

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

**ITEM No.301**  
**CP 51 of 2019**

**Under Section 241-242 of Co. Act, 2013**

**IN THE MATTER OF:**

Hardeep Singh Gill

.....Petitioner

V/s

Glulam Technologies Pvt Ltd & Ors

.....Respondents

**Order delivered on: 07/04/2026**

**CORAM:**

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

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

**ORDER**  
**(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**

**C.P. No. 51 of 2019**

*(Petition under Section 241 and 242 of the Companies Act,  
2013 and other provisions of Companies Act, 2013)*

**In the Matter of: Glulam Technologies Pvt. Ltd.**

**Hardeep Singh Gill**

Having residence at:

R/o A-295, 1st floor,  
Street No.33 Chattarpur Enclave,  
Phase-II, New Delhi-110074

**...Petitioner**

**VERSUS**

**1. Glulam Technologies Private Limited**

Having its registered office at:

Plot No. 59, Mount Ville Farm House  
Kalavad Road Nyari Dem Road,  
Rajkot-360005, Gujarat

**2. Ajay Popatlal Vachhani**

Having residence at:

Plot No. 59, Mount Ville Farm House  
Kalavad Road Nyari Dem Road,  
Rajkot-360005, Gujarat

**3. Jawaharbhai Pethaljibhai Chavda**

Ex-Director,

Glulam Technologies Private Limited

Having residence at:

Pressing Factory, Opp Railway Station,  
C/o Shri Nutan Ginning & Pressing,  
Manavadar Junagarh 362030, Gujarat

**4. Raj Jawaharbhai Chavda**

Ex-Director,

Glulam Technologies Private Limited

Having residence at:

Subhash Bhavan, Khamdhrol Road,

Junagarh-362001, Gujarat



**5. Dineshbhai Meghjibhai Talapara**

Having residence at:

31, Santosh Park Street No.4,  
Opp. Miranagar, Nanavati Chowk,  
Gandhigram, 150 Feet Ring Road,  
Rajkot-360005, Gujarat.

**6. Abhalbhai Manshukhbhai Chavda**

Having residence at:

Madhapar, Rajkot-360006, Gujarat

**7. Registrar of Companies,**

Gujarat Ministry of Corporate Affairs  
Government of India

Having its Office at:

ROC Bhavan,  
Opposite Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad-380013, Gujarat

**...Respondents**

**Order Pronounced On: 07.04.2026**

**C O R A M:**

**SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)**

**SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)**

**A P P E A R A N C E:**

For the Petitioner : Mr. Ketan Madan, Adv.  
For the Respondents : Mr. Pratik Jasani, Adv. for R-1  
Company, R-5 & R-6  
Mr. Pratik Thakkar, Adv. for R-2  
to R-4

**O R D E R**


**Per Bench**

1. This Company Petition has been filed on 12.06.2019 vide

Inward No. 5772 by the Petitioner under Section 241 and

242 of the Companies Act, 2013 seeking the following final reliefs: -

- 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 242 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 242 of the Companies Act, 2013 in the Respondent no. 1 company thereby the business can be managed by the Petitioner and the Respondents No. 2 to 6 jointly.*
- C. *Pass an order of injunction against the Respondents from interfering in the operation, control and management of balancing division of the Respondent No. 1 company.*
- D. *To set aside notices dated 01.04.2019 and Extra Ordinary General Meeting dated 11.05.2019 as being oppressive against the Petitioner.*
- E. *To set aside all actions taken by the Respondents No. 2 to 6 on the alleged notices dated 01.04.2019 and Extra Ordinary General Meeting dated 11.05.2019 of the board meeting.*
- F. *To set aside any decision/action taken/to be taken by the Respondents No. 2 to 6 on the alleged notices dated 01.04.2019 and Extra-Ordinary General Meeting dated 11.05.2019 of the board meeting.*
- G. *Direct to debar the Respondents No. 2 to 6 to act as Director in the Respondent No. 1 company.*
- H. *Scheme be framed 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.*

- I. *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.*

The Petitioner prayed for the following interim reliefs, pending the hearing and final disposal of this petition: -

- A. *Stay the proceedings of the Extra-Ordinary General Meeting dated 11.05.2019 held by the Respondents illegally and unlawfully forthwith;*
- B. *Direct the Respondents not to act on the illegal and unlawful convened Extra-Ordinary General Meeting dated 11.05.2019;*
- C. *Direct the Registrar of Companies not to approve E-form DIR-12 of the Petitioner to remove him from the position of Director in the Respondent No. 1 company;*
- D. *Direct the Respondents to maintain the status-quo of the board and shareholding of the Respondent No. 1 company;*
- E. *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.*
- F. *Allow the Petitioner to be the joint signatory in all the Bank Accounts maintained by the Respondent No. 1 company;*
- G. *Direct the Board of Respondent No. 1 company to periodically share Bank Statement and Books of Accounts with the Petitioner;*
- H. *Appointment of the Administrator to regulate the affairs of the Respondent No. 1*
- I. *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.*

2. The Petitioner has placed the facts through the Company  
Petition in the following manner: -

- 2.1 It is submitted that the present Company Petition has been filed by the Petitioner under Sections 241 and 242 of the Companies Act, 2013 alleging acts of oppression and mismanagement in the affairs of Respondent No. 1 Company.
- 2.2 It is submitted that Respondent No. 1 Company was incorporated on 17.05.2017 under the provisions of the Companies Act, 2013 having its registered office at Rajkot, Gujarat, with an initial authorized share capital of Rs. 10,00,000/- and paid-up share capital of Rs. 2,000/- divided into 200 equity shares of Rs. 10/- each, initially subscribed by Respondent No. 2 and Respondent No. 3.
- 2.3 It is submitted that the Petitioner was inducted into the Company pursuant to mutual understanding between the parties and was appointed as a Whole-Time Director in the Extra-Ordinary General Meeting held on 22.06.2017, recognizing his technical expertise and business acumen required for establishing the Company's operations.
- 2.4 It is submitted that immediately thereafter, in the Board Meeting held on 23.06.2017, further shares were allotted and the Petitioner was allotted 2,700 equity shares of Rs. 10/- each, thereby becoming a substantial shareholder and part of the management



of the Company. The following table below depicts the equity share holding of Respondent No. 1 company as on 23.06.2017 which remains the paid up capital of the Respondent No. 1 company as on date:

<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>Number of shares allotted</b>	<b>Nominal Value</b>	<b>Amount Paid (in INR)</b>
1.	Ajay Popatlal Vachhani	100	10	1,000
2.	Jawaharbai Pethajibhai Chavda	100	10	1,000
3.	Raj Jawaharbai Chavda	4,900	10	49,000
4.	Megha Ajaybhai Vachhani	900	10	9,000
5.	Hardeep Singh Gill (Petitioner)	2,700	10	27,000
6.	Dilraj Singh	800	10	8,000
7.	Ankur Govani	500	10	5,000
	<b>TOTAL</b>	<b>10,000</b>		<b>1,00,000</b>

2.5 It is submitted that pursuant to such induction, the Petitioner actively contributed to the establishment of the Company's manufacturing unit at Faridabad, Haryana, including procurement and installation of machinery, vendor negotiations, recruitment of staff, and securing initial business operations during the period 2017-2018.

2.6 It is submitted that the Petitioner was responsible for day-to-day operations, production management, and business development, and played a pivotal role in stabilizing the Company's business and financial position.



- 2.7 It is submitted that initially the relationship between the Petitioner and Respondents was cordial; however, subsequently, from early 2019, disputes arose and the Respondents started acting in a manner prejudicial to the interests of the Petitioner.
- 2.8 It is submitted that the Petitioner raised concerns regarding financial irregularities and lack of transparency through emails dated 07.03.2019, 18.03.2019, and 25.03.2019, requesting access to financial records, accounts, and decision-making processes, which were not responded to satisfactorily.
- 2.9 It is submitted that thereafter, the Respondents initiated steps to remove the Petitioner from management by issuing a Special Notice dated 01.04.2019 proposing removal of the Petitioner as Director.
- 2.10 It is submitted that subsequently, a notice dated 03.04.2019 was issued convening a Board Meeting scheduled on 15.04.2019 to consider the said proposal for removal.
- 2.11 It is submitted that the Petitioner, aggrieved by such arbitrary and mala fide actions, addressed a complaint dated 11.04.2019 to the Registrar of Companies, Gujarat, highlighting illegal conduct, oppression, and mismanagement by the Respondents.
- 2.12 It is submitted that in the Board Meeting held on 15.04.2019, the Respondents proceeded to approve



convening of an Extra-Ordinary General Meeting for removal of the Petitioner and took further decisions without the consent of the Petitioner.

- 2.13 It is submitted that further Board Meetings were held on 20.04.2019 and 27.04.2019, wherein additional Directors aligned with Respondents were appointed, thereby altering the composition of the Board and consolidating control in favour of the Respondents.
- 2.14 It is submitted that the said actions were taken with the sole intent of diluting the Petitioner's role and eliminating his participation in the management of the Company.
- 2.15 It is submitted that an Extra-Ordinary General Meeting was convened and held on 11.05.2019, wherein the Petitioner was removed from the position of Director without assigning any valid reason and without affording a fair opportunity of being heard, in violation of principles of natural justice.
- 2.16 It is submitted that pursuant to such removal, the Respondents filed requisite forms including DIR-12 before the Registrar of Companies to give effect to the removal of the Petitioner as Director.
- 2.17 It is submitted that the said filings and actions were carried out in a manner contrary to law and were subsequently flagged by the Ministry of Corporate Affairs for procedural irregularities.



- 2.18 It is submitted that after removal, the Petitioner was completely excluded from the affairs of the Company, denied access to statutory records, financial statements, bank accounts, and other information despite being a shareholder holding substantial equity.
- 2.19 It is submitted that the Respondents continued to manage the affairs of the Company in a manner prejudicial to the interests of the Petitioner and the Company, including taking unilateral decisions and acting without transparency.
- 2.20 It is submitted that the acts of the Respondents, including illegal removal of the Petitioner, restructuring of the Board, denial of participation in management, and withholding of information, constitute continuous acts of oppression and mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013.
- 2.21 It is submitted that the Petitioner has no efficacious alternative remedy and has approached this Tribunal seeking appropriate reliefs including setting aside of illegal actions, reinstatement, and regulation of the affairs of the Company.
- 3.** That, the Respondent No. 01/Glulam Technologies Pvt. Ltd. filed its Affidavit of Reply through R-6 (being the director of R-1 Company) on 26.08.2019 vide Inward No.

9279 wherein the following contentions were raised by the said Respondent: -

- 3.1 It is submitted that the present Affidavit in Reply has been filed by Respondent No. 1 Company through its Director and authorized signatory, opposing the Company Petition filed under Sections 241 and 242 of the Companies Act, 2013 and denying all allegations except those specifically admitted.
- 3.2 It is submitted that at the outset, the present Petition is devoid of merits and substance and is liable to be dismissed at the threshold.
- 3.3 It is submitted that the Petitioner has suppressed material facts, inasmuch as on the date of filing of the present Petition, the Petitioner was not a Director of Respondent No. 1 Company, and therefore, the Petition seeking reliefs as a Director is not maintainable. It is further submitted that the Petitioner was duly informed of his removal and had full knowledge thereof.
- 3.4 It is submitted that the conduct of the Petitioner has been detrimental to the interests of the Company and its shareholders, and his acts resulted in damage to the reputation and financial position of the Company, compelling Respondent No. 1 to initiate civil proceedings for recovery before the competent court at Rajkot.



- 3.5 It is submitted that the Petitioner has falsely represented himself as a whole-time Director, whereas in fact, he was merely a shareholder and had ceased to be a Director prior to filing of the Petition, thereby making false statements on oath and not approaching this Tribunal with clean hands.
- 3.6 It is submitted that the Petitioner had approached the erstwhile Directors of the Company seeking employment, as he had no independent source of income, and was inducted into the Company at his own request.
- 3.7 It is submitted that the Petitioner has falsely claimed expertise and experience in the business of wooden doors and windows, whereas in reality, he had no such expertise and had concealed material facts prior to joining the Company.
- 3.8 It is submitted that the decision to set up the manufacturing unit at Faridabad, Haryana was taken at the insistence of the Petitioner, despite availability of cheaper and more viable options in Gujarat, and the said decision resulted in financial losses to the Company.
- 3.9 It is submitted that due to mismanagement and improper handling of operations by the Petitioner, the Company suffered continuous losses, and such facts are already part of civil proceedings pending before the competent court at Rajkot.




- 3.10 It is submitted that the Petitioner indulged in misconduct including making false statements, acting beyond his authority, and taking decisions unilaterally without approval of the Board, which adversely affected the functioning of the Company.
- 3.11 It is submitted that the Petitioner also misused his position by engaging in acts for personal gain, including placing orders at undervalued prices and acting against the interest of the Company and its shareholders.
- 3.12 It is submitted that the Petitioner removed important documents, books of accounts, and belongings of the Company including laptop and records, thereby hampering statutory compliance including filing of annual returns.
- 3.13 It is submitted that due to the acts of the Petitioner, the Company had to issue legal notices and initiate proceedings for recovery of losses, and the Petitioner is liable to compensate the Company for losses quantified at approximately Rs. 12,13,47,802/-.
- 3.14 It is submitted that the Petitioner interfered with operations of the Company and even influenced employees/workers at the Faridabad unit, leading to labour disputes and litigation, including civil suits filed by workers.
- 3.15 It is submitted that the Petitioner filed or instigated multiple proceedings including civil suits for



injunction before courts at Faridabad, and attempted to restrain the Company from shifting its plant and machinery.

- 3.16 It is submitted that the Petitioner acted in collusion with certain employees and third parties and misused legal proceedings to pressurize the Company.
- 3.17 It is submitted that the Petitioner suppressed the fact that he was restrained by orders of the Hon'ble High Court of Delhi from associating with certain business activities of the Company.
- 3.18 It is submitted that the Petitioner also indulged in acts amounting to contempt of court by continuing activities despite injunction orders passed by competent courts.
- 3.19 It is submitted that due to continuous acts of misconduct, the Board of Directors issued a Special Notice under Section 169 of the Companies Act, 2013 pointing out irregularities and proposing removal of the Petitioner.
- 3.20 It is submitted that despite receipt of such notice, the Petitioner failed to respond appropriately and instead raised frivolous objections, including addressing communication to the Registrar of Companies dated 11.04.2019 without replying to the Board.
- 3.21 It is submitted that the Board of Directors, after considering the acts and conduct of the Petitioner, passed a resolution in the Board Meeting held on



15.04.2019 for removal of the Petitioner as Director in the interest of the Company.

- 3.22 It is submitted that the Petitioner deliberately remained absent from the said meeting and failed to avail the opportunity of being heard.
- 3.23 It is submitted that thereafter, the decision of removal was implemented following due process of law and in compliance with provisions of the Companies Act, 2013, and the Petitioner was removed from Directorship.
- 3.24 It is submitted that the allegation of violation of principles of natural justice is incorrect, as the Petitioner was given adequate opportunity but chose not to participate.
- 3.25 It is submitted that the appointment of additional Directors was done as per business requirements and in accordance with law and not with any mala fide intent.
- 3.26 It is submitted that the allegations of oppression and mismanagement are baseless and in fact, it is the Petitioner who has indulged in acts of mismanagement.
- 3.27 It is submitted that the Petitioner has consistently acted against the interests of the Company, causing financial loss, legal complications, and reputational damage.



- 3.28 It is submitted that the Respondent Company has acted bona fide and in the interest of the Company and its shareholders in removing the Petitioner.
- 3.29 It is submitted that the Petition is an abuse of process of law and has been filed with an ulterior motive to pressurize the Respondents and avoid liability arising from his own misconduct.
- 3.30 It is submitted that in view of the aforesaid facts, the present Petition is liable to be dismissed in limine and no reliefs as prayed for deserve to be granted.
4. Furthermore, the Respondent No. 04 filed its Affidavit of Reply on 09.11.2020 vide Inward No. D-9196 wherein the following contentions were raised by the said Respondent:
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- 4.1 It is submitted that the present Affidavit in Reply has been filed by Respondent No. 4 opposing the Company Petition filed under Sections 241 and 242 of the Companies Act, 2013 and denying all allegations except those specifically admitted.
- 4.2 It is submitted that at the outset, Respondent No. 4 has denied each and every averment made in the Company Petition and has reserved the right to file further reply, if necessary.
- 4.3 It is submitted that the Petitioner has filed the present Petition alleging that the affairs of Respondent No. 1 Company are being conducted in a manner prejudicial



to public interest and to the Company and its stakeholders, and has sought, inter alia, setting aside of notices dated 01.04.2019 and 11.05.2019, alleging the same to be oppressive.

- 4.4 It is submitted that Respondent No. 4 is not a Director of Respondent No. 1 Company and has been described as an Ex-Director in the memo of parties, and is not concerned with the management or affairs of the Company.
- 4.5 It is submitted that Respondent No. 4 has been wrongly impleaded as a party in the present proceedings, and as he is neither a Director nor part of the Board of Directors at the relevant time, no relief as sought by the Petitioner is maintainable against him.
- 4.6 It is submitted that the allegations made by the Petitioner against Respondent No. 4 in paragraphs 3.4, 6(xii), 6(xiv) and 6(xxii) of the Petition are false, baseless, and made without any supporting material, and have been raised only to create a defence.
- 4.7 It is submitted that, on the contrary, it is the Petitioner who has acted in a manner detrimental to the interests of Respondent No. 1 Company and has, by his unauthorized acts and misconduct, caused substantial losses to the Company.
- 4.8 It is submitted that while the Petitioner was involved in the affairs of the Company as one of the Directors,



he failed to follow the instructions and directions issued by the Board of Directors and acted in a high-handed manner, prejudicial to the interests of the Company.

- 4.9 It is submitted that due to such acts of the Petitioner, Respondent No. 1 Company was constrained to file a civil suit being Special Civil Suit No. 54 of 2019 before the Principal Senior Civil Judge, Rajkot, seeking recovery of losses suffered by the Company.
- 4.10 It is submitted that in the said suit, the Company has claimed an amount of Rs. 12,35,65,674/- along with interest @ 18% p.a., and also sought other consequential reliefs including attachment of properties and rendition of accounts.
- 4.11 It is submitted that apart from the above, the Company is also claiming an amount of Rs. 11,27,54,111/- from the Petitioner towards losses and damages caused due to his acts and misconduct.
- 4.12 It is submitted that the Petitioner, being aware that he has no valid defence in the said civil proceedings, has filed the present Company Petition with an ulterior motive to pressurize the Board of Directors and to avoid liability.
- 4.13 It is submitted that the issues raised by the Petitioner regarding alleged acts of oppression, misconduct, and financial matters are already subject matter of adjudication before the competent Civil Court at



Rajkot, and therefore, this Tribunal ought not to entertain the present Petition.

- 4.14 It is submitted that the Petitioner has also raised grievance regarding non-payment of remuneration; however, the same cannot be adjudicated in the present proceedings, particularly in view of the losses suffered by the Company due to the Petitioner's conduct.
- 4.15 It is submitted that the Petitioner has raised issues which are beyond the scope of Sections 241 and 242 of the Companies Act, 2013 and therefore, no relief can be granted.
- 4.16 It is submitted that the Petitioner has also initiated collusive proceedings before courts at Faridabad, and has been involved in acts including removal of valuable equipment belonging to the Company, which were mortgaged with the Bank, and complaints in this regard have been filed and are under investigation.
- 4.17 It is submitted that considering the antecedents and conduct of the Petitioner, he is not entitled to any equitable relief from this Tribunal.
- 4.18 It is submitted that the Petitioner was duly informed in advance regarding his conduct being prejudicial to the interests of the Company and was called upon to furnish his explanation; however, he failed to respond.
- 4.19 It is submitted that notice under the provisions of the Companies Act was duly issued to the Petitioner prior



to taking decision for his removal as Director; however, despite receipt of such notice, the Petitioner neither furnished any explanation nor remained present at the meeting and instead sought time on frivolous grounds.

4.20 It is submitted that the Petitioner deliberately avoided participation in the meeting and failed to avail the opportunity granted to him, and therefore, the decision taken by the Board of Directors to remove him was lawful and justified.

4.21 It is submitted that the removal of the Petitioner was carried out in accordance with law and in the interest of Respondent No. 1 Company and its shareholders.

4.22 It is submitted that the present Petition is devoid of merits, amounts to abuse of process of law, and deserves to be dismissed with costs.

4.23 It is submitted that in view of the aforesaid facts and circumstances, this Tribunal may be pleased to dismiss the present Company Petition and deny all reliefs sought by the Petitioner.

5. Moreover, the Respondent No. 03 filed its Affidavit of Reply on 04.10.2021 (through e-mode) wherein the following contentions were raised by the said Respondent: -

5.1 It is submitted that Respondent No. 3 has filed the present affidavit-in-reply in opposition to the Company Petition and denies each and every



averment, contention and allegation made therein, save and except those specifically admitted. It is further submitted that Respondent No. 3 reserves the right to file additional pleadings, if necessary.

- 5.2 It is submitted that the petitioner has preferred the present petition under Sections 241 and 242 of the Companies Act, 2013 alleging that the affairs of Respondent No. 1 Company are being conducted in a manner prejudicial to public interest and the interest of the company and its stakeholders, and has sought, inter alia, setting aside of notices dated 01.04.2019 and 11.05.2019.
- 5.3 It is submitted that Respondent No. 3 is neither a director of the company nor involved in its management and has been described as an Ex-Director by the petitioner himself. It is further submitted that Respondent No. 3 has been wrongly impleaded in the present proceedings, and as he is no longer on the Board of Directors nor concerned with the affairs of Respondent No. 1 Company, no relief can be sought against him and the petition is liable to be dismissed qua Respondent No. 3.
- 5.4 It is submitted that the allegations made against Respondent No. 3 in the petition, particularly in paragraphs 3.3, 6(ii) and 6(xxxi), are baseless, vague and made without any supporting material, and have been raised only to create a defence. It is further submitted that, on the contrary, the petitioner himself



has acted in a manner detrimental to the interests of Respondent No. 1 Company, causing financial losses through unauthorized acts.

5.5 It is submitted that during the period when the petitioner was involved in the management of Respondent No. 1 Company, he failed to abide by the directions of the Board of Directors and acted in a high-handed manner against the interest of the company. It is further submitted that Respondent No. 1 Company has already instituted Special Civil Suit No. 54/2019 before the learned Principal Senior Civil Judge, Rajkot against the petitioner seeking recovery of Rs. 12,35,65,674/- with interest @18% per annum, along with other consequential reliefs including declaration of assets, injunction and damages of Rs. 1,00,00,100/-.

5.6 It is submitted that Respondent No. 1 Company has raised claims aggregating to Rs. 11,27,54,111/- against the petitioner and the petitioner is fully aware that he has no valid defence in the said civil proceedings. It is further submitted that the present petition is a frivolous and vexatious attempt to pressurize the Board of Directors and to evade liability in the pending civil proceedings, and that the issues raised herein are already sub judice before the competent Civil Court.

5.7 It is submitted that the grievance of the petitioner regarding non-payment of remuneration is not



maintainable before this Tribunal, particularly in light of the misconduct attributed to the petitioner and the losses suffered by the company, which are subject matter of adjudication before the Civil Court.

5.8 It is submitted that the petitioner has also raised issues relating to directorial matters which fall outside the scope and ambit of Sections 241 and 242 of the Companies Act, 2013, and therefore no relief can be granted in the present proceedings.

5.9 It is submitted that the petitioner has instituted a collusive suit before the Hon'ble Court at Faridabad and has allegedly removed valuable equipment belonging to Respondent No. 1 Company which were mortgaged to a bank. It is further submitted that the concerned bank has also lodged a complaint against the petitioner which is under investigation. In view of such conduct, the petitioner is disentitled from seeking any equitable relief from this Tribunal.

5.10 It is submitted that though Respondent No. 3 is no longer associated with the affairs of the company, it is pertinent to state that the petitioner was informed in advance regarding his conduct which was prejudicial to the company, and was called upon to furnish an explanation. However, the petitioner failed to respond and did not avail the opportunity granted to him.

5.11 It is submitted that the petitioner was duly issued notice under the provisions of the Companies Act prior to his removal as Director, and despite receipt of



such notice, he neither provided any explanation nor remained present in the meeting, instead seeking adjournments on frivolous grounds. It is further submitted that the decision of the Board of Directors to remove the petitioner was lawful, justified and in the interest of the company, considering his past conduct.

- 5.12 It is submitted that the petitioner has acted against the interests of Respondent No. 1 Company and its shareholders, and therefore the present petition is devoid of merits and is liable to be dismissed with exemplary costs.
6. That, vide Order dated 28.11.2024, this Tribunal recorded that R-2 adopted the Reply filed by R-3 & R-4. In compliance with order dated 26.03.2025, the Petitioner filed their written submission along with Convenience Chart on 01.05.2025 vide Inward No. D-2823.
7. In compliance with order dated 01.05.2025, the Petitioner filed Affidavit of Service on 07.07.2025 vide Inward No. 1221 to serve the Notice dated 03.05.2025 issued by the Registrar, NCLT Ahmedabad along with the order dated 01.05.2025 to the Registrar of Companies, Ahmedabad.



8. In compliance of order dated 01.05.2025, the Registrar of Companies/ ROC filed its Report on 19.08.2025 vide Inward No. R-382 stating the following: -

- 8.1 It is submitted that the present Report has been filed by the Registrar of Companies, Gujarat, in compliance with Section 2(75) of the Companies Act, 2013, on the basis of records, papers and filings available with the office pertaining to M/s. Glulam Technologies Private Limited having CIN No. U36998GJ2017PTC097360.
- 8.2 It is submitted that the Respondent Company was incorporated on 17.05.2017 and its registered office is situated at Plot No. 59, Mount Ville Farm House, Kalavad Road, Nyari Dam Road, Rajkot, Gujarat – 360005, as reflected in the MCA records.
- 8.3 It is submitted that as per the master data of the Company annexed to the Report (Annexure-A), the Company is a private company limited by shares, categorized as a non-government company, having an authorized share capital of Rs. 1,00,000/- and paid-up share capital of Rs. 1,00,000/-, and is shown as an “Active” company under MCA records.
- 8.4 It is submitted that as per the Annual Return (Form MGT-7A) for the financial year ending 31.03.2021, the shareholding pattern of the Company reflects a total of 10,000 equity shares, with the shareholders including Ajay Popatbhai Vachhani (100 shares), Jawaharbhai Pethaljibhai Chavda (100 shares), Raj



Jawaharbhair Chavda (4900 shares), Meghna Ajaybhair Vachhani (900 shares), Hardeep Singh Gill (2700 shares), Dilraj Singh (800 shares), and Ankur Govani (500 shares).

- 8.5 It is submitted that the Company has filed its financial statements for the financial year ending on 31.03.2021 as per the records available with the Registrar of Companies.
- 8.6 It is submitted that as per the master data relating to directors, the Company had, inter alia, Abhalbhair Mansukhbhair Chavda and Dinesh Meghjibhair Talapara as Directors/Promoters, whose dates of cessation are recorded as 27.04.2019 and 20.04.2019 respectively.
- 8.7 It is submitted that as per the records available, there are no prosecutions, complaints, compounding applications or Section 31 matters pending against the Company.
- 8.8 It is submitted that the ROC Report also encloses detailed annexures including company master data, annual return (MGT-7A), share capital structure, shareholding pattern, details of meetings, directors' attendance, and disclosures, all of which are based on statutory filings made by the Company from time to time.
- 8.9 It is submitted that the Annual Return further reflects that during the relevant financial year, the Company



had no preference share capital or debentures outstanding, no significant changes in share capital, and no reported penalties, compounding or non-compliances under the Companies Act, 2013.

- 8.10 It is submitted that the shareholding pattern indicates that promoters held approximately 60% of the share capital, while public/other shareholders held the remaining 40%, and the total number of members of the Company stood at seven.
- 8.11 It is submitted that the Report further records that the Company conducted its Annual General Meeting on 31.12.2020 and held multiple Board Meetings during the financial year, with full attendance of Directors as per statutory disclosures.
- 8.12 It is submitted that the ROC Report concludes by stating that the contents thereof are based on official records and leaves it to this Tribunal to pass appropriate orders as deemed fit in the facts and circumstances of the case.
9. In compliance with order dated 26.03.2025, the R-2 to R-4 filed their written submission along with the copy of the order of Delhi High Court of Injunction passed in their Commercial Suit **[Artius Interior Products (P) Ltd. & Anr. Vs. Mr. Harshdeep Singh Gill & Ors., CS(COMM) 950 of 2018]** which was filed against the Petitioner &




Others on 01.04.2026 vide Inward No. D-2896. The following were the contentions raised by the said Respondents: -

- 9.1 It is submitted that the Petitioner has filed the present Petition seeking various reliefs including regulation of affairs of the Company, framing of scheme for management, injunction against Respondents, setting aside of notice dated 01.04.2019 and Extra-Ordinary General Meeting dated 11.05.2019, and removal of Respondent Nos. 2 to 6 from Directorship.
- 9.2 It is submitted that the Petitioner has himself admitted in the Petition that he was working as a consultant with Ideas Design Solutions Pvt. Ltd., the parent company of Artius Interior Products Pvt. Ltd.
- 9.3 It is submitted that Respondent Nos. 2 to 4 were Directors of Respondent No. 1 Company at the relevant time but have subsequently resigned and are no longer associated with the management of the Company.
- 9.4 It is submitted that the Petitioner has suppressed material facts, particularly that he was bound by a Non-Disclosure Agreement (NDA) with Artius Interior Products Pvt. Ltd., which restricted him from engaging in similar business activities or utilizing confidential information in competing entities.
- 9.5 It is submitted that the decision to establish the factory at Faridabad, Haryana was taken solely at the



insistence of the Petitioner, who represented that he had a ready team of skilled workers at Faridabad, despite the promoters and registered office being based in Gujarat.

- 9.6 It is submitted that Artius Interior Products Pvt. Ltd. filed a civil suit being CS (Comm) No. 950 of 2018 before the Hon'ble Delhi High Court, wherein vide order dated 01.06.2018, the Petitioner was restrained from disclosing or misusing confidential information including manufacturing processes, engineering drawings, customer/vendor lists and other proprietary data.
- 9.7 It is submitted that the said injunction order records allegations against the Petitioner including misuse of confidential data, non-return of company laptop, unauthorized access to proprietary information, and use of trademark "Artius Glulam Technology".
- 9.8 It is submitted that the employees working at the Faridabad factory were appointed by the Petitioner, and due to lack of profitability of the said unit, the Board of Directors decided to shift the factory operations to Gujarat.
- 9.9 It is submitted that in order to frustrate such decision of the Board, the Petitioner instigated employees to file Civil Suit No. 387 of 2019, and further, without authorization from the Board, appeared through counsel and made statements before the Court to




restrain shifting of plant and machinery, as recorded in order dated 14.02.2019.

- 9.10 It is submitted that the Respondent Company issued a cease-and-desist notice dated 08.03.2019 to the Petitioner for his acts of misconduct and unauthorized interference in the affairs of the Company.
- 9.11 It is submitted that the Petitioner further obstructed the secured creditor, namely Junagadh Commercial Cooperative Bank Ltd., and unlawfully removed hypothecated plant and machinery, leading to filing of a Police Complaint dated 31.07.2019 by the Recovery Officer of the said Bank.
- 9.12 It is submitted that Respondent No. 2, vide emails dated 18.03.2019 and 25.03.2019, informed the Petitioner about the injunction order of the Hon'ble Delhi High Court and also highlighted that the Company had suffered financial loss amounting to approximately ₹12,13,47,802/- due to the acts of the Petitioner.
- 9.13 It is submitted that thereafter, the Respondent Company and its shareholders followed due procedure under the Companies Act, 2013 for removal of the Petitioner as Director, and despite due notice, the Petitioner chose not to attend the meeting and thereby waived his right to object.



- 9.14 It is submitted that the Extra-Ordinary General Meeting held on 11.05.2019 validly approved removal of the Petitioner as Director in accordance with law.
- 9.15 It is submitted that the Respondent Company and its shareholders have also instituted Special Civil Suit No. 54 of 2019 before the Court of 8th Additional Senior Civil Judge, Rajkot seeking damages and reliefs against the Petitioner for acts detrimental to the Company.
- 9.16 It is submitted that the removal of the Petitioner as Director was necessitated not only due to the injunction order dated 01.06.2018 passed by the Hon'ble Delhi High Court but also due to his continuous acts of misconduct, misuse of confidential information, and actions prejudicial to the interests of the Company and its stakeholders.
- 9.17 It is submitted that the present Petition is misconceived, as the grievance of the Petitioner is essentially limited to his removal as Director and does not constitute oppression or mismanagement under Sections 241 and 242 of the Companies Act, 2013.
- 10.** This Tribunal has carefully considered the pleadings, documents placed on record, affidavits filed by the respective parties, written submissions, the Report submitted by the Registrar of Companies, Gujarat, and the arguments advanced by the Learned Counsel



appearing on behalf of the Petitioner as well as the Respondents.

11. Upon a comprehensive consideration of the rival contentions, the following issues arise for determination: -

(A) **Issue No.1:** Whether the present Company Petition under Sections 241 and 242 of the Companies Act, 2013 is maintainable in law and on facts?

(B) **Issue No.2:** Whether the removal of the Petitioner as Director pursuant to Special Notice dated 01.04.2019 and the resolution passed in the Extra-Ordinary General Meeting dated 11.05.2019 is illegal, arbitrary, or oppressive?

(C) **Issue No.3:** Whether the acts complained of by the Petitioner constitute “oppression and mismanagement” within the meaning of Sections 241 and 242 of the Companies Act, 2013?

(D) **Issue No.4:** Whether the Petitioner is entitled to the reliefs sought in the present Petition?

12. **Findings on Issue No.1:** Whether the present Company Petition under Sections 241 and 242 of the Companies Act, 2013 is maintainable in law and on facts?


12.1 At the outset, this Tribunal is required to examine whether the present Company Petition satisfies the threshold requirements prescribed under Sections 241, 242 read with Section 244 of the Companies Act, 2013.

12.2 Section 244 of the Act lays down the eligibility criteria for a member to invoke the jurisdiction of this



Tribunal under Sections 241 and 242. In the case of a company having share capital, the requirement is that the applicant(s) must hold not less than one-tenth of the issued share capital of the Company.

- 12.3 In the present case, it is an admitted and undisputed position emerging from the record, including the pleadings and the Report of the Registrar of Companies, that the Petitioner holds 2700 equity shares out of a total of 10,000 equity shares, thereby constituting 27% of the issued share capital of Respondent No. 1 Company.
- 12.4 Accordingly, the Petitioner clearly satisfies the statutory threshold prescribed under Section 244 of the Companies Act, 2013, and is therefore competent to maintain the present Petition.
- 12.5 The objection raised by the Respondents that the Petitioner had ceased to be a director on the date of filing of the Petition and, therefore, lacks locus, is found to be untenable in law. The right to invoke Sections 241 and 242 is conferred upon a member of the Company and such a shareholder need not be a director. Directorship and shareholding operate in distinct legal spheres.
- 12.6 The cessation or removal of the Petitioner from the position of Director does not, in any manner, dilute or extinguish his rights as a shareholder, nor does it disentitle him from seeking relief under Sections 241



and 242, provided the requirements of Section 244 are fulfilled.

12.7 This Tribunal is also mindful of the settled legal position that questions relating to maintainability under Section 244 are distinct from the merits of allegations of oppression and mismanagement. Once the eligibility threshold is satisfied, the Petition cannot be rejected at the threshold on the ground that the allegations may ultimately not succeed.

12.8 At the same time, it is equally well settled that satisfaction of the threshold under Section 244 does not automatically entitle the Petitioner to relief, and the allegations of oppression and mismanagement are required to be independently examined on merits.

12.9 In the present case, since the Petitioner fulfills the statutory requirement of holding more than 10% of the issued share capital, this Tribunal holds that the present Company Petition is maintainable in law.

12.10 The objection raised by the Respondents that the Petitioner had ceased to be a Director does not render the Petition non-maintainable, as the right to invoke Sections 241 and 242 is available to a “member” of the Company and not restricted to a Director.

12.11 Therefore, the cessation of directorship, even if assumed, does not take away the statutory right of the Petitioner as a shareholder to approach this Tribunal alleging oppression and mismanagement.



12.12 Accordingly, this Tribunal holds that the present Petition is maintainable in terms of Section 244 of the Companies Act, 2013, and the objection raised by the Respondents on this ground is devoid of merit.

12.13 However, it is clarified that maintainability on the ground of eligibility is distinct from entitlement to relief, and the merits of the allegations of oppression and mismanagement are required to be independently examined.

**13. Findings on Issue No.2:** Whether the removal of the Petitioner as Director pursuant to Special Notice dated 01.04.2019 and the resolution passed in the Extra-Ordinary General Meeting dated 11.05.2019 is illegal, arbitrary, or oppressive?

13.1 This Tribunal now proceeds to examine the legality and validity of the removal of the Petitioner from the position of Director of Respondent No. 1 Company pursuant to the Special Notice dated 01.04.2019 and the resolution passed in the Extra-Ordinary General Meeting dated 11.05.2019.

13.2 The challenge mounted by the Petitioner is premised on the allegation that the entire process culminating in his removal was orchestrated with a pre-determined objective to oust him from the management of the Company and thereby exclude him from its affairs.



- 13.3 It is the case of the Petitioner that the Respondents, acting in concert, initiated a series of steps beginning with issuance of Special Notice dated 01.04.2019, followed by convening of Board Meetings on 15.04.2019, 20.04.2019 and 27.04.2019, and culminating in the Extra-Ordinary General Meeting dated 11.05.2019, with the sole intention of consolidating control and removing the Petitioner from Directorship.
- 13.4 The Petitioner has further contended that the said actions were taken in violation of statutory provisions and principles of natural justice, inasmuch as he was neither afforded a fair opportunity to present his case nor were his objections duly considered.
- 13.5 Per contra, the Respondents have categorically denied the aforesaid allegations and have submitted that the removal of the Petitioner was necessitated on account of his conduct which was detrimental to the interests of the Company, including acts of mismanagement, unauthorized decision-making, and causing financial losses to the Company.
- 13.6 The Respondents have further submitted that the entire procedure prescribed under Section 169 of the Companies Act, 2013 was duly followed, and that the Petitioner was provided adequate notice and opportunity, which he chose not to avail.
- 13.7 At this juncture, it would be apposite to examine the statutory framework governing removal of a Director.



Section 169 of the Companies Act, 2013 confers upon the shareholders the right to remove a Director by passing an ordinary resolution, subject to compliance with the requirement of special notice and affording an opportunity of representation to the concerned Director.

13.8 The said provision is a manifestation of the principle of corporate democracy, wherein the majority shareholders are vested with the authority to decide the composition of the Board of Directors.


13.9 However, such power is not unfettered and is subject to judicial scrutiny in cases where the removal is alleged to be tainted with illegality, mala fides, or forms part of oppressive conduct.

13.10 In order to appreciate whether the removal in the present case is vitiated, this Tribunal has examined the sequence of events borne out from the record.

13.11 It is evident that a Special Notice dated 01.04.2019 was issued proposing removal of the Petitioner as Director. The issuance of such notice has not been specifically disproved by the Petitioner.

13.12 Thereafter, a Board Meeting was convened on 15.04.2019 to consider the said proposal and to call for an Extra-Ordinary General Meeting.

13.13 The material on record further indicates that subsequent Board Meetings were held on 20.04.2019



and 27.04.2019, wherein additional Directors were appointed.

13.14 Ultimately, the Extra-Ordinary General Meeting was convened and held on 11.05.2019, wherein the resolution for removal of the Petitioner was passed.

13.15 The principal contention of the Petitioner revolves around alleged lack of opportunity and violation of natural justice.


13.16 In this regard, it is pertinent to note that the Petitioner himself has admitted to having addressed a complaint dated 11.04.2019 to the Registrar of Companies, raising grievances regarding the conduct of the Respondents.

13.17 The said fact assumes significance, as it clearly establishes that the Petitioner had knowledge of the developments within the Company, including the proposed action for his removal.

13.18 Despite such knowledge, there is no material on record to demonstrate that the Petitioner:

- Attended the Board Meeting dated 15.04.2019;
- Participated in the Extra-Ordinary General Meeting dated 11.05.2019; or
- Effectively exercised his right to make representation.

13.19 The Petitioner has also failed to place on record any communication seeking adjournment, raising formal



objections before the Company, or requesting an opportunity of hearing which was denied.

13.20 We have carefully gone through the following documents filed by the Petitioner:

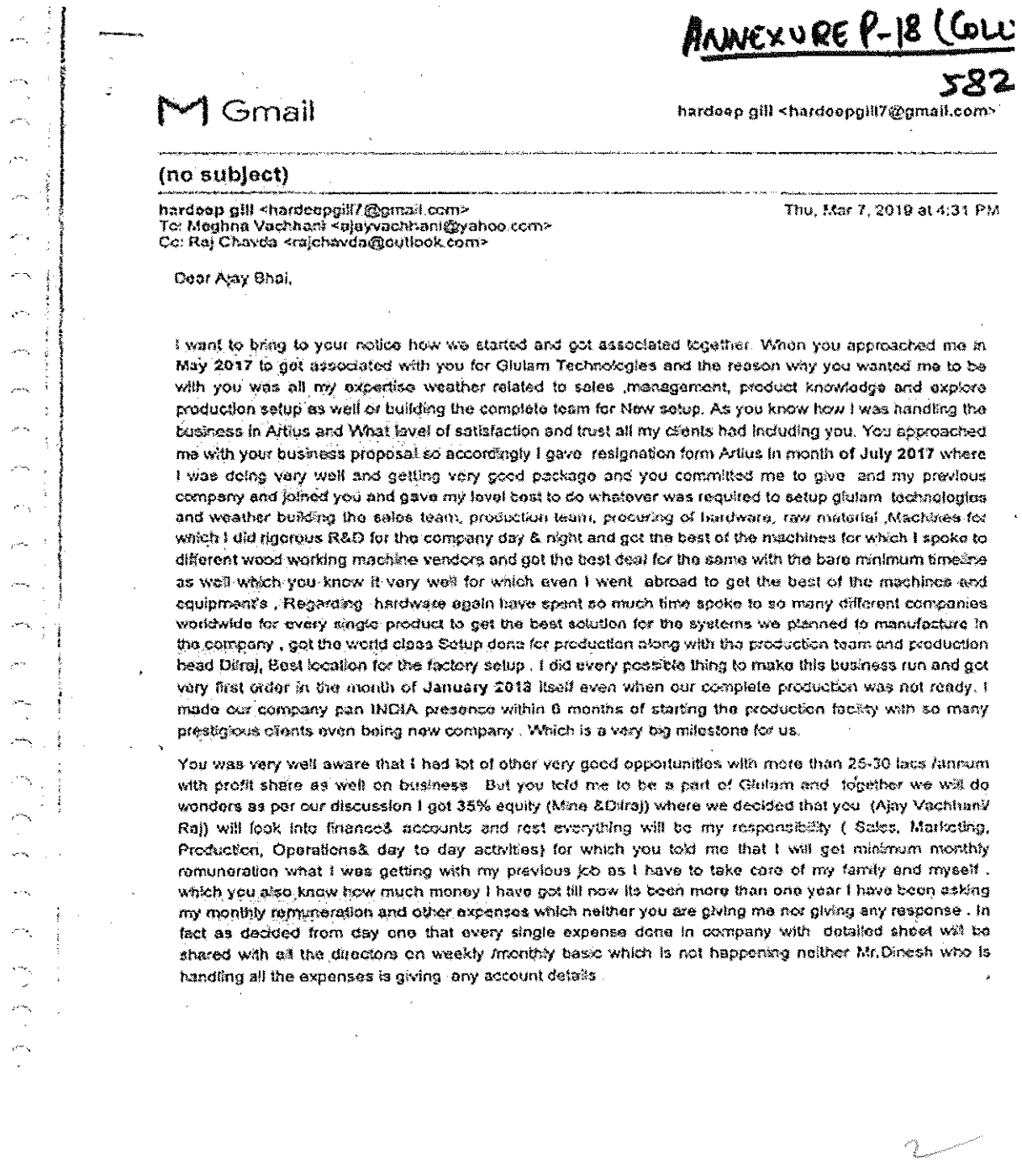
- Copy of email dated 07.03.2019 by the Petitioner to Meghna Vachani, and Raj Chavda (Pages 582 to 584) of the Petition.
- Copy of email dated 18.03.2019 from Ajay Vachani to the Petitioner (Pages 585 and 586 of the Petition).
- Copy of email of 18.03.2019 from Ajay Vachani to the Board Members and Shareholders (Pages 587 and 588).
- Copy of email of 25.03.2019 from Ajay Vachani to the Petitioner (Pages 589 to 595 of the Petition).
- Special Notice of 01.04.2019 for removal of Mr. Hardeep Singh Gill as a Director of the Company ( Page 596 and 597).
- Notice dated 01.04.2019 for calling EGM (Pages 598 and 599) to remove Mr. Gill from the office Of Director of the Company (Pages 598 to 600) and other notices and Resolutions (Pages 601 to 603).

13.21 We note that emails of 07.03.2019 and 25.03.2019 are very exhaustive that bring out many aspects of internal dispute. The action of removing the Petitioner



was taken after the exchange of these emails. The raising of issues points out to absence of trust and confidence in each other. In the absence of any other material, the bald allegation of denial of opportunity to the Petitioner cannot be sustained.

13.22 The snapshot of email dated 07.03.2019 is as follows:



As you know that Mr.Dinesh is not employee of glulam Technologies Pvt Ltd rather he is an employee of your other company Mayank Cattle food. Therefore is not legally authorized or has any right to interfere in the affairs of the Glulam Technologies. But under your instructions he is interfering As far as production was concerned you was not suppose to interfere but soon after the production setup was done and production started. But under your instructions Mr.Dinesh started interfering in every single affair of the company and spoiled the entire enrolment of the company and created so much negativity and dissatisfaction among the team weather administration, sales, production, installation every single department and whenever I discussed with you or raj you both always favored him and never tried to resolve the issue . As far as bank operations was concerned we discussed that me and raj both of us will be authorized signatories which didn't happened even till date and where the money is going what is happening in the company you have never updated me .

It is shocking to me that you guys after having a detailed knowledge of the complete working of the system now have planned to shift the complete set up to Gujrat for which you never ever discussed with me nor informed me . In fact it was shocking to see that Dinesh have packed all the machines during my absence from the company. You have also told workers that you are shifting the company to Gujrat whereas me being the director was not even aware what all is happening. Later on when raj told me that we don't want to continue with this business anymore somewhere after Diwali in 2018 and incase I want to continue I should find investor for which I introduced several investors to you but you guys not showed any interest

As far as litigation is concerned . I told you at very initially when artius (Bhawna Sharma & Vivek ) has filed a false complaint against you ,me and Sonu at Gurgaon somewhere around November 2017 and tried to get the FIR registered. At that time only I told you that we should take immediate and strict action against them for filing such false and frilious complaints but you never took it seriously and you know the results. They filed a case against us and got stay order from Delhi high court on 6<sup>th</sup> June 2018 . It is really surprising that even now at this point of time you guys are not telling me anything and put me in a situation where I stand nowhere and spoiled my entire career and also brought me in such a bad financial condition and put my career on stake . Whereas you are doing every single expenditure as per your will but neither paying me nor giving me any clarity what is going to happen. You said you want to sell the company I brought so many investors but you showed no interest and on the other side now you are planning to take away the entire setup without even talking to me or discussing anything. Whereas whatever orders we have picked from the market and taken all the money from clients my image and reputation is on stage and company has given 10 years on guarantee on the product so who is going to give service and support to them and even some of clients have send legal notices about their pending work which you are not even taking it seriously nor you are updating me on it.

Now because of your irresponsible behavior and nonsense attitude of Dinesh Bhai even now workers have filed a case against the company and us . I need the clarity form you what is going on in your mind as you are neither talking to me nor answering my call, reverting on whats app or any response to messages sent to you .

Ajay bhai I have one very serious concern which I have discussed earlier with you as well as Raj regarding Domain name and listing control. We all are very well aware that there is case going on in high court and



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there is a stay for use of domains glulam.in, glulamtech.com, glulamtech.in, glulamtechnologies.com and other similar domains and even I don't have the password for the main control and we are not even supposed to use it which we discussed long back and but still you are calling the domain guy to get control of it I don't understand why you are doing so whereas neither we are using that website or mail or anything related to those domains. In case we use it you know that very well it will be contempt of court in that case you will be wholly responsible for any legal issues.

There is another shocking thing I got to know day before that the police has come to the factory and I have no update on it I am getting to know through other sources. Me being the director & shareholder of the company have the full right to know what is going and neither you are updating me on the legal issues going on with the company. Your conduct and actions have oppressed my interest as minority shareholder of glulam and it has also put the future and career of a young entrepreneur at stake for no fault on my part.

You have taken all the know-how, techniques and secrets of this business from me in these 2 years on the pretext of your so called business proposal which has completely devastated me despite putting my good two years of sheer hard work to set glulam and till date I have worked only in the interest of glulam.

I am also disturbed due to your mail when you asked me not to handle any matter without your instructions whereas I appeared in the court proceeding only under your instructions. Therefore prevailing circumstances when you and raj has created skeptical atmosphere, I request you to pay towards my equity and Remuneration @ 1,50,000/- per month which is 27,00,000/- till February 2019. I have received only 3,75,000/- and pending amount is 23,25,000/-. So that I may exit from Glulam as I do not want to suffer more at your hands.

Waiting for your immediate response

Regards

Hardeep Singh Gill  
Handphone: +91-9718828313

13.23 The snapshot of email dated 25.03.2019 is as follows:



ANNEXURE P-19

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 Gmail

hardeep gill <hardeepgill7@gmail.com>

(no subject)

ajay vachhani <ajayvachhani@yahoo.com>  
To: hardeep gill <hardeepgill7@gmail.com>  
Cc: Raj Chavda <rajchavda@outlook.com>

Mon, Mar 25, 2019 at 12:26 PM

Dear Hardeep,

Foremost let me begin by saying, I write this email with a deep sadness that things have come to such a level that you are now implying false accusations in your email.

Every contention taken by you in your email dated 7 March, 2019 is nothing but a blatant lie and I, on behalf of the company deny all such baseless, groundless and unsubstantiated accusations. This reply to your mail is without prejudice to all the rights and contentions of the company that may be taken or are already taken in various proceedings pending today in different courts. One by one through this email I on behalf of the company shall uncover the truth and shall demonstrate how every word of your email dated 7 March, 2019 is a lie.

Now since you have told your hypothetical story, let me tell you the true story and the experiences I have had with you and about our company Glulam Technologies Pvt. Ltd. When we first discussed project proposal which you gave me I was very impressed about the business opportunities that we could have had going ahead with the project. You had promised me a very good business with a lot of income. During the first year of operation according to your project report we should have earned a profit of 75 lakhs; however, currently after two years we have a loss of 2,57,23,236 crore.

Nonetheless, since I believed in you, I made my best friend invest money in this project. This was my project for my own son in law Raj. I made Raj's father invest in this business and start the project in Delhi-NCR all because of your belief that that was the best place for this. He had offered me his own industrial sheds for free but I told him that we should start the business in Faridabad because Hardeep said so. Today our company Glulam pays more than 8,55,500/- lakhs every month in rent that we could have saved but we didn't because you told me that the company



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must be in Delhi-NCR. That was the first lie you told me. We both know today that this production could be run anywhere in the world and it did not require to be situated in such an expensive location. In your project report you have mentioned rent expense of 60 lacks but since we gave you the full authority for renting a production space for the company you misused it and overspent. I will later show you how much money you have lost me with every single one of your lies.

Now after I created the company with Jawahar bhai you told me to add you as a director and I asked you whether you had resigned from Artius and you said "Yes" and so we made you director. Now after Artius has filed the case against the company I come to know from the case files that you had lied and that you had never resigned when we made you director. So today we suffer and Glulam had to pay more than 70 lakhs in litigation fees. The primary focus of that case was how you have broken your contract agreements with them and your lack of integrity. That brings us to the next lie.

You never told me that you and the team you had signed such contracts and that our company will be at risk because of these contracts. Had I been informed of this, I would have ensured that no employees of ours would be breaching the contract in any way and would have again saved us so much litigation cost. We would have even let go of the employees who were found to have breaching these contracts.

The FIR that you have mentioned in your email was also only because of your actions and there are ample proofs available with the company to demonstrate the same. This is due to the reason that you never mentioned to me about stealing or bringing documents over from your previous employer, Artius. Had I known about this, I would have advised you against it. While technically all of these are lie by omission, it is nevertheless a lies which has ultimately put the company in a trouble.

The lie after this was about our rental agreement. I was under the impression that we were doing this through an agent who you didn't know. It was only 2 years later when I spoke to the landlord I found out that you all knew each other and had taken commission from both the sides for your own pocket (in total 17,11,000 lakhs). In fact I am shocked that you had never even mentioned the relationship between you and your father in law to the landlord. In that case you actually fooled the both of us into giving you and your known associates money for a service which you actually wouldn't have charged for had we known your real relationships with these people. This act of yours is again against the interest of the company.



you refused to stop interfering and even Mr. Dinesh threatened to quit multiple times because of your horrible treatment to him. Then during the final order you decided to even skip that final chain of command and just started making the workers do what you wanted even if Mr. Dinesh wasn't present, So I told him to stop taking care of production. its pertinent to mention here that you were never to interfere into production which you did to destabilize the company. Even with Raj, from day one you had decided that rather than helping him you were going to bypass him and order whatever you wanted directly through Sonu. Even though both Sonu and Raj told you to repeatedly to follow the proper chain of command which again you refused as per your behaviour and kept doing it. It got to such a point that Raj decided that he wants to quit this business. That is when I told him to talk to you and ask you if you wanted to buy the company from us. First of all no one has ever said we wanted to shift the company. That story is something you have created to try and turn the labours and our office staff against us. It is very simple Hardeep. Why would anyone ask you to buy them out if they wanted to shift the company? I don't understand how you reach these conclusions. And regarding your offer from the investor that you found, they were offering us half the asking price, HALF. In what possible universe can I convince our current investors to accept that. Additionally, you did not bring 'several investors' for acquisition proposal, you just brought one investor.

Talking about our litigation issues. Every single issue that this company or I have had to face or am currently facing is only because of you. You and your issues with Artius. Regardless of whether you are right or they are, I have been dragged and this company has been dragged into this because of you. Rather than taking responsibility for it personally you put every responsibility of dealing with it on the company. The company had to pay a tremendous amount of money all because you didn't tell me the truth when we started this company. Now today when this company can no longer support litigation let alone salaries of our remaining few employees you decide to file more cases and complaints through Tej Pratap against the company. I know that you have told the remaining employees and Tej Pratap about how within a month or two you will start this company again on your own and how you will keep filing false cases against the company or me until we get tired and give up. I cannot believe the type of person who would do this to someone. Being behind Tej Pratap and to be an instrumentality in initiating litigation against the company is viewed very seriously by us and its certainly a gross misconduct of yours which you are well aware of and despite everything no explanation is coming forth from you.

Apart form this your concern about police coming to the factory and you being unaware of it is also a complete lie. The police came looking for Mr. Dinesh,



Now let's get to the part when the machines arrived. Since the beginning you had sold me this dream team of very experienced employees who could start our business working very quickly and we wouldn't have to waste time. Unfortunately again that was a lie. This technical know-how you claim to have does not exist. And I saw that first-hand when you struggled and kept delaying making the first few systems despite claiming to be an expert. As well as when you delayed the showroom by a few months because you still did not know how to make the systems properly. Additionally, you failed to achieve all the sales targets that we had set. Now Hardeep please tell where are expertise in sales and management you mentioned. You completely threw the budget that you yourself showed me in the project report out of the window. Also, creating a showroom was never a part of your project report so we had to additionally spend 50,00,00 lakhs on that. We have overspent in everything we have ever done by almost two times and that Hardeep is the reason that Glulam Technologies doesn't have money anymore.

Anyways so we start the company and we divide the duties relating to the company to our main staff. Dilraj got design and production. You and Himanshu did 'sales' but separately from each other. And Raj and I were supposed to take care of Purchase and Finance. You yourself agreed to these roles and we decided to let everyone handle their own departments the way they want while I would supervise when necessary. Again even in this you lied and the only thing you did was tried to get involved in other people's departments. You pushed Himanshu to such an edge, he decided to resign and go only because of one reason. Yes that was you. After which you got control of complete sales. We let go of the decision on the bases that you would able complete the sales target mentioned in your project report of 7,42,00,000 for the first operational year but our company could only manage 93,96,434 out of which Ankur and I brought in two orders.

Regarding your claim of making our business have a pan India presence and that too all by yourself, is another lie. All your orders have been Delhi-NCR + Agra + Hyderabad and that's it. The orders beside this were not gotten through you. Bombay order came through Ankur and the Gujarat order through me. Also I had told you repeatedly even while picking up yours orders about how they are not feasible and your prices were too low for us to sustain. You never listened to anyone and just gave out quotes however you felt without consulting with anyone whether those quotes were viable for our company to function. It was so bad at one point you would just go and get an order signed and we would have to do it because of that, even though it wasn't profitable for us. I would like to remind you here that we all agreed that no orders were to be passed without my approval but till this date you have never come to me for sales approvals. Do you realise that almost every single order that you have picked was given out on cost to cost basis or on loss basis. This



is after everyone even showing you the expense sheets showing our losses for picking up the orders. But as usual you did not care and went ahead with picking up orders how you wanted. This act of yours is nothing but an act of mismanagement.

Regarding your point about the expense sheet of the company, again a lie. Hardeep everyone besides you would look at these sheets and sign it once going through them. I know how these sheets would be left on your desk for a week sometimes two weeks and you would still not discuss nor sign it. You kept procrastinating as is your nature after which, given the sensitive information of our company expenses we would have to put back in the finance cupboard because you just ignored them for weeks.

Also Hardeep director remuneration is something we agreed would be given when company is on a stage where it can sustain. Thanks to your horrible location for a manufacturing unit, delay of factory set up and delay of showroom set up we were already operating on a loss from the moment we started production. Even after that you picked up orders at terribly low prices causing even more losses to the company. We were never able to recover from that and that is why nobody got director remuneration except Dilraj because his agreement with us was to always be a salaried employee but you shared your equity with him. Due to our original deal, we both agreed that we would give him salary in form of remuneration.

Also now to Mr. Dinesh. Again another lie Hardeep as Mr. Dinesh is an employee of Glulam Technologies Pvt. Ltd. and is legally authorized to do the jobs he is doing for us. I have told you multiple times that he works for us but you have done nothing but treated him horribly and with no respect. You have tried to turn every other person against each other in this company in your ambition to try to take control of everything in this company.

Hardeep I still can't believe after getting control of complete sales after Himanshu resigned that still wasn't enough for you for some reason. Soon you started getting involved in design and while everyone kept telling you not to, you refused to listen and bothered Dilraj continuously. This continued to such a point even Dilraj decided to quit the company and leave the country all because of one person. Yes you Hardeep. Now the core team that you had suggested and brought on has left because of you. We practically have no major person to take care of all these departments. So you decided to take the design department under your wing and tried to take production but you couldn't handle the workload so you agreed with me that it would be best if Mr. Dinesh handled it. Even after he was handling it perfectly well



because you yourself had registered a complaint about him and now saying that you were unaware of it is a complete baseless lie. However, even if this wasn't the case we should not be informing you rather it should be the other way round because as you rightly said you are the director and you should be aware of these things, it is your responsibility especially since none of us are present there. Time and time again we have not only informed you on all matters and board meetings but have also asked you to help us with these issues but you never did so. Instead of acknowledging that you are lying once again.

So now after 2 years, you have taken over almost every major department, every major role, used all the money that Raj's family gave us for this project and even more and yet you have no shame in asking for more. Also the very fact that you have invested no money in this company besides your share capital seems to make no difference to you. I am truly shocked that I didn't realise what kind of a con artist you really were when we met. That is truly the most regretful moment in my entire life. Today Hardeep because of you I have lost my relations with my best friend, my son in law, my daughter and so much money I cannot imagine what I did to deserve ever meeting you. Also now I finally realise today why Bhavna and Vivek are so angry with you, because today I feel the same anger. So please forget your settlement offer, in fact I will now right down below how much you actually owe us for coming us out of crores of rupees.

And as far as 10 years of guarantee is concerned for our clients, we will fulfil that as promised because, unlike you, I do not lie.

Unnecessary expense for Glulam Technologies Pvt. Ltd. due to Hardeep's decisions and lack of performance

No.	Item	Cost to Company (INR)
1.	Monthly Rent	1,79,65,500
2.	Unplanned Showroom Expense	50,00,000
3.	Litigation Fees	70,00,000
4.	Remaining amount of sales (as projected)	6,48,03,566



5.	Rent Commission	8,55,500
6.	Operating Loss	2,57,23,236
	<b>Total</b>	<b>12,13,47,802</b>

As you can see Hardeep you should not be asking for money, instead I should be asking it from you.

The instances covered by me in the instant mail are merely illustrative and not exhaustive as you have done many more acts which have completely destabilized the company and on account of which the company is making losses. You have time and again involved yourself in violating the Memorandum as well as the statutory provisions of the Articles On account of your imbalanced approach our company has doomed to trade unprofitably.

I on behalf of the company hereby call upon you to forthwith withdraw all your baseless accusations made in your email under reply and to tender an unconditionally apology forthwith. I on behalf of the company hereby call upon you to make good the losses which are mentioned in the above quoted table chart at the earliest failing which the legal consequences would follow.

Treat this communication to be final and the company will not entertain any further communication from you in this regard.

Thank You.

[Quoted text hidden]

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 Email Scan.pdf  
5115K



13.24 It is a settled principle of law that principles of natural justice are satisfied when an opportunity is afforded; the law does not mandate that such opportunity must necessarily be availed.

13.25 Where a party, despite having knowledge of proceedings, chooses not to participate, he cannot subsequently challenge the outcome on the ground of violation of natural justice.

13.26 In the present case, the conduct of the Petitioner reflects conscious non-participation rather than denial of opportunity.

13.27 The Petitioner has further contended that the appointment of additional Directors prior to the EGM was a calculated move to alter the composition of the Board and to ensure his removal.

13.28 While it is true that additional Directors were appointed in the interregnum, no material has been placed on record to establish that such appointments were per se illegal or in contravention of the provisions of the Companies Act, 2013.

13.29 Mere alteration of Board composition, in the absence of illegality, cannot be construed as an act of oppression.

13.30 The Respondents, on the other hand, have attributed serious acts of misconduct to the Petitioner, including:

- Mismanagement of operations;



- Causing financial losses to the Company;
- Unauthorized acts and decisions;
- Removal of documents and interference with business operations.

13.31 The Respondents have also placed on record that civil proceedings have been initiated against the Petitioner for recovery of substantial losses.


13.32 Though this Tribunal is not required to adjudicate upon the correctness of such allegations in the present proceedings, the existence of such disputes indicates that the decision to remove the Petitioner cannot be said to be arbitrary or without basis.

13.33 It is well recognized in company law jurisprudence that loss of confidence in a Director is a valid ground for his removal, particularly in closely held companies where mutual trust forms the foundation of management.

13.34 The facts of the present case clearly indicate a breakdown of trust and confidence between the parties.

13.35 In such circumstances, the decision of the shareholders to remove the Petitioner cannot be lightly interfered with, unless it is demonstrated that the same is vitiated by illegality or is oppressive in nature.

13.36 Another significant aspect which merits consideration is that the Petitioner continues to remain a



shareholder of the Company holding 27% of the share capital.

13.37 There is no allegation or material to show that his shareholding has been diluted, expropriated, or otherwise prejudiced.

13.38 The grievance of the Petitioner is thus confined to his removal from Directorship and exclusion from management.

13.39 As already noted, directorial rights are distinct from shareholder rights, and removal from directorship, by itself, does not amount to oppression unless accompanied by prejudice to proprietary rights.

13.40 This Tribunal is also conscious of the limited scope of interference in such matters. It is not for this Tribunal to sit in appeal over the commercial wisdom of the shareholders or to substitute its own decision in place of a validly passed resolution.

13.41 Interference is warranted only when the action complained of is:

- Contrary to law;
- Procedurally irregular; or
- Oppressive, burdensome, and lacking in probity.

13.42 In the present case, none of these conditions stand satisfied.

13.43 In view of the foregoing detailed analysis, this Tribunal arrives at the following conclusions:



- The removal of the Petitioner as Director was carried out following the procedure prescribed under Section 169 of the Companies Act, 2013;
- The Petitioner had knowledge of the proceedings and was afforded an opportunity to participate, which he failed to avail;
- No violation of principles of natural justice has been established;
- The decision to remove the Petitioner cannot be said to be arbitrary, mala fide, or without basis;
- The removal does not constitute oppression or mismanagement within the meaning of Sections 241 and 242 of the Act.

13.44 Accordingly, **Issue No.2** is answered against the Petitioner and in favour of the Respondents.

**14. Findings on Issue No.3:** Whether the acts complained of by the Petitioner constitute “oppression and mismanagement” within the meaning of Sections 241 and 242 of the Companies Act, 2013?


14.1 The next issue which falls for consideration is whether the acts alleged by the Petitioner, either individually or cumulatively, amount to oppression and mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013. At the outset, it is necessary to reiterate that the jurisdiction of this Tribunal under the aforesaid provisions is equitable in



nature and is required to be exercised with circumspection. The conduct complained of must be continuous, burdensome, harsh and wrongful, and must be such as to affect the rights of the member in his capacity as a shareholder or be prejudicial to the interests of the Company or public interest.

14.2 The Petitioner has alleged that the Respondents have conducted the affairs of the Company in a non-transparent manner, indulged in financial irregularities, reconstituted the Board with a view to consolidate control, denied access to records and excluded him from management. However, upon careful consideration of the pleadings and documents placed on record, this Tribunal finds that the said allegations are general in nature and are not supported by cogent and specific material particulars.

14.3 Insofar as the allegation of financial irregularities is concerned, no documentary evidence has been placed on record by the Petitioner to demonstrate any siphoning of funds, diversion of assets or statutory non-compliance. The Petitioner has neither produced any financial statements indicating mismanagement nor pointed out any specific transactions which could establish lack of probity in the conduct of the affairs of the Company. On the contrary, the Report of the Registrar of Companies indicates that the Company has been filing its statutory returns and financial



statements and no adverse observations regarding non-compliance have been recorded.

14.4 The allegation regarding restructuring of the Board of Directors also does not advance the case of the Petitioner. It is evident that appointment or cessation of Directors is a matter governed by the provisions of the Companies Act and the Articles of Association. The Petitioner has failed to demonstrate that such appointments were carried out in violation of any statutory provision or that the same resulted in dilution of his shareholding or curtailment of his rights as a member. Mere change in the composition of the Board, without anything further, cannot be construed as an act of oppression.

14.5 The Petitioner has further contended that he was denied access to the records and financial information of the Company. However, no material has been placed on record to show that any statutory request for inspection was made and denied. There is no contemporaneous correspondence evidencing refusal by the Company. In absence of such material, the said allegation remains unsubstantiated. Even otherwise, such grievance, if any, would give rise to an independent remedy and cannot, by itself, constitute oppression unless it forms part of a continuous course of prejudicial conduct.

14.6 The principal grievance of the Petitioner appears to be his removal from the position of Director and



consequent exclusion from management. This Tribunal has already dealt with the validity of the removal under the preceding issue and has held that the same was carried out in accordance with law. It is well settled that the right to participate in management is not an inherent right of a shareholder and removal from directorship, by itself, does not amount to oppression unless it is shown that the same affects proprietary rights or forms part of a larger oppressive design. In the present case, the Petitioner continues to hold 27% shareholding and no prejudice to his rights as a shareholder has been demonstrated.

14.7 Further, the Petitioner has alleged that he was paid remuneration only for a period of three months and has annexed certain bank statements in support of the said contention. However, upon perusal of the record, it is observed that the Petitioner has failed to place on record any document evidencing a binding agreement or understanding to the effect that Respondent No. 1 Company was liable to pay a fixed monthly remuneration of Rs. 1,25,000/- to the Petitioner. It is also pertinent to note that the Board Resolution dated 22.06.2017 annexed at Page No. 174 of the Company Petition, whereby the Petitioner was appointed as Director, is conspicuously silent on the aspect of remuneration. The relevant snapshot of the said resolution is as follows:

# GLULAM TECHNOLOGIES PVT. LTD.

Head Office:- Mount Ville Farm Houses Ltd., Plot No.59, Nyari Dam Road,  
Kalavad Road, RAJKOT - 360005  
CIN : U36998GJ2017PTC097360

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Certified true copy of the resolution passed at the Meeting of Extra Ordinary General Meeting of members of GLULAM TECHNOLOGIES PRIVATE LIMITED held on Thursday June 22, 2017 at the registered office of the Company situated at Plot 59, Mount Ville Farm House, Kalavad Road, Nyari Dem Road, Rajkot, 360005, Gujarat, India at 11 am

## ❖ Appointment of Directors:

"RESOLVED THAT pursuant to section 152 of the Companies Act, 2013, Articles of Association of the Company and other applicable provisions of the Companies Act, 2013 if any, Mr. HARDEEP SINGH GILL (DIN 00227932) and Mr. DILRAJ SINGH (DIN 01537106) be and are hereby appointed as the directors of the Company."

"RESOLVED FURTHER THAT and any of the existing Directors of the Company be and is hereby authorized to complete all the formalities relating to appointment and filing of necessary Form with Registrar of Companies, Gujarat after affixing his digital signature."

"RESOLVED FURTHER that Mrs. Priti S. Doshi, Company Secretary, be and is hereby authorized to notify the said appointment to the Registrar of Companies, Gujarat".

Certified Copy,

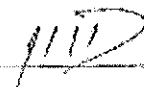
For, **GLULAM TECHNOLOGIES PRIVATE LIMITED**

  
\_\_\_\_\_

AJAY POPATLAL VACHHANI

DIN 00585290

Director

  
\_\_\_\_\_

JAWAHARBHAI PETHALJBHAI CHAVDA

DIN 05138789

Director


Date: 22.06.2017

Place: Rajkot

Factory Add:- Plot No. 11/7 Milestone, Mathura Road, Faridabad, Haryana Pin-121002



14.8 Moreover, the appointment letter annexed at Page No. 175 of the Company Petition also does not stipulate any terms with regard to payment of remuneration. The relevant snapshot is as follows: -

<b>GLULAM TECHNOLOGIES PVT. LTD.</b> Head Office:- Mount Ville Farm Houses Ltd., Plot No.59, Nyari Dam Road, Kalawad Road, RAJKOT - 360005 CIN : U36998GJ2017PTC097360	
<b>175</b>	
To,	
<b>HARDEEP SINGH GILL</b>	
A-295 1 <sup>st</sup> FLOOR	
STREET NO 33	
CHATTARPUR ENCL-II	
DELHI 110074	
INDIA	
<b>Sub: Your Appointment as an Director in</b> <b><u>GLULAM TECHNOLOGIES PRIVATE LIMITED</u></b>	
Dear Sir,	
With reference to above subject, I would like to inform you that your appointment as a Director in <b>GLULAM TECHNOLOGIES PRIVATE LIMITED</b> has been approved at the duly convened Extra Ordinary General Meeting of the members of the company by way of Ordinary Resolution on Thursday, June 22, 2017.	
Thanking you,	
On behalf of the Board of Directors	
	
<b>AJAY POPATLAL VACHHANI</b>	
Director	
DIN 00585290	
Factory Add:- Plot No. 11/7 Milestone, Mathura Road, Faridabad, Haryana Pin-121002	



14.9 In the absence of any contractual or statutory basis, the claim of the Petitioner regarding entitlement to fixed remuneration remains unsubstantiated and cannot be adjudicated within the scope of the present proceedings under Sections 241 and 242 of the Companies Act, 2013.

14.10 It is further pertinent to take note of the order dated 01.06.2018 passed by the Hon'ble High Court of Delhi in ***Artius Interior Products (P) Ltd. & Anr. vs. Mr. Harshdeep Singh Gill & Ors., CS (COMM) No. 950 of 2018***, which has been placed on record by Respondent Nos. 2 to 4 along with their written submissions (annexed at Page No. 06 to 09). From the perusal of the said order, it emerges that the Petitioner herein was, inter alia, restrained from disclosing or misusing confidential information, proprietary data, customer/vendor details and other intellectual property of the said company. The said order also records prima facie observations regarding misuse of confidential information and unauthorized conduct on the part of the Petitioner. The snapshot of relevant observation made by the Hon'ble Delhi High Court is as follows:

A handwritten signature in blue ink, consisting of a long vertical stroke and a small flourish at the bottom.



4. It is quite clear that the plaintiff would have copyright in the documents as stated above as they are original artistic work. The plaintiff has made out a prima facie. Balance of convenience is also in favour of the plaintiff. The defendants are restrained from ex parte injunction from disclosing to a third party or utilizing or using or misusing (i) the Manufacturing process as stated in the Suit; (ii) Engineering drawings which belong to the plaintiff; (iii) Engineering drawing forming a part of supply contracts with clients and (iv) the List of vendors and customers or any list of Architects & Interior Designers till further orders.
5. The plaintiff to comply with Order 39 Rule 3 CPC within one week.
6. Issue notice to the defendant, returnable for 30.08.2018.

14.11 In this regard, this Tribunal notes that while the said proceedings are independent, the findings and observations recorded therein cannot be completely disregarded, particularly when they pertain to the conduct of the Petitioner in a business context similar to that of Respondent No. 1 Company. The existence of such an injunction order lends credence to the contention of the Respondents that the Petitioner had acted in a manner prejudicial to the interests of the Company and its stakeholders.

14.12 Moreover, it is a settled principle that relief under Sections 241 and 242 of the Companies Act, 2013 is equitable in nature, and a party seeking such relief must approach the Tribunal with clean hands. In the



present case, the Petitioner has not satisfactorily explained the circumstances leading to the passing of the aforesaid injunction order nor has he disclosed the same with full candour in the Petition. The suppression of such material facts, coupled with the adverse observations recorded by the Hon'ble High Court, disentitles the Petitioner from seeking equitable relief before this Tribunal.

14.13 Accordingly, this Tribunal is of the considered view that the said order of the Hon'ble Delhi High Court further reinforces the conclusion that the disputes raised by the Petitioner are intertwined with allegations of misconduct and contractual breaches, and do not fall within the limited scope of "oppression and mismanagement" as contemplated under Sections 241 and 242 of the Companies Act, 2013.

14.14 It is further observed from the record that the Petitioner has relied upon a complaint purportedly filed by certain employees at Faridabad against Respondent No. 2, annexed at Page No. 497 of the Company Petition. A perusal of the said document indicates that communications in relation thereto were addressed to or received by the Petitioner on behalf of Respondent No. 1 Company. However, no material has been placed on record to demonstrate that the Petitioner was duly authorised by the Board of Directors or by any valid resolution to represent or act on behalf of the Company in such proceedings. In



the absence of any such authorisation, the act of the Petitioner in dealing with such complaints in the name of the Company raises serious concerns regarding the propriety of his conduct and the extent to which he acted beyond his authority.

14.15 This Tribunal is of the considered view that such conduct, in the absence of due authorisation, cannot be justified and lends support to the contention of the Respondents that the Petitioner had been acting independently and beyond the scope of his powers. The said circumstance also weakens the case of the Petitioner, who has approached this Tribunal alleging exclusion from management, while the record indicates instances where he purported to act on behalf of the Company without demonstrable authority. Such inconsistent conduct further disentitles the Petitioner from seeking equitable relief under Sections 241 and 242 of the Companies Act, 2013.

14.16 It is also pertinent to take note of the detailed allegations raised by the Respondents against the Petitioner, including allegations of financial misconduct, unauthorized actions, removal of documents and assets, and causing substantial losses to the Company. The Respondents have further placed on record that civil proceedings have been initiated against the Petitioner for recovery of amounts exceeding Rs. 12 Crores. While this Tribunal is not



required to adjudicate upon the correctness of these allegations in the present proceedings, the existence of such serious disputes indicates that the matter is highly contentious and involves disputed questions of fact which are already subject matter of adjudication before competent Civil Courts.

14.17 The overall conspectus of the case reflects that the dispute between the parties arises out of a breakdown of mutual trust and confidence and is essentially in the nature of a commercial and contractual dispute. The Petitioner has sought to bring such disputes within the fold of Sections 241 and 242, which, in the considered opinion of this Tribunal, is impermissible. The jurisdiction under these provisions cannot be invoked to settle personal disputes or to adjudicate upon claims relating to damages and misconduct which properly fall within the domain of civil courts.

14.18 It is further observed that the Petitioner has failed to establish that the affairs of the Company are being conducted in a manner prejudicial to public interest or to the interests of members as a class. The allegations are confined to the Petitioner individually as personal grievances and do not demonstrate any systemic mismanagement or lack of probity affecting the corporate entity.

14.19 Considering the equitable nature of the jurisdiction, the conduct of the Petitioner is also a relevant factor. The material on record indicates that the Petitioner is



involved in multiple disputes with the Respondents and has invoked the jurisdiction of this Tribunal in the backdrop of pending civil proceedings. The Petitioner has not placed all material facts with complete candour, which further disentitles him from seeking equitable relief.

14.20 In view of the foregoing discussion, this Tribunal is of the considered opinion that the Petitioner has failed to establish any acts of oppression or mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013. The allegations are vague, unsubstantiated and primarily relate to personal and civil disputes between the parties.

14.21 Accordingly, **Issue No.2** is answered against the Petitioner, holding that no case of oppression and mismanagement is made out.

**15. Findings on Issue No.4:** Whether the Petitioner is entitled to the reliefs sought in the present Petition?

15.1 Having considered the maintainability of the present Petition and having adjudicated upon the validity of the removal of the Petitioner as Director, this Tribunal now proceeds to examine whether the Petitioner is entitled to the various reliefs sought in the Company Petition.

15.2 The reliefs sought by the Petitioner, inter alia, include:



- Setting aside of Special Notice dated 01.04.2019 and the Extra-Ordinary General Meeting dated 11.05.2019;
- Reinstatement of the Petitioner as Director of Respondent No. 1 Company;
- Injunction restraining the Respondents from interfering in the management and affairs of the Company;
- Framing of a scheme for joint management of the Company;
- Removal and debarment of Respondent Nos. 2 to 6 from Directorship;
- Appointment of an Administrator to regulate the affairs of the Company.

15.3 The aforesaid reliefs are in the nature of extraordinary equitable remedies, which can be granted only upon a clear and cogent finding of oppression and mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013.

15.4 It is a settled principle that the jurisdiction of this Tribunal under Sections 241 and 242 is not punitive but preventive and remedial, intended to bring an end to oppressive conduct and to regulate the affairs of the Company in a manner just and equitable.

15.5 Therefore, before granting any of the reliefs prayed for, it is incumbent upon the Tribunal to arrive at a definitive finding that:



- The affairs of the Company are being conducted in a manner oppressive to any member or prejudicial to the interests of the Company; and
- The facts justify the grant of equitable relief to bring an end to such conduct.

15.6 In the present case, this Tribunal has already recorded a categorical finding under Issue No. (ii) that the removal of the Petitioner as Director was carried out in accordance with law and does not suffer from any illegality or violation of principles of natural justice.

15.7 Once the foundational challenge to the removal fails, the consequential reliefs seeking setting aside of the EGM and reinstatement of the Petitioner cannot be sustained.

15.8 The relief of reinstatement, in particular, cannot be granted in the absence of any finding that the removal was illegal, mala fide, or oppressive.

15.9 The Petitioner has also sought framing of a scheme for joint management of the Company and restoration of his role in the affairs of the Company.

15.10 In this regard, it is pertinent to observe that the Tribunal cannot impose a management structure upon a Company in the absence of compelling circumstances demonstrating oppression or deadlock affecting the functioning of the Company.



15.11 The material on record does not indicate any such deadlock or paralysis in the functioning of the Company.

15.12 On the contrary, the ROC Report reflects that the Company is an “Active” Company, has been carrying on its business, filing statutory returns, and conducting its meetings in accordance with law.

15.13 Therefore, the prayer seeking regulation of affairs or imposition of a joint management scheme is wholly unwarranted.

15.14 The Petitioner has further sought removal and debarment of Respondent Nos. 2 to 6 from Directorship.

15.15 Such a relief, if granted, would amount to a drastic interference in the internal management of the Company and can be justified only in cases where the conduct of the Directors is shown to be:

- Oppressive;
- Fraudulent; or
- Prejudicial to the interests of the Company.

15.16 In the present case, no such finding has been recorded. The allegations against the Respondents remain unsubstantiated and are largely denied.

15.17 In absence of any concrete evidence demonstrating misconduct on the part of the Respondents, this Tribunal is not inclined to grant such drastic relief.



15.18 The Petitioner has also sought appointment of an Administrator to take over the affairs of the Company.

15.19 Appointment of an Administrator is an extreme measure, generally resorted to in cases where:

- There is complete breakdown of corporate governance;
- The management is acting in a fraudulent or oppressive manner; or
- The affairs of the Company cannot be conducted in a fair and transparent manner.

15.20 The facts of the present case do not warrant such intervention.

15.21 There is no material to indicate that the affairs of the Company are being conducted in a manner prejudicial to public interest or that the Company is unable to function in accordance with law.

15.22 It is also relevant to note that serious disputes between the parties relating to:

- Alleged financial losses;
  - Misconduct of the Petitioner;
  - Recovery of damages;
- are already pending before competent Civil Courts.

15.23 The issues raised in the present Petition substantially overlap with the subject matter of the said civil proceedings.



15.24 This Tribunal cannot adjudicate upon such disputed questions of fact involving detailed examination of evidence, which fall within the domain of Civil Courts.

15.25 Granting relief in the present proceedings would not only result in parallel adjudication but may also prejudice the outcome of pending civil disputes.

15.26 Another significant aspect which cannot be overlooked is the conduct of the Petitioner.

15.27 The Respondents have placed on record serious allegations regarding acts of misconduct, misuse of position, and causing substantial financial loss to the Company.

15.28 While this Tribunal refrains from recording any conclusive finding on such allegations, the existence of such serious disputes and the surrounding circumstances disentitle the Petitioner from seeking equitable relief.

15.29 It is a settled principle that a party seeking equitable relief must approach the Tribunal with clean hands and must not be guilty of conduct which disentitles him from such relief.

15.30 The overall conspectus of the case indicates that the present Petition is essentially:

- A manifestation of breakdown of trust between the parties;
- A consequence of business and management disputes;



- An attempt to challenge removal from directorship and regain control over the Company.

15.31 Such disputes, in the considered opinion of this Tribunal, do not fall within the ambit of Sections 241 and 242 unless they satisfy the strict requirements of oppression and mismanagement, which is not the case herein.

15.32 In view of the foregoing detailed analysis, this Tribunal holds that:

- The Petitioner has failed to establish any acts of oppression or mismanagement warranting interference under Sections 241 and 242 of the Companies Act, 2013;
- The reliefs sought, including setting aside of EGM, reinstatement, regulation of affairs, removal of Directors, and appointment of Administrator, are not justified in the facts and circumstances of the case;
- The disputes raised are largely civil in nature and are already subject matter of adjudication before competent courts;
- The Petitioner is not entitled to any equitable relief.

15.33 Accordingly, **Issue No.4** is answered against the Petitioner and in favour of the Respondents.



- 16.** In view of the detailed analysis and findings recorded on the issues framed hereinabove, this Tribunal is of the considered opinion that the Petitioner has failed to establish any acts of oppression or mismanagement within the meaning of Sections 241 and 242 of the Companies Act, 2013.
- 17.** The allegations raised by the Petitioner, upon careful scrutiny, do not disclose any continuous or burdensome conduct on the part of the Respondents which is prejudicial to the interests of the Petitioner in his capacity as a shareholder or to the Company as a whole. The grievance of the Petitioner primarily emanates from his removal as Director and subsequent disputes arising out of business differences, which, in the facts and circumstances of the present case, do not fall within the ambit of Sections 241 and 242 of the Act.
- 18.** This Tribunal has further held that the removal of the Petitioner from Directorship was carried out in accordance with the provisions of the Companies Act, 2013 and does not suffer from any procedural irregularity or violation of principles of natural justice.



19. Accordingly, the Respondents cannot be held guilty of any acts of oppression or mismanagement warranting interference by this Tribunal under Sections 241 and 242 of the Companies Act, 2013.
20. In view of the foregoing discussion, findings, and observations made hereinabove, this Tribunal is of the considered opinion that the present Company Petition is devoid of merits and does not warrant any interference under Sections 241 and 242 of the Companies Act, 2013.
21. Accordingly, the **Company Petition bearing C.P. No. 51 of 2019** stands **dismissed**. There shall be no order as to costs.
22. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

— S.D. —

**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**

Jeel/LRA

— S.D. —

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**