



**THE NATIONAL COMPANY LAW TRIBUNAL**

**MUMBAI BENCH-I**

**CP 82 of 2020**

*In the matter of the Companies Act, 2013*

*under Sections 241,242 and 244;*

*And*

*In the matter of;*

**MADHAV SHRIDHAR DANDAVATE**

... Petitioner

*Versus*

**URJA NIYOJAN PVT. LTD. & ORS**

.... Respondents

***Order Pronounced on 03.06.2026***

*Coram :*

**Shri Prabhat Kumar**

Hon'ble Member (Technical)

**Shri Sushil Mahadeorao Kochey**

Hon'ble Member (Judicial)

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***Appearances:***

For the Applicant : Ritvij Atul Kale

For the Respondent : CS Ajay Antarkar

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**ORDER**

**Background of the case**

1. The present Company Petition has been filed under Sections 241, 242 and 244 of the Companies Act, 2013 by **Mr. Madhav Shridhar Dandavate** (hereinafter referred to as "the Petitioner"), who is stated to be a Director, Promoter, Subscriber and Shareholder of **Urja Niyojan Private Limited** (hereinafter



referred to as “Respondent No. 1 Company” / “the Company”), against **Mrs. Beena Sanjeev Kadekar** (hereinafter referred to as “Respondent No. 2”) and **Mr. Sanjeev Vinayak Kadekar** (hereinafter referred to as “Respondent No. 3”), alleging various arbitrary, oppressive and prejudicial acts on the part of Respondent Nos. 2 and 3 resulting in mismanagement of the affairs and business of Respondent No. 1 Company, and seeking appropriate reliefs in that regard. The Petitioner is residing at Flat No. 23, Building A-4, Ishan Nagari, Near Chaitanya Nagari, Warje Naka, Warje, Pune – 411058.

2. Respondent No. 1 is a non-government unlisted private company limited by shares, incorporated under the provisions of the Companies Act, 2013, bearing CIN: U40300PN2014PTC153365, and having its registered office at Flat No. A-4/23, Ishan Nagari, Survey No. 131/1/1/1, Warje, Pune – 411052. The Company was incorporated, inter alia, with the main object of carrying on the business of generation of electrical power.
3. It is stated that the authorised share capital of Respondent No. 1 Company is Rs. 5,00,000/- divided into 50,000 equity shares of Rs. 10/- each, whereas the issued, subscribed and paid-up share capital of the Company is Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each, fully paid-up.
4. Respondent No. 2 is stated to be an Indian inhabitant, shareholder and Director of Respondent No. 1 Company, residing at 15, Mandar Society, Near Padmavati Temple, Sahakar Nagar No. 2, Pune – 411009. Respondent No. 3 was the lawfully wedded husband of Respondent No. 2 till his death.
5. The Petitioner, namely Mr. Madhav Shridhar Dandavate (DIN: 06968331), and Respondent No. 2, namely Mrs. Beena Sanjeev Kadekar (DIN: 06968320), were the subscribers to the Memorandum of Association of Respondent No. 1 Company and are stated to be shareholders holding 5,000 equity shares each of Rs. 10/- each. It is further stated that both the Petitioner and Respondent No. 2 have been acting as the first Directors of the Company since its incorporation on 09.12.2014.
6. During the pendency of the present Petition, Respondent No. 3 expired. Consequently, upon an application being moved in that regard, this Tribunal,



vide order dated 11.10.2024, permitted amendment of the cause title and deletion of the name of Respondent No. 3 from the array of parties.

**Submissions of the Applicant:**

7. The Petitioner has stated that Respondent No. 3 came into contact with the Petitioner through a common acquaintance and represented that he was engaged in the business of real estate and had accumulated substantial funds therein. It is averred that Respondent No. 3 informed the Petitioner that, owing to a slowdown in the real estate market, he was exploring viable business opportunities for investment of his funds. The Petitioner has further stated that Respondent No. 3 expressed willingness to invest an amount of up to Rs. 75,00,000/- in the proposed business venture, considering the Petitioner's knowledge and expertise in the relevant business activities. It was allegedly proposed that a private limited company be incorporated wherein the Petitioner and Respondent No. 3 would each hold 50% stake in the capital of the Company.
8. It is the case of the Petitioner that thereafter Respondent Nos. 2 and 3 jointly met the Petitioner for final discussions, pursuant to which it was agreed to incorporate a private limited company. However, at the time of incorporation, Respondent No. 3 allegedly represented that, in his place, Respondent No. 2, being his wife, would act as subscriber, promoter and director of the proposed company. Accordingly, Respondent No. 1 Company came to be incorporated.
9. The Petitioner has further averred that Respondent Nos. 2 and 3 informed him that their funds were temporarily blocked in certain real estate properties and that the promised investment would be infused immediately upon liquidation of such properties.
10. It is stated that a bank account of Respondent No. 1 Company was opened with Bank of Maharashtra for carrying on the business operations of the Company. According to the Petitioner, until he started demanding repayment of loans allegedly advanced to Respondent Nos. 2 and 3 and insisted upon infusion of funds as earlier promised, there was no obstruction caused by the Respondents



- in the operation of the bank account. It is further stated that bank statements were regularly shared with Respondent No. 2 through e-mail communications.
11. The Petitioner has further contended that Respondent No. 2 received remuneration from time to time as reflected in the financial statements of the Company, which were allegedly forwarded to the Respondents on several occasions. It is stated that such remuneration was paid up to the financial year ending on 31.03.2018. According to the Petitioner, from April 2018 onwards, disputes arose between the parties, and the Respondents ceased participating in the business activities of the Company and, instead, allegedly acted contrary to the interests of the Company. Consequently, the Petitioner contends that the Respondents were not entitled to any remuneration thereafter and no such remuneration was provided in the accounts of the Company.
  12. It is further alleged that between October 2017 and February 2018, Respondent Nos. 2 and 3 obtained loans aggregating to Rs. 7,15,000/- from Respondent No. 1 Company and also borrowed amounts from the Petitioner personally.
  13. The Petitioner has alleged that although Respondent Nos. 2 and 3 had assured infusion of substantial funds into the business of the Company, they failed to honour the said commitment, compelling the Petitioner to infuse his own funds into the Company. It is stated that, as reflected in the Balance Sheet as on 31.03.2016 duly signed by the Petitioner and Respondent No. 2, unsecured loans amounting to Rs. 4,86,396/- had been advanced by the Petitioner and his wife, whereas no funds had allegedly been infused by the Respondents.
  14. The Petitioner has stated that during February–March 2018, he demanded repayment of the amounts allegedly advanced to the Respondents and further called upon them to invest funds in the Company in terms of their earlier assurances.
  15. It is the case of the Petitioner that, in order to avoid repayment of the alleged loans, Respondent No. 3 started raising claims for substantial amounts purportedly incurred towards the business of the Company. The Petitioner has alleged that Respondent No. 3 exerted pressure upon him to procure loans from financial institutions in the name of the Company and to stand as borrower or



guarantor for the same. The Petitioner states that he denied such requests and refused to undertake any such liability. It is further stated that, as on 31.03.2018, loans advanced by the Petitioner and his wife to the Company amounted to Rs. 11,06,989/-. According to the Petitioner, the Company was facing severe financial constraints, and accordingly, by e-mail dated 02.04.2018, the Respondents were informed that due to lack of funds and failure of the Respondents to infuse capital, the Company would be unable to execute pending work orders.

16. The Petitioner has further stated that Respondent No. 2 suggested that outside investors be brought into the Company. However, the Petitioner did not accept the said proposal on the ground that it was not commercially feasible considering the time involved and the experience of the Petitioner with the Respondents.
17. The Petitioner has alleged that Respondent Nos. 2 and 3 collected a cheque dated 15.05.2018 for an amount of Rs. 6,32,381/-, issued by a client of the Company, and wrongfully withheld the said cheque without depositing the same into the Company's bank account.
18. The Petitioner has alleged that Respondent Nos. 2 and 3 acted in breach of their fiduciary duties and lacked probity and good conscience in the management of the affairs of the Company. According to the Petitioner, the Respondents continuously acted against the interests of the Company and created obstacles in its business operations. The Petitioner has further averred that while he was pursuing release of pending payments from Pune Municipal Corporation, he was verbally informed that the Respondents had instructed the said authority not to release payments to the Company on the ground that disputes existed regarding the affairs of the Company.
19. The Petitioner has submitted that the Respondents neither infused the promised funds into the Company nor repaid the alleged loans taken from the Company. It is further alleged that the Respondents attempted to extract monies from the Company by raising false and baseless demands and additionally interfered with the release of legitimate dues payable by Pune Municipal Corporation.



According to the Petitioner, such acts are oppressive, prejudicial to the interests of the Company and its shareholders, and in breach of the fiduciary obligations expected from Respondent No. 2 in her capacity as Director.

20. The Petitioner has further stated that Board Meetings were convened on several occasions for smooth functioning of the Company and for statutory compliances; however, Respondent No. 2, allegedly acting under the influence of Respondent No. 3, deliberately avoided attending such meetings.
21. The Petitioner has stated that on 01.06.2018 he received an e-mail from the bankers of the Company enclosing a copy of a communication addressed by Respondent No. 2 to the bank. By the said communication, the bankers informed the Petitioner that the Company's account had been frozen. According to the Petitioner, Respondent No. 2 had informed the bank that disputes had arisen between the Directors and instructed the bank not to honour cheques issued by the Company unless signed by her. Respondent No. 2 had also sought copies of resolutions pertaining to operation of the bank account.
22. It is further stated that on 02.05.2019 the Company received a communication from the Chief Engineer (Electrical), Pune Municipal Corporation, stating that due to a letter issued by Respondent No. 3 claiming to act as Director of the Company, the Corporation was unable to process payment of the Company's pending bills.
23. The Petitioner has further stated that two Board Meetings were convened pursuant to notices both dated 16.10.2018 proposing meetings on 27.10.2018 at 10:00 a.m. and 11:00 a.m. respectively, inter alia, for approval of Annual Accounts for the financial years ending 31.03.2017 and 31.03.2018. However, Respondent No. 2 allegedly failed to attend the said meetings and instead issued a legal notice dated 27.10.2018 through her advocate making various allegations against the Petitioner.
24. The Petitioner has further averred that, with a view to complete statutory compliances and safeguard the interests of the Company, he again convened two Board Meetings proposed to be held on 10.04.2019 at 11:00 a.m. and 1:00 p.m. pursuant to notices dated 30.03.2019. It is stated that the said meetings



were convened, inter alia, for approval of Annual Accounts for the financial years ending 31.03.2017 and 31.03.2018. However, the Respondents allegedly refused to accept the said notices. Consequently, statutory compliances including finalisation of accounts and annual filings with the Ministry of Corporate Affairs could not be completed. It is further stated that the Company failed to file its Annual Accounts and Annual Returns for the aforesaid financial years and consequently received notice dated 15.07.2019 from the Registrar of Companies, Pune in Form STK-1 proposing striking off of the Company's name from the Register of Companies.

25. The Petitioner has further stated that on 24.06.2019 the Company received a communication from Sant Sopankaka Sahakari Bank Ltd. disclosing that Respondent No. 2 had opened a separate bank account in the name of Respondent No. 1 Company at its Market Yard Branch, Pune on 14.11.2018. According to the Petitioner, the said act came to light only upon receipt of correspondence from the bank at the registered office of the Company. The Petitioner alleges that Respondent Nos. 2 and 3 acted in collusion in opening the said account for their personal benefit.
26. The Petitioner has contended that due to the omissions and commissions of the Respondents, particularly the alleged breach of fiduciary duties by Respondent No. 2, the Petitioner alone was compelled to manage and conduct the affairs of the Company. It is further alleged that the Respondents insisted that loans advanced by Respondent No. 3 be removed from the balance sheet of the Company, which according to the Petitioner was contrary to law and detrimental to the interests of the Company.
27. The Petitioner has alleged that due to the acts and conduct of Respondent Nos. 2 and 3, the business and affairs of Respondent No. 1 Company have suffered substantially and the Petitioner has been subjected to oppression and mismanagement in relation to the affairs of the Company.
28. The Petitioner has further stated that since the shareholding of the Company is equally divided between the Petitioner and Respondent No. 2, and both are the only Directors of the Company, disputes between them have resulted in



complete deadlock in the management and affairs of the Company, thereby bringing the business operations of the Company to a standstill. It is alleged that Respondent No. 2, acting at the behest of Respondent No. 3, has acted without probity and in a manner prejudicial to the interests of the Company by withholding dues of the Company, issuing diversion letters to customers, opening bank accounts unauthorisedly, and refusing to sign documents necessary for statutory compliances including annual filings before the Ministry of Corporate Affairs. The Petitioner has apprehended that the Company is at risk of being struck off by the Registrar of Companies, resulting in complete cessation of its business activities and loss of goodwill.

29. The Petitioner has further contended that since Respondent No. 2 holds 50% shareholding and is also a Director on the Board of the Company, she has effectively obstructed the Petitioner from initiating legal proceedings for recovery of dues payable to the Company by its customers and by Respondent No. 3. According to the Petitioner, any legal proceedings on behalf of the Company require a Board Resolution, and Respondent No. 2 has deliberately avoided participation in Board Meetings to prevent such action, thereby allegedly acting for personal gain and to the detriment of the Company and the Petitioner.
30. The Petitioner has further alleged that Respondent No. 2, by withholding cooperation and refusing approval of the financial statements of the Company from the financial year ending 31.03.2017 onwards, sought to coerce the Petitioner into waiving or deleting loans allegedly taken by Respondent No. 3 from the Company. According to the Petitioner, the aforesaid conduct has resulted in complete deadlock in the affairs and management of the Company.
31. In the aforesaid circumstances, the Petitioner has sought various final and interim reliefs in the present Petition.

*A. That this Hon'ble Tribunal be pleased to direct the Respondent no. 2 to transfer her entire shares in the capital of the company to Petitioner or his nominee (to avoid company being of single shareholder) at the value as*



*may be determined by this Hon'ble Tribunal by appointing competent valuer.*

*B. That the acts of Respondent Nos. 2 and 3 of withholding of funds of Respondent No. 1 company and demand of it's waiver be declared as oppressive and against the interest of the company and they be directed to jointly and severally repay the amount of Respondent No. 1 Company with interest @12% p.a. from the date of loan till the date of realization to the said Company*

*C. That the Respondent No. 2 be removed as Director of the said Company on and from the date of order passed by this Hon'ble Tribunal and the Petitioner be authorized to file necessary form on MCA portal for Respondent No. 2 ceasing to be Director of the said Company;*

*D. That this Hon'ble Tribunal be pleased to pass appropriate orders for management of the affairs of the company in case the relief as prayed in clause B and D are not granted.*

### 32. Interim Prayers:

PENDING FINAL HEARING the Hon'ble Tribunal may be pleased to grant following prayers as interim prayers:

*i) Appoint interim Administrator for calling, convening and holding the Board Meeting of the said Company and for signing papers, documents, Statements as may be approved in the said meeting for completing the Statutory compliances of the said Company viz.*

*A. Approval of Annual Accounts for 31/03/2017, 31/03/2018 and 31/03/2019;*

*B. the year ended Signing of Annual Accounts and Annual Returns for the said years and for submissions of the same to Ministry of Corporate Affairs;*

*C. For approval of actions to be taken for recovery of dues of the said company from it's customers including Pune.*



33. It is pertinent to note that the present Company Petition came to be amended by the Petitioner pursuant to liberty granted by this Tribunal vide order dated 28.03.2025. By way of the said amendment, the Petitioner incorporated an additional relief in the Company Petition.

*C1. That this Hon'ble Tribunal may kindly direct Respondent No. 2 to pay the appropriate Statutory Authorities, the actual costs incurred for filing of the returns along with interest and penalty if any on behalf of Respondent No. 1 Company, and any such other costs incurred for reviving Respondent No. 1 by way of making monetary payments*

### **Analysis and Decision**

34. It is observed that the present Company Petition was instituted in the year 2020. The Respondents were granted several opportunities by this Tribunal to enter appearance and file their reply to the Company Petition as well as the amended Company Petition. However, despite repeated opportunities, the Respondents failed to appear and file their pleadings. Consequently, vide order dated 26.09.2025, the right of the Respondents to file reply came to be closed and the matter was directed to proceed ex parte against them.

35. Vide order dated 07.11.2025, this Tribunal noted that

*There is non-co-operation on part of Respondent No. 2 and there seems to be dead lock between both the group causing serious prejudice to the interest of the Respondent Company as well as its members. Accordingly, we are of considered view that the parties be allowed to buy out other.*

36. Vide order dated 07.11.2025, this Tribunal considered it appropriate to appoint a Registered Valuer for determination of the fair value of the shares of Respondent No. 1 Company. Initially, this Tribunal had appointed Mr. Niranjana Sridharan Kumar as the Registered Valuer. However, owing to his pre-occupation, he expressed his unwillingness to undertake the said assignment. Consequently, this Tribunal appointed Mr. Amod Sharad Vaze, having office at B4, 2nd Floor, Ghodke Classic, Prabhat Road, Pune – 411004, E-mail: amod@sharadvaze.in, IBBI Registration No. IBBI/RV/06/2019/11825, Mobile



No. 9850501948, to carry out the valuation process of the shares of Respondent No. 1 Company.

37. The learned Counsel appearing for the Petitioner has placed on record, by way of Memo, the Valuation Report dated 31.12.2025 submitted by the Registered Valuer appointed by this Tribunal. The said Valuation Report states as under:

*10. OPINION OF VALUE OF THE BUSINESS Based on the Analysis of the business of the Company, in our assessment, the equity shareholders value as at 31st December 2025 is negative 70,08,779. Hence the fair value of equity of the company is zero.*

38. Thereafter, vide order dated 27.03.2026, this Tribunal directed that

*2. The Court officer is directed to issue notice to the Respondent No. 2 requiring them to enter appearance. It may be noted by the Respondent No. 2 that in case they fail to appear on the next date, the contempt proceeding shall be initiated. Further, the Petitioner is also directed to serve a copy of this order upon Respondent No. 2 for their compliance.*

*3. In the meanwhile, the Petitioner may inform this Tribunal, whether they are ready to buy out the Respondent on 'as is where is and what is' basis at zero (0) value*

39. The Court Officer reported successful service of notice upon Respondent No. 2. However, despite service, none appeared on behalf of the Respondents on the subsequent dates of hearing. Thereafter, on the next date of hearing i.e. 08.05.2026, the learned Counsel for the Petitioner submitted before this Tribunal that the Petitioner is willing to buy out the shareholding of the Respondents at the value determined by the Registered Valuer. In this regard, the learned Counsel for the Petitioner also placed on record a proposal dated 06.05.2026 expressing the Petitioner's willingness to purchase the shares of the Respondents in Respondent No. 1 Company.

40. It is pertinent to note that the parties had, at various stages, explored the possibility of an amicable settlement of the disputes inter se. However, it



appears that subsequent to the demise of Respondent No. 3, the settlement talks did not materialise and ultimately stood stalled.

41. It is relevant to refer the decision of Hon'ble Supreme Court in the case of **Ram Parshotam Mittal Vs. Hotel Queen Road Pvt. Ltd. (2019) 20 SCC 326** , wherein it held that *oppression would be made out –*

- (a) *Where the conduct is harsh, burdensome and wrong.*
- (b) *Where the conduct is mala fide and is for a collateral purpose where although the ultimate objective may be in the interest of the company, the immediate purpose would result in an advantage for some shareholders visavis the others.*
- (c) *The action is against probity and good conduct.*
- (d) *The oppressive act complained of may be fully permissible under law but may yet be oppressive and, therefore, the test as to whether an action is oppressive or not is not based on whether it is legally permissible or not since even if legally permissible, if the action is otherwise against probity, good conduct or is burdensome, harsh or wrong or is mala fide or for a collateral purpose, it would amount to oppression under [Sections 397](#) and [398](#).*
- (e) *Once conduct is found to be oppressive under [Sections 397](#) and [398](#), the discretionary power given to the Company Law Board under [Section 402](#) to set right, remedy or put an end to such oppression is very wide.*
- (f) *As to what are facts which would give rise to or constitute oppression is basically a question of fact and, therefore, whether an act is oppressive or not is fundamentally/basically a question of fact.”*

42. It is observed that the conduct of the Respondents in the present proceedings itself has not been co-operative and there has been no effort on side of respondents even to attend the present proceedings. This attitude substantiates the allegations made by the petitioner in relation to conduct of the Respondents in carrying the affairs of Respondent Company leading to complete deadlock in



the management of the affairs resulting into violations of statutory provisions under companies act and other laws. Further the opening of another bank account in the name of respondent company by respondent no 2 and 3, communication with the regular banker to freeze the regular bank account and collection of company's receivables directly from the customers to the exclusion of the respondent company and the retention thereof are the acts which are certainly against probity and good conduct. It is also noted that respondent no 2 has not returned the amount withdrawn from the company's account also and she had failed to recover the amount advanced to her husband/Respondent 3 by the company. Further unwillingness of he respondent no 2 to attend board meetings and general meetings has caused ab impasse leading to company's breakdown as holding a meeting has become an impossibility due to insufficiency of the quorum. All these acts cumulatively tantamount to act of oppression which are not only prejudicial to interest of the company but also to the interest of its members and creditors.

43. The Hon'ble Supreme Court in case of *Tata Consultancy Services Limited vs Cyrus Investments Pvt Ltd. AIR ONLINE 2021 SC 179* held that one of the recognised grounds for invoking the "just and equitable" principle is the existence of a "functional deadlock" in the affairs and management of the company. The Hon'ble Supreme Court has further held that another category of cases pertains to companies in the nature of quasi-partnerships, where there is an irretrievable breakdown of trust and confidence between the participating members. It has been observed that, in cases involving complete functional deadlock, winding up of the company may be justified irrespective of whether the company is in the nature of a quasi-partnership or otherwise. However, in cases falling within the second category, namely quasi-partnership companies, an irretrievable breakdown of mutual trust and confidence between the parties may itself constitute sufficient ground, even in the absence of a complete functional deadlock. Further, the Hon'ble Supreme Court in this case also said that *the object cannot be to provide a remedy worse than the disease. The object*



*should be to put an end to the matters complained of and not to put an end to the company itself, forsaking the interests of other stakeholders.*

44. In case of ***M.S.D. Chandrasekar Raja vs. Jayabharath Textiles Pvt. Ltd. And Ors. [2017 (SCC Online NCLT 7338)]***, it was held that –

*“15. In a similarly situated facts and circumstances, the Hon'ble Supreme Court of India in **M.S.D.C. Radharamanan v. M.S.D. Chandrasekara Raja**, reported in (2008) 143 com cases 97 (SC), has arrived at a conclusion that the ground of lack of mutual trust and confidence cannot be taken into consideration in isolation, and the same has to be considered having regard to large number of other factors, the cumulative effect thereof would be extremely significant to arrive at one or other conclusion. It is necessary to mention here that in the above noted case, the then Company Law Board concluded that there has been dead lock in the affairs of the company and it was opined that it would be impossible for both the parties to pull up together as there was incompatibility between them, and the Respondent was directed to purchase the shares of the Petitioner failing which the Petitioner was directed to purchase the shares of the Respondent. The opinion formed by the then Company Law Board was upheld by the Hon'ble High Court and the Hon'ble Apex Court.”*

45. In the present case, it is an admitted position that the Petitioner holds 50% of the equity shareholding in Respondent No. 1 Company and Respondent No. 2 also holds the remaining 50% equity shareholding therein. It is further noted that both the parties have one Director each on the Board of Directors of the Respondent Company. The aforesaid position clearly demonstrates the existence of a complete functional deadlock in the affairs and management of the Company.

46. Further, having regard to the allegations and circumstances brought on record in the present Petition, this Tribunal is of the considered view that there has been an irretrievable breakdown of trust and confidence between the participating members of the Company. The disputes between the parties have rendered



smooth functioning and management of the Company impossible and have brought the affairs of the Company to a complete standstill.

47. Though it is fit case for winding up the affairs of the company on just and equitable ground, however such winding up order would unfairly prejudice the petitioner, who has offered to restore the business operations of the Company and re-establish its market standing contending that he possesses the necessary industry experience, goodwill, and professional capability. It is noted that the petitioner has offered to acquire 100% shareholding of Respondent No. 2 in the Company at Nil value, being the value considered as fair value by the registered valuer in view of the negative networth.

48. Section 242 of the Companies Act, 2013 provides that where an application is made under Section 241 by a member eligible to apply under Section 244, and the Tribunal is of the opinion that the affairs of the company have been conducted or are being conducted in a manner prejudicial to public interest or in a manner oppressive or prejudicial to any member or members or to the interests of the company, the Tribunal is empowered to pass such orders as it may deem fit with a view to bringing an end to the matters complained of.

49. For ready reference, Section 242(2) of the Companies Act, 2013, inter alia, provides as under:—

“242. Powers of Tribunal.—

...

(2) Without prejudice to the generality of the powers under sub-section (1), an order under that sub-section may provide for—

(a) the regulation of conduct of affairs of the company in future;

(b) the purchase of shares or interests of any members of the company by other members thereof or by the company;”

50. In view of the aforesaid facts and circumstances, and in exercise of powers conferred under Section 242 of the Companies Act, 2013, this Tribunal considers it just, equitable and appropriate to direct that respondent no 2 shall transfer her entire shareholding in the respondent company at Nil value and execute the necessary form for registration of said transfer in the records of the



company. Further respondent no 2 shall cease to be the director of the respondent company on expiry of 30 days from the date of this order without any further requirement in case she fails to communicate her formal resignation to the respondent company within 30 days of the date of this order and file the same with the MCA. It is further made clear that petitioner shall be entitled to register the transfer of the shares standing in the name of respondent 2 in his or his nominees name on the expiry of 30 days from the date of this order in case respondent no 2 fails to execute necessary forms in relation to said transfer of shares within 30 days.

51. As regards composition fees payable to the MCA to regularise the past non-filing under proposed scheme, we make it clear that the respondent no 2 will be liable to pay 50% of the composition fees to the company and the said payment shall be made within 7 days from the date of communication of estimated composition fees payable, failing which the amount so due shall be recoverable from respondent no 2 as decretal amount along with interest at the rate of 12% per annum.
52. Needless to say, the Petitioner shall be at liberty to initiate appropriate legal proceedings in accordance with law for recovery of loans, advances and any amounts alleged to have been misappropriated from Respondent No. 1 Company against any person.
53. In terms of the above, The Company Petition 82 of 2020 is **allowed** and **disposed of**.

Sd/-

**Prabhat Kumar**

Member (Technical)

Vijay Andhale

Sd/-

**Sushil Mahadeorao Kochey**

Member (Judicial)