the books of account under Section 128 of the Act or addressing the statutory defaults of the Company, or that any such step was obstructed by Respondent No. 2, the allegation that bouncers were posted at the premises being unsupported by any material. Both sides, being Directors of the same Company, cannot blame each other for defaults for which the Board as a whole was responsible. In these circumstances, while the material on record establishes that the affairs of Respondent No. 1 have, for over a decade, been conducted in a manner prejudicial to the interests of the Company itself, exposing it to the liabilities noticed above, it does not establish that such conduct was attributable to Respondent No. 2 alone, or that she conducted the affairs of the Company in a manner oppressive to Petitioner Nos. 2 and 4. Issue No.(2) is answered accordingly.

48. Findings on Issue No.(3): Whether Petitioner Nos. 2 and 4 are entitled to the reliefs sought and, if so, to what extent?

(i) The reliefs sought by the Petitioners are, in substance, the framing of a scheme for the management of Respondent No. 1, a direction to Respondent No. 2 to produce its statutory records and to account for its

revenue, the transfer of the shares of Late Prabhubhai Patel in their favour, and an injunction against Respondent No. 2. In view of the findings on Issue Nos. (1) and (2), the claim to the shares falls outside the scope of these proceedings, and no case of oppression or mismanagement by Respondent No. 2 has been established to warrant a scheme of management, an injunction or an accounting against her. Nor is there any material on which a scheme of management could be framed for a company which, on the record, has carried on no business since 2011-2012. Petitioner Nos. 2 and 4 are, therefore, not entitled to the reliefs as prayed for. The further reliefs sought in the written submissions, namely an independent or forensic audit, a restraint on the alienation of the assets of the Company and the convening of a general meeting by an independent person under Sections 97 and 98 of the Act, are directed at the protection of the Company and its assets. In the facts found under Issue No.(4), that object is better served by placing the Company and its assets in the hands of an independent liquidator than by convening meetings of a Board and a body of members who are at loggerheads. However, with a view to bringing to an end the matters complained of, the question whether Respondent No. 1 ought to be wound up is considered under Issue No.(4). Issue No.(3) is answered accordingly.

49. Findings on Issue No.(4): Whether the facts of the case

justify the making of a winding up order by this Tribunal on the ground that it is just and equitable that the company should be wound up?

(i) Section 242 of the Companies Act, 2013 provides as under: -

> ***"242. Powers of Tribunal.—***
>
> *(1) If, on any application made under section 241, the Tribunal is of the opinion—*
>
> *(a) that the company's affairs have been or are being conducted in a manner prejudicial or oppressive to any member or members or prejudicial to public interest or in a manner prejudicial to the interests of the company; and*
>
> *(b) that to wind up the company would unfairly prejudice such member or members, but that otherwise the facts would justify the making of a winding-up order on the ground that it was just and equitable that the company should be wound up,*
>
> *the Tribunal may, with a view to bringing to an end the matters complained of, make such order as it thinks fit.*
>
> *(2) Without prejudice to the generality of the powers under sub-section (1), an order under that sub-section may provide for—*
>
> *(a) the regulation of conduct of affairs of the company in future;*
>
> *(b) the purchase of shares or interests of any members of the company by other members thereof or by the company;*
>
> *(c) in the case of a purchase of its shares by the company as aforesaid, the consequent reduction of its share capital;*
>
> *(d) restrictions on the transfer or allotment of the shares of the company;*
>
> *(e) the termination, setting aside or modification, of any agreement, howsoever arrived at, between the company and the managing director, any other*

director or manager, upon such terms and conditions as may, in the opinion of the Tribunal, be just and equitable in the circumstances of the case;

(f) the termination, setting aside or modification of any agreement between the company and any person other than those referred to in clause (e):

Provided that no such agreement shall be terminated, set aside or modified except after due notice and after obtaining the consent of the party concerned;

(g) the setting aside of any transfer, delivery of goods, payment, execution or other act relating to property made or done by or against the company within three months before the date of the application under this section, which would, if made or done by or against an individual, be deemed in his insolvency to be a fraudulent preference;

(h) removal of the managing director, manager or any of the directors of the company;

(i) recovery of undue gains made by any managing director, manager or director during the period of his appointment as such and the manner of utilisation of the recovery including transfer to Investor Education and Protection Fund or repayment to identifiable victims;

(j) the manner in which the managing director or manager of the company may be appointed subsequent to an order removing the existing managing director or manager of the company made under clause (h);

(k) appointment of such number of persons as directors, who may be required by the Tribunal to report to the Tribunal on such matters as the Tribunal may direct;

(l) imposition of costs as may be deemed fit by the Tribunal;

(m) any other matter for which, in the opinion of the Tribunal, it is just and equitable that provision should be made.

(3) A certified copy of the order of the Tribunal under sub-section (1) shall be filed by the company with

the Registrar within thirty days of the order of the Tribunal.

(4) The Tribunal may, on the application of any party to the proceeding, make any interim order which it thinks fit for regulating the conduct of the company's affairs upon such terms and conditions as appear to it to be just and equitable.

(4A) At the conclusion of the hearing of the case in respect of sub-section (3) of section 241, the Tribunal shall record its decision stating therein specifically as to whether or not the respondent is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.

(5) Where an order of the Tribunal under sub-section (1) makes any alteration in the memorandum or articles of a company, then, notwithstanding any other provision of this Act, the company shall not have power, except to the extent, if any, permitted in the order, to make, without the leave of the Tribunal, any alteration whatsoever which is inconsistent with the order, either in the memorandum or in the articles.

(6) Subject to the provisions of sub-section (1), the alterations made by the order in the memorandum or articles of a company shall, in all respects, have the same effect as if they had been duly made by the company in accordance with the provisions of this Act and the said provisions shall apply accordingly to the memorandum or articles so altered.

(7) A certified copy of every order altering, or giving leave to alter, a company's memorandum or articles, shall within thirty days after the making thereof, be filed by the company with the Registrar who shall register the same.

(8) If a company contravenes the provisions of sub-section (5), the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees."

Section 242(2)(m), in particular, empowers this

Tribunal to provide for "any other matter for which, in the opinion of the Tribunal, it is just and equitable that provision should be made".

(ii) Section 271 of the Companies Act, 2013 provides as under: -

> ***"271. Circumstances in which company may be wound up by Tribunal.—***
>
> *A company may, on a petition under section 272, be wound up by the Tribunal,—*
>
> *(a) if the company has, by special resolution, resolved that the company be wound up by the Tribunal;*
>
> *(b) if the company has acted against the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality;*
>
> *(c) if on an application made by the Registrar or any other person authorised by the Central Government by notification under this Act, the Tribunal is of the opinion that the affairs of the company have been conducted in a fraudulent manner or the company was formed for fraudulent and unlawful purpose or the persons concerned in the formation or management of its affairs have been guilty of fraud, misfeasance or misconduct in connection therewith and that it is proper that the company be wound up;*
>
> *(d) if the company has made a default in filing with the Registrar its financial statements or annual returns for immediately preceding five consecutive financial years; or*
>
> *(e) if the Tribunal is of the opinion that it is just and equitable that the company should be wound up."*

(iii) The Hon'ble Supreme Court in ***Hind Overseas Pvt. Ltd. v. Raghunath Prasad Jhunjhunwalla & Anr.***, (1976) 3 SCC 259, laid down the principles on which a company may be wound up on the just and equitable

ground, recognising that the said ground is not confined to a deadlock in management and may be invoked where the substratum of the company has disappeared or where the mutual confidence on which a closely held family company rests has broken down, though mere differences among the shareholders are not enough. Section 242(1)(b) itself requires this Tribunal, on an application under Section 241, to consider whether the facts would justify a winding-up order on the just and equitable ground. The Petitioners have also themselves pleaded that the loss of confidence between the parties would justify the winding up of Respondent No. 1.

(iv) On the material placed before us, it is the own case of Respondent No. 2 that Respondent No. 1 closed its business in 2011-2012. Though the Petitioners dispute the closure, no material has been placed by either side to show any business carried on by the Company thereafter. Its accounts with UCO Bank were closed around 2011, with a No Dues Certificate dated 25.07.2011, and its only account with that Bank has not been operated since March 2013 (Annexure A to the sur-rejoinder). No financial statements or annual returns have been filed with the Registrar after FY 2010-2011, i.e. for well over five consecutive financial years, a default which by itself is a ground of winding up under Section 271(d). No meeting of the Board or of the members has been held for over a decade.

(v) Respondent No. 1, however, is not without assets and liabilities. As per its last balance sheet as on 31.03.2011, its total assets stood at Rs. 6,00,33,408/-, including share application money of Rs. 1,97,62,826/- a charge of Rs. 10 crore in favour of UCO Bank is shown as open on the MCA record; and it faces an income tax demand of Rs. 6,56,81,147/- and an EPFO demand of Rs. 54,49,439/- (Annexure G (Colly.) to the petition). Its land at Pariaj, said to admeasure about 69 Vighas (Annexure P4-2 (Colly.)), has been attached by the Income Tax Department for the recovery of Rs. 4,83,94,099/- with interest as on 08.01.2018, and is stated to be under agricultural use by Petitioner No. 3 and her husband. The administrative office at Mani Prabhu Apartment is stated to have been lying closed for a long time. The books of account and statutory registers of the Company have not been accounted for by either side, and neither side has placed on record any plan for the revival of its business or shown why the Company needs to continue.

(vi) The relationship between the members of the family who hold and manage Respondent No. 1 has broken down completely. The attempt at mediation failed upon the withdrawal of consent by the Petitioners; the parties have levelled allegations of coercion, harassment, siphoning of funds and forgery against each other; and the Board, though composed of Petitioner Nos. 2 and 4 and Respondent No. 2, has not

functioned at all. Both sides blame each other for the defaults of the Company, and there is no reasonable prospect of the business of the Company being carried on by them jointly. The Petitioners themselves, in their written submissions, have sought an independent administration of the Company and, in the alternative, a supervised realisation of its assets and settlement of its dues.

(vii) We have considered the submission of Respondent No. 2, relying on ***Hind Overseas Pvt. Ltd. v. Raghunath Prasad Jhunjhunwalla & Anr.***, (1976) 3 SCC 259, that winding up on the just and equitable ground is a remedy of last resort, which must be just and equitable not only to the applicants but to the company and all its shareholders, and that the grievances in the present case disclose no more than a struggle for management. The principle is well settled, but the facts of the present case do not fit the submission. This is not a case of a running company whose survival is threatened by a fight for power between two groups; on the own case of Respondent No. 2, the Company has had no business since 2011-2012. There is no domestic forum left to which the members could resort, the Board having not met for over a decade and the attempt at mediation having failed. The other reliefs sought, namely a scheme of management, the production of records and an audit, presuppose a functioning company and cannot bring to an end the matters complained of. A

winding up under the supervision of this Tribunal, through an independent Provisional Liquidator, is, in these circumstances, in the interest of the Company and of all its shareholders and creditors, including the statutory authorities, and not merely of the Petitioners.

(viii) In these circumstances, though oppression of Petitioner Nos. 2 and 4 by Respondent No. 2 has not been established, the affairs of the Company have been conducted in a manner prejudicial to its own interests, the substratum of Respondent No. 1 has disappeared, its business cannot be carried on, and its remaining assets and liabilities, including the land under attachment and the demand of the Income Tax Department, require to be taken charge of and dealt with by an independent officer rather than left with members who are at loggerheads with each other. We are, therefore, of the considered view that, with a view to bringing to an end the matters complained of, it is just and equitable that Respondent No. 1 be wound up under Section 271(e) read with Section 242(2)(m) of the Companies Act, 2013. Issue No.(4) is answered in the affirmative.

50. In view of the findings recorded above, the following **directions** are issued: -

i. The name of the deceased Petitioner No. 1, Late Madhuben Prabhubhai Patel, shall stand deleted from the array of parties.

ii. Respondent No. 1, viz. Prachi Industries Limited CIN: U91110GJ1994PLC022745, is ordered to be wound up under Section 271(e) read with Section 242(2)(m) of the Companies Act, 2013.

iii. Mr. Sanjay Vijay Jeswani, Insolvency Professional, having Registration No. IBBI/IPA-001/IP-P-02891/2024-2025/14432, email ID: jeswanisanjay007 @gmail.com, is appointed as the **Provisional Liquidator** of Respondent No. 1, who shall exercise all the powers of a Company Liquidator under the Companies Act, 2013 and the rules made thereunder.

iv. The Provisional Liquidator shall be entitled to a remuneration of Rs. 50,000/- per month, plus the actual expenses incurred, payable out of the assets of Respondent No. 1 in accordance with Regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, or as determined by this Tribunal, until the winding up committee is constituted under Section 277(4) of the Companies Act, 2013. In case the assets of Respondent No. 1 are insufficient, the remuneration and expenses shall be borne by Petitioner Nos. 2 and 4, jointly, on the one hand, and Respondent No. 2, on the other, in proportion to the shares held by them respectively in Respondent No. 1 as per its register of members on the date of this order.

v. The Provisional Liquidator shall file a declaration in terms of Section 275(6) of the Companies Act, 2013 within seven days from the date of receipt of this order.

vi. The Provisional Liquidator shall forthwith take into custody or under control all the property, effects and actionable claims, books of account and records of Respondent No. 1, including its land at Pariaj, Taluka Matar, District Kheda, subject to the attachment thereon by the Income Tax Department, and shall intimate the said Department, the Employees' Provident Fund Organisation and UCO Bank of this order.

vii. The Provisional Liquidator shall cause the publication of this order in Form WIN 6 in one English newspaper and one Gujarati newspaper having circulation in Ahmedabad within fourteen days from the date of receipt of this order, inviting claims from the creditors of Respondent No. 1, which shall be verified and adjudicated in accordance with the Companies (Winding Up) Rules, 2020, and shall file a report on the claims so received within ninety days.

viii. Besides the publication, the Provisional Liquidator shall notify all the shareholders and creditors of Respondent No. 1 of this order.

ix. The Directors of Respondent No. 1, viz. Petitioner Nos. 2 and 4 and Respondent No. 2, and every other person having custody of any property, books of account or records of Respondent No. 1, shall hand over the same to the Provisional Liquidator and, in terms of Section 274(3) of the Companies Act, 2013, shall within thirty days from the date of this order submit to the Provisional Liquidator the books of account of Respondent No. 1, completed and

audited up to the date of this order, to the extent the records permit. In case, for any practical difficulty, the books of account cannot be compiled or audited, the matter shall be brought to the notice of this Tribunal.

x. The Provisional Liquidator shall intimate this order to the Registrar of Companies, Gujarat, in terms of Section 277(1) of the Companies Act, 2013, within seven days from the date of receipt of this order.

xi. In terms of Section 279 of the Companies Act, 2013, no suit or other legal proceeding shall be commenced, or if pending, proceeded with, by or against Respondent No. 1, except with the leave of this Tribunal.

xii. The Provisional Liquidator shall move an application for the constitution of a winding up committee in terms of Section 277(4) of the Companies Act, 2013 within three weeks from the date of this order, and shall submit a preliminary report in terms of Section 281 of the Act within sixty days from the date of this order, which shall also cover the dealings of Respondent No. 1 from 01.04.2011 onwards, to the extent the records permit.

xiii. This order shall be deemed to be a notice of discharge to the officers, employees and workmen of Respondent No. 1.

xiv. The existing management of Respondent No. 1 shall extend full cooperation to the Provisional Liquidator in the discharge of the duties under the Companies Act, 2013.

xv. The Provisional Liquidator shall strictly follow the provisions of the Companies Act, 2013 and the rules framed thereunder, including the Companies (Winding Up) Rules, 2020, in the conduct of the winding up of Respondent No. 1.

xvi. The claims relating to the shares held by Late Prabhubhai Patel in Respondent No. 1, including the claims of his legal heirs and the claim to the transfer of 72,000 shares, are left open to be pursued before the competent forum in accordance with law, and shall be considered in the winding up proceedings only in the light of the outcome thereof.

xvii. It is clarified that this Tribunal has not expressed any opinion on the title to the said shares, the allegations of forgery raised by Respondent No. 2, the transactions at Annexure P4-3 (Colly.), or any other inter se dispute between the parties.

xviii. Liberty is granted to the Provisional Liquidator to approach this Tribunal for such further directions as may be necessary.

51. With the above directions, **C.P. No. 25 (AHM) of 2020** is **disposed of** in the aforesaid terms. Pending applications, if any, stand disposed of. No order as to costs.

-S/D-
SANJEEV SHARMA
MEMBER (TECHNICAL)

-S/D-
SHAMMI KHAN
MEMBER (JUDICIAL)

Megha/LRA