NATIONAL COMPANY LAW TRIBUNAL

CUTTACK BENCH

CP No. 61/CB/2022

AND

IA (Companies Act) No. 34/CB/2025

IN

CP No. 61/CB/2022

AND

CA No. 11/CB/2025

(An Application filed under Section 241-242 of Companies Act, 2013, read with Rule 11 of the NCLT Rules, 2016)

IN THE MATTER OF:

AJAY SOMANI
S/o-Mr. Radheshyam Somani,
R/o Bhagwati Villa, Street No. 03,
Zone 01, New Adarsh Nagar,
Maharaja Chowk, Durg,
Chhattisgarh - 491001
E-mail: ajay.somani@psac.co.in

..... **PETITIONER NO.1**

PRADEEP PAL
Son of Lt. Mr. R.N. Pal
R/o B-5 Central Avenue, Smriti Nagar,
Bhilai, Chhattisgarh- 490020
E-mail : pradeep.pal@psac.co.in

..... **PETITIONER NO.2**

-Vs-

SPARSH MULTISPECIALITY HOSPITAL PRIVATE LIMITED
Having its registered office at:
Ward No.6, Contractor Colony,
Dewarpara, Supela, Bhilai (C.G)- 490023
Email: info@sparshbhilai.com

.... **RESPONDENT NO.1**

DR. DEEPAK KUMAR VERMA,
Managing Director,
DIN- 06635297
Surya Kiran, Beside Kanha Park,
Housing Board Road, Shikshak Nagar,
Kohka, Bhilai (C.G.)- 490020
E-mail : dvbhilai@gmail.com

.... **RESPONDENT NO.2**

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DR. SANJAY GOYAL,
Director & Medical Superintendent, DIN, 06634450
Block No. 49, Plot No. 15,
Nehru Nagar (East),
Bhilai, Chhattisgarh – 490020
E-mail : goyalsanjay1975@gmail.com.

.... **RESPONDENT NO.3**

DR. VINOD KUMAR SINGH,
Director, DIN- 05199603,
Having office at Ward No.6,
Contractor Colony, Dewarpara,
Supela, Bhilai (C.G)- 490023
E-mail : call2vinod@gmail.com

.... **RESPONDENT NO.4**

DR. CHETNA GUPTA
House No. 44/1052, Kanchan Ganga,
Phase-1, Dindayal Upadhyay Nagar,
Raipur (C.G.)- 492001
E-mail : ashutosh_onco@yahoo.com

.... **RESPONDENT NO.5**

DR.. UJJAWALA CHANDRAKAR
C/o Dr. Sandeep Chandrakar,
Govt. Medical College Residential Quarter,
Raipur (C.G.)- 492001
E-mail : drsandeepchandrakar@hotmail.com

.... **RESPONDENT NO.6**

DR. DEEPAK KOTHARI
C/o. Kothari Nursing Home,
Sanichari Bazaar Road, Apapura,
Durg (C.G.) -491001
E-mail : drdeepak15@gmail.com

.... **RESPONDENT NO.7**

DR. ANOOP GUPTA,
Shri Siddhivinayak Clinic,
Ethiraj Towar, G.E. Road, Supela, Bhilai
C.G- 490023
E-mail : anoop2_gupta@rediffmail.com

.... **RESPONDENT NO.8**

SHIMPY GOYAL
Block No. 49, Plot No. 15,
Nehru Nagar (East),
Bhilai, Chhattisgarh – 490020
E-mail : shimpys@gmail.com

.... **RESPONDENT NO.9**

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NAMRATA SINGH
Flat No.- 302, Block No. 14,
Ashoka Ratan, Shankar nagar, Raipur (C.G.), 492001
E-mail : singh. vinod@hotmail.com

.... **RESPONDENT NO.10**

POONAM VERMA
Surya Kiran, Beside Kanha Park,
Housing Board Road, Shikshak Nagar,
Kohka, Bhilai (C.G) – 490020
E-mail : drsachan@yahoo.co.in

.... **RESPONDENT NO.11**

DR. ADARSH TRIVEDI
Lily – 396, Talpuri International Colony,
Bhilai, (C.G.) 490006
Email-atrivedi69@gmail.com

.... **RESPONDENT NO.12**

DR. JAY TIWARI
B-52, Chauhan Town, Junwani Road,
Bhilai, (C.G) – 490020
Email : jktbhilai@yahoo.co.in

.... **RESPONDENT NO.13**

MANJULA TRIPATHI
Quarter No.- 1 A, Street No. SPA,
Sector-9, Bhilai (C.G.) – 490006
Email: arunmanjula.1@gmail.com

.... **RESPONDENT NO.14**

DR.. AHISH JAIN,
Ojaswi Clinic, Azad Market,
Pragati Nagar Road, Risali, Bhilai
(C.G.)- 490006
Email: drashishjain24@gmail.com

.... **RESPONDENT NO.15**

CORAM: CHEEKATI RADHA KRISHNA, MEMBER (JUDICIAL)
BANWARI LAL MEENA, MEMBER (TECHNICAL)

APPEARANCE:

FOR THE APPLICANT: **MR. ABHINAV KARDEKAR, ADV.**
MR. AYUSH SINGH SOLANKI, ADV.
FOR THE RESPONDENT: **MR. SASWAT KUMAR ACHARYA, ADV.**
MR. DHIREN CHAUDHURY, ADV.

DATE OF PRONOUNCEMENT: 13.07.2026

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ORDER

PER: BANWARI LAL MEENA, MEMBER(TECHNICAL):

1. The Petitioners have instituted the present petition i.e. CP No.61/CB/2022 under Sections 210(2), 213, 221, 241 and 242 of the Companies Act, 2013 alleging acts of oppression and mismanagement in the affairs of Respondent No. 1 Company by Respondents especially Nos. 2 and 3, who are stated to be majority shareholders and in effective control of the management of the Company.

CP No.61/CB/2022

SUMMARY OF THE AVERMENTS MADE BY THE PETITIONERS IN CP No.61/CB/2022.

2. The Petitioners contend that Respondent Nos. 2 and 3 have been managing the day-to-day affairs of the Company and Hospital in a fraudulent, arbitrary, non-compliant and unethical manner. According to the Petitioners, the Respondents deliberately failed to establish a proper billing mechanism and standard schedule of charges, resulting in arbitrary billing of patients and consequent financial loss to the Company. It is further alleged that such billing irregularities were also noticed by the Statutory Auditors of the Company and reflected in their audit observations which were presented through PPT during the AGM held on 27.09.2022.

3. The Petitioners further allege that Respondent Nos. 2 and 3 engaged in financial irregularities relating to beneficiaries under the Ayushman Scheme by collecting cash amounts from the beneficiaries of Ayushman Bharat Scheme with the intention of taking undue advantage at the cost of the company and its members. It is averred that conduct attracted scrutiny from the District Administration and Health Authorities, resulting in directions from the Ld. Collector and

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Supervising Officer, Durg (C.G.) vide order dated 06.11.2021 directing to refund Rs.1,81,462/- and the same was refunded by the management The Petitioners has also submitted that notice was also issued by Office of Chief Medical Officer, Durg (C.G.) in regard to complaints regarding charging of medical bill in cash over the Ayushman limit.

4. It is also alleged that the Respondents siphoned off funds of the Company by receiving cash payments outside the books of account. The Petitioners contend that contrary to the ethical regulations governing medical professionals i.e. Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations,2022 referral fee/commission are being paid to outside doctors/medical practitioners and the same is also not being reflected in the books of accounts and that substantial withdrawals were made in the names of third-party doctors without authorization of the Company leading to diversion and misappropriation of Company funds.

5. It is pleaded that Respondent Nos. 2 and 3 habitually mistreated employees, consultants and medical professionals associated with the Hospital, resulting in resignation of several doctors and consultants and consequent adverse impact on the functioning and revenue of the Hospital. Particular reference is made to the departure of Dr. Rajeev Kaura, Dr Kriti Kaura, Dr Namrata Bhusari, Dr Sandip Thute and Dr. Jai Tiwari who left the hospital allegedly due to the conduct of the Respondents. and also transferred their shares to the existing shareholders *(No affidavits or documents attached to substantiate the reasons for their departure)*. The Petitioner has also submitted that On Dr.S.N.Singh (Former Executive Director, Personnel & Administration, SAIL) who was engaged as a consultant for training of Employees had to discontinue his assignment because of the ill treatment.

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6. The Petitioners further allege that Respondent Nos. 2 and 3 attempted to coerce one Dr. Ashish Jain into making false statements against the Petitioners in relation to an incident dated 11.10.2022, with a view to remove the Petitioners from the management of the Company and compel them to divest their shareholding. Reliance is placed on a transcript of a telephonic conversation between Dr. Asish Jain & R3 and on a subsequent affidavit purportedly executed by the said doctor stating that his earlier statement had been obtained under pressure and coercion. According to the Petitioners, such conduct evidenced abuse of majority power and oppression of minority shareholders.

7. The Petitioners also challenge the legality of a Board Meeting notice dated 06.11.2022, alleging that the same was issued at short notice without any urgency justifying departure from the statutory requirement of seven days' notice under Section 173(3) of the Companies Act, 2013. It is contended that the Respondents sought to transact multiple agenda items under the guise of urgency which is in violation of Section 173(3) of the Act and the same was objected to by the Applicants through their representation.

8. A further grievance of the Petitioners relates to the proposed appointment of Dr. Adarsh Trivedi as Executive Director of the Company. The Petitioners contend that the proposed appointee was not a Director on the Board of R1 Company and was also employed elsewhere on a full-time basis. It is therefore alleged that the proposed appointment was contrary to the Articles of Association and the provisions governing appointment of Managing Directors and Whole-time Directors.

9. The Petitioners state that despite issuance of a detailed legal notice raising concerns regarding the aforesaid acts of financial irregularity, oppression and mismanagement, the Respondents failed to

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furnish satisfactory explanations and instead continued with the impugned course of conduct.

10. It is further pleaded that substantial funds amounting to approximately ₹2.99 crores were lying in the Company's bank accounts and cash book as on 11.11.2022 and that there existed a reasonable apprehension of misappropriation, diversion or disposal of Company assets by the Respondents. On this basis, the Petitioners seek protection of the Company's assets during the pendency of the proceedings.

SUMMARY OF THE COMMON REPLY DATED 17.01.2023 FILED BY RESPONDENT NO. 2, 3 AND 4:

11. Respondent Nos. 2 to 4 have opposed the Company Petition and have raised preliminary objections regarding its maintainability.

12. The Respondents submit that Respondent No. 1 Company is a healthcare company operating a multi-specialty hospital under the name *Sparsh Multispecialty Hospital*. It is their case that the Company was initially established in 2005 by a group of professional doctors as a small paediatric centre and in 2012 investments were made by Respondent Nos. 2 and 3 and subsequently R2 and R3 were made Directors of the Company because of their medical expertise. In 2014 the Respondents along with the help of their shareholders expanded the infrastructure of the R1 company and made it a state of art multi-speciality hospital. In 2018 the promoters, who are professional doctors who had incorporated the Company, decided to liquidate their stake in the Respondent No. 1 Company in the year 2018, and post-liquidation of their stake other members joined the Respondent No. 1 Company as shareholders, and consequently, the composition of the board was also altered.

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13. The Respondents contend that Petitioner No. 1, a Chartered Accountant, had been hired for his professional services during its incorporation and was rendering professional services since then in the fields of finance, taxation and internal audit.

The respondents has submitted that since the Board of directors consisted of majority of doctors as it is a health care company who are experts in their respective medical field, yet are perhaps not well versed and adept at human resources, marketing, branding, accounting, and financial management and allied affairs and therefore the directors in charge of medical affairs of the Respondent No. 1 Company thought that for effective management of the hospital it would probably be convenient and prudent if the human resources, marketing department of the Respondent No. 1 Company is run by the person who is proficient and well versed with the relevant aspects.

14. According to the Respondents, the Petitioner through their partnership firm offered to provide services for taking care of human resources, marketing, branding etc aspect of the hospital and entered into a "CEO Agreement" dated 15.09.2016, by virtue of which the Petitioners, <u>through their partnership firm M/s PSAC & Associates</u>, were entrusted by the Respondent with management of the human resources, marketing and branding functions of the Company for a period of 2 Years for a monthly professional fees of Rs.2,10,000/-. Subsequently the petitioners requested to be inducted in the BoD of the company and because of the long-standing professional relationship and trust gained by the petitioners the BoD decided to appoint Petitioner No.1 as Director *w.e.f* 01.10.2017.

15. It is further contended by the respondents that while the petitioners carried out their work as per the CEO agreement, the petitioners also offered that the financial management and accounting

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affairs of the R1 company may be entrusted to them as they hold expertise in that domain accordingly under a "CFO Agreement" dated 01.04.2019, a company namely Proethic Consultants Private Limited, wherein the Petitioners are directors and majority shareholders, was entrusted with the finance, accounting, treasury, banking, statutory compliance and related functions of the Company. The CFO agreement was valid for a period of 5 Years and a remuneration of Rs. 1,40,000/- per month was payable to Proethic Consultants. The Respondents assert that, as a consequence, the Petitioners exercised complete control over the financial and administrative affairs of the Company. Subsequent to the execution of the CFO agreement the Petitioner No.2 was made director of the R1 Company *w.e.f* 08.09.2021.

16. It is further pleaded that the Company was passing through financial difficulties so much so that for FY 31.03.2017 the R1 Company reported a loss of Rs1.93 Crores and to tackle this financial emergency R2 & R3 had foregone their salaries for a period of 18 months prior to Covid-19 pandemic period in order to pay off the impending EMIs outstanding on behalf of the Company and that Respondent Nos. 2 and 3, being practising doctors, worked extensively during the pandemic, even foregoing their remuneration for a substantial period, and contributed significantly towards the growth and financial turnaround of the Company. The Respondents rely upon various commendations and acknowledgements allegedly received from the Chief Minister of Chhattisgarh, Health Minister of Chhattisgarh and stakeholders in support of this assertion.

17. The Respondents submit that it is due to the incessant efforts on part of R2 &R3 the R1 company saw a monumental upturn in its financial situation from incurring losses of approximately Rs 2 Crores in FY 2016-17 to generating profit of more than Rs. 5 Crores in FY 2021-2022. The respondents have also relied on letter of appreciation dated

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10.07.2021 issued by the BoD including the Petitioners herein appreciating the work done by R2 and R3.

18. The Respondents have levelled multiple allegations against the Petitioners which are as follows:

a. The Respondents allege that despite having been entrusted with extensive powers and responsibilities relating to the Company's financial and administrative affairs, the Petitioners committed several acts of mismanagement and breach of trust. The respondent allege that the Petitioners have raised of invoice dated 10.10.2020 of Rs. 6,00,000/- through their firm M/s PSAC & Associates under the head 'project finance' on the R1 Company and receiving double remuneration for the same services which is already covered and paid to 'Proethic Consultants' under the CFO agreement under the head of 'Banking & Treasury' leading unjust enrichment of the Petitioners by making the R1 company pay twice for the same task to the entities owned and controlled by the Petitioners.

b. The Petitioners herein were exercising complete control over the finance, accounts, human resources, billing and compliance functions of the Company and in that regard has relied on email communications from 01.09.2020 to 14.11.2022 from Petitioner No. 2 to the R1 company.

c. The respondent has contended that the Petitioners had arranged and got approval for 18 training session of the employees of the Respondent No. 1 Company, which was later, albeit reluctantly, extended to 45 training sessions, however even during the currency and after completion of said sessions, the employees repeatedly expressed their displeasure and redundancy of theoretical training sessions being conducted by Dr. S N Singh to the Board of Directors. It has been pleaded that

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Dr. S N Singh is an employee of Proethic Consultants Private Limited. The employees expressed their opinion that the training sessions were of no use and did little to add to their skill set and hence pleaded with the management to end the same, however since the Petitioners acting through their firm and private limited Company were enriching themselves of additional revenue to the tune of Rs. 20,000/- per month, insisted upon continuance of said futile training sessions and the Petitioner No. 2 even went to the extent of organizing and approving the 47th training session by acting in absolute transgression of the authority vested in him and billed the Respondent No. 1 Company for the same, in spite of having no authority and approval to do the same.

d. It has been further contended that the Petitioners by virtue of the CEO and CFO Agreements were solely in charge of billing, discount, recovery of debts, marketing, cash handling and deposit, apprising the Board about the revenue ratio from hospital and pharmacy operations, banking matters, payment and deposit of provident fund, payment and compliance under GST & PF laws, accounting and tally maintenance, however the Petitioners have time and again failed in discharging their duties as Directors and have further through their partnership firm and private limited Company repeatedly failed in discharging their contractual obligations and have committed breach on multiple counts.

e. The Respondents have alleged that while being in complete control over the accounting department of the R1 Company the Petitioner Deliberately incorrectly reporting the revenue generated from to hospital operations & pharmacy to the Board of the Company as 3:1 and later furnishing revised statement

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showing the actual figures which are totally divergent from the earlier reported ratio of revenue generation i.e. 3:1 from hospital operations & pharmacy and such misrepresentation by the petitioners hindered the growth prospects of the R1 Company.

f. The Petitioners have misused their exclusive control over the Billing Department of the company and have offered huge discounts to their relatives and employees of their firm & company. They have further alleged that the Petitioner's inactions have caused significant hindrances the R1 company in obtaining new businesses including an opportunity to tie up with National Thermal Power Corporation Limited (NTPC) wherein the Petitioner although being in control of the banking affairs of the company deliberately refused to open a new Bank Account in the new name of the R1 Company and failed to share the Digital Signature Certificate of R2 & R3 which was required for filing for Tender Documents leading to delay.

g. The respondents have alleged that the Petitioners was entrusted to recover and realize dues outstanding on the books of the R1 Company instead the Petitioners one of the duties cast upon the was to recover and realize the dues, yet in absolute abomination of their duties the Petitioners wrote off an amount of Rs. 40,52,676/- in the FY 2020- 21 from the books of the Respondent No. 1 Company, which was recoverable by the Company, as bad debts under the Sanjeevani scheme and dengue management services of state government. The Petitioners further wrote off Rs. 8,68,354/- from the books of the respondent No. 1 Company in the FY 2019-20, which was recoverable by the Company from BSNL Ltd.

h. The Private limited Company of the Petitioners was contractually obligated to pay the amount of Provident Fund and

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ensure that all the compliances were done in time, however the private limited Company of the Petitioners used to regularly delay the payment of the provident fund payable by the Respondent No. 1 Company to the authorities, which resulted in levying of heavy pecuniary fines on the Respondent No. 1 Company.

i. The private limited Company of the Petitioners was contractually obligated to comply with GST laws, however it did not pay the amount of GST of the R1 Company for the month of October, 2022 within the stipulated time line, consequently the Respondent No. 1 Company received a notice from the GST department for payment of the pending amount of GST & filing of return and further payment of interest & penalty for the delay, hence exposing the R1 Company & its Board to penal consequences under the provisions of the GST Act.

j. The petitioner's Company in spite of being contractually obligated to share the monthly financial statements, monthly profit & loss account & projected cash flows, deliberately failed to do so and upon being questioned about the discrepancy would always give evasive replies and defer the discussion to the next meeting of the members of the Board.

k. The petitioners were in charge of the billing department and recording of entry of revenue in the books of accounts of the Respondent No. 1 Company was done by them in aggregate and not entered in a patient wise manner, which used to be repeatedly objected by the Respondents. The entries in tally of the Respondent No. 1 Company never used to match with the data punched in HMS, however the Petitioners never paid any heed to the same

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l. The Petitioner who were also in control of the HR department by virtue of the CEO Agreement made make false promises to the employees of the Respondent No. 1 Company, who has had served the patients during the Covid times and was due their reward, assuring them increment in their salaries, however the same used to rarely fructify and resulted in lower employee morale and pushed them towards resigning from the job.

m. Under the CFO agreement the private limited Company of the Petitioners was in charge and accountable for providing monthly license tracker, however the private limited Company of the Petitioners failed in discharging its contractual obligation by failing to regularize the building construction of the Respondent No. 1 Company from town and country planning leading to rejection.

n. The Petitioners responsible for making salary payments delayed in preparation of cheques and releasing of payments to the consultants Doctors working at the hospital in spite of expiry of timeline for the same, and with respect to which representations were received by the BoD in November 2022. It has been further alleged that it has also manipulated the Bank Account Details in the Excel Sheet Prepared by the Respondents for the purpose of disbursal of salary by amending the same and filling up incorrect bank account details of Respondent No. 2 & 3 in salary sheet before submitting the same to HDFC Bank, with the mala fide intent of not making them their due payments and hence jeopardizing the operations of the Company and in that regard a complaint was also made before Additional Superintendent of Police (City) Durg.

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19. It is contended by the Respondents that the CEO agreement dated 15-09-2016 was valid for a period of 2 years, however, by being in charge of finance and accounts department of the R1 Company, the Petitioners even after the expiry of the said agreement are continuing to unjustly enrich themselves of the consideration to the tune of Rs. 1,05,000/- under said expired agreement by billing the R1 Company. It is further alleged that the CFO agreement dated 04.01.2019 in terms of Clause 'C' of the same entitled the Company of the Petitioners to receive a monthly remuneration of Rs.1,40,000/- per month however the the Petitioner company has been billing the R1 Company Rs.2,50,000/- per month leading to unjust enrichment of the Petitioners.

20. The respondents have alleged in their reply that the Petitioners have failed to convene regular Board Meetings as per applicable law which was their responsibility as per the CFO agreement. is contended that in terms of clause 5 of the CFO agreement dated 01-04-2019, Proethic Consultants Private Limited i.e. the Company of the Petitioners, was responsible for all company law related compliances, including but not limited to convening of Board & General Meetings, preparation & circulation of minutes, preparation & sharing of compliance tracker etc and under clause 1 of said Agreement the company was responsible to coordinate with the statutory & tax auditors of the R1 Company. It has been submitted by the respondents that the Board of Directors of the R1 Company had engaged the experts for taking care of the compliance requirements, however the members of the Board were for the very first time apprised by the Petitioners via email on 07.11.2022 that in terms of the provisions of section 173 (1) of the Companies Act, 2013 the Company is required to hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days

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shall intervene between two consecutive meetings of the Board and this exposed the entire Board to the pecuniary liability under the provisions of the Companies Act, 2013 arising out of a default in convening and holding of board meetings, which was the task for which the Company of the Petitioners had been engaged vide the CFO agreement.

It is further submitted that in the email dated 07.11.2022 the Petitioners have alleged that in FY 2022-23 only two board Meetings have been convened on 29.04.2022 & 21.09.2022 however it is alleged by the respondents that upon verification of records it was seen that that no meeting was held on 21.09.2022 , there was no notice convening board meeting, no attendance sheet marking attendance of the members of the Board present at such board meeting.

21. It has been further alleged that the Petitioners vide their WhatsApp communication dated 13.12.2022, falsified the records and manufactured a Board Meeting allegedly held on 21.09.2022 for approval of balance sheet, profit & loss account, annual accounts of the R-1 Company and signing of Directors report for the FY 2021-22 and circulated a draft copy of minutes of the alleged board meeting with the members of the Board. It is alleged that this was done by the Petitioners to right the wrong by falsifying the records of the R-1 Company and attempted to get the balance sheet and director report approved in a clandestine manner by attempting to get the signatures of the Respondents without their knowledge and misleading the other directors who are professional doctors and are not well versed with the procedural matters of Companies Act, 2013.

22. The respondents have alleged that in the draft board minutes shared by the Petitioners on 13-12-2022, multiple resolutions were recorded including approval of balance sheet, annual income and director's report signed by the Respondent No. 2 & 3, even when no such meeting was ever held and such actions on part of the petitioners

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indicate their mala fide intentions. It is further averred that the Respondent No. 2 vide his email dated 19-09-2022 addressed to the Petitioners had enquired regarding the issuance of notice convening AGM for the FY 2021-22 to the shareholders of the R-1 Company and further informed that the notices for AGMs have been issued in very short notice and some of the shareholders had expressed their dissatisfaction for not being properly served notices along with the relevant financial data and in reply to which the Petitioner No. 2 vide his reply email dated 19-09-2022 stated that within 1-2 days they can expect the Statutory Auditor to share the draft Auditors Report and subsequent to the same the AGM notice shall be issued to all the shareholders. On the basis of this the Respondents allege that no board meeting in compliance with the provisions of section 173 of the Companies Act, 2013 could have been held on 21-09-2022 as the Statutory Auditor's Report was yet to be received as on 19.09.2022.

23. The Respondents also contend that the notice convening the Annual General Meeting for the financial year 2021-22 was issued by the Petitioners along with the notice the shareholders received a draft copy of directors' report, balance sheet, profit and loss accounts and notes to accounts and draft of Auditors Report. The notice stated that the AGM was scheduled to be held on 27-09-2022, however in terms of the provisions of section 136 (1) of the Companies Act, 2013, which mandates that the executed copies of the directors report, balance sheet, profit and loss accounts and notes to accounts and Auditors Report must be sent to all the shareholders of the Company, not less than twenty one days before the scheduled date of the AGM. and that shareholders were supplied only draft and unsigned financial statements shortly before the meeting, thereby depriving them of adequate opportunity to scrutinize the Company's financial affairs.

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24. It is submitted by the Respondents that the AGM of the shareholders of the Respondent No. 1 Company held on 27-09-2022 The shareholders protested with the Board that they have not been given a fair opportunity to study the financial statements, as they had only received the draft financials merely five days before the date of the AGM and also protested to the fact that contrary to the terms of CFO agreement, the shareholders had not received the monthly profit & loss account. The shareholders in that meeting also refuted the assertions made by the petitioners that the monthly P/L statement were shared with them and demanded that the Petitioners shall reshare the same, however the same was never done by the Petitioners.

25. It is submitted that the Petitioners in the AGM dated 27.09.2022 proposed a resolution for removal of R-2 & R-3 as Directors and reconstitution of Board and also presented a Power Point presentation which as per the Petitioners were received from the statutory Auditor, however the petitioners failed to show the Board any communication from the Statutory Auditor regarding the PPT. The respondents allege that the PPT presented only had suggestions regarding the medical operations of the company and no suggestions regarding the finance & Accounts department of the Company and upon enquiry by the Board it was asserted by the Petitioners that as per the Statutory Auditors the finance department is is functioning impeccably and has no scope for further improvement.

26. It is submitted that due to lack of sharing of relevant financial information by the Petitioners to the shareholders did not consent to & execute the financial statements of the Respondent No. 1 Company for the FY 2021-22 put forth before them and hence the Respondent No. 2 & 3 did not sign the financial statements. However it is alleged that Petitioner No. 1 unilaterally signed the Balance Sheet, Profit & Loss statement, the notes to accounts & Directors report of the Respondent

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No. 1 Company for the FY 2021-22 and further tried to coerce the Respondents to sign the financial statements, even when they were aware that shareholders had not been shared the desired financial data and that the accounts of the R-1 Company were not consented to & executed at the AGM.

27. It is alleged by the respondents that on 11.10.2022 an unknown person barged into the office of R-3 and tried to extort money and threatened him of dire consequences, subsequently upon inquiry of CCTV footage it was found that the person was known to one Dr. Ashish Jain (Respondent No. 15) who was at that time also a Director of the Company and upon confronting it was admitted by Dr. Ashish Jain that he knew the unknown person and that was trying to use him to create pressure on the respondents to sign the financial statement. He further admitted through hand written dated 17.10.2022 addressed to the Board that he was acting under the instructions of the Petitioner No. 2 who wanted to Dr. Jain to exert pressure on the respondent to sign the financial statement and intents to oust the R-2 and R-3 from the Board of Directors and take over the position of MD. Dr. Jain also resigned from his position of Directorship vide letter dated 15.10.2022 and 17.10.2022 and also tendered unconditional apology to the Board.

28. The R-3 had also filed an FIR on 12.10.2022 against the unknown person and subsequently the person was identified as one Sanjeev Jain and has been arrested. The respondents submits that in view of such incidents the R-3 attempted to convene the Board meeting at a short notice vide E-mail dated 19.10.2022 in order to take cognizance of the resignation of R-15 and the security breaches at the Hospital premises however Petitioner No. 1 vehemently objected to the convening of Board meeting at sorter notice even being aware of the change in circumstances at that time. Subsequently an informal meeting was held of the Board on 20.10.2022 wherein the Board discussed regarding the

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security breach and the involvement of R-15. In the same meeting are to again asked the petitioner to share financial data as demanded by the shareholder at AGM dated 27.09.2022 however the petitioners declined to entertain any other agenda and proposed for a formal Board meeting in the 1st week of November to discuss any other matters.

29. The respondent no. 15 sent an E-mail dated 04.11.2022 to the Board wherein he shared a copy of DIR-11 filed by him unilaterally under his own signature to the ROC Bilaspur conveying his resignation and in light of such receipt and prior consent of the petitioner vide their E-mail dated 19.10.2022 in favour of convening a Board meeting in 1st week of November the respondents again attempted to convene the Board meeting vide its notice dated 06.11.2022 duly supplemented by agenda and notes to agenda on 07.11.2022 however the petitioners vide the E-mail dated 06.11.2022 and 07.11.2022 again objected to the convening a Board meeting. It is alleged by the respondents that such continuous obstructions by the petitioners for convening the Board meeting while being completely aware that the shareholders have been seeking financial data from the Board especially from the petitioners since the date of AGM and the petitioners have been dodging the discussions on the same for want of a formal Board meeting and the fact that on account of the resignation of R-15 who was not only a Director but also a Professional Doctor hence urgent decisions were to be taken for feeling up the vacancy.

30. It is alleged the petitioners vide its E-mail dated 06.11.2022 resisted the convening of Board meeting and vide E-mail dated 07.11.2022 informed the Board that the Company has violated Section 173 of the Companies Act 2013 while being completely aware that it was the petitioners' responsibility to ensure compliance of the Companies Act. It is further alleged that these communications by the petitioners were also marked to R-15 who as on dated of the date of E-

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mail communications where not part of the Board and hence committed breach of trust by sharing confidential information with anyone outside the Board especially someone who have been involved in criminal activities.

31. It is alleged by the respondents that the petitioners in order to evade their duty to share the financial data with the shareholders issued the legal notice dated 07.11.2022 to the Board and also to the shareholders which was received by the shareholders on 08.11.2022. The advance copy of the present petition was also received by the shareholders on 13.11.2022. The shareholders made inquiries with the Board regarding the legal notice and the present petition to which the Board apprised the shareholders that the Board had recently gotten aware that the company of the petitioners who were entrusted with responsibility of statutory compliances vide the CFO agreement have fail to fulfil their duties and have been unjustly enriching themselves and upon being apprised the shareholders vide the letter dated 22.11.2022 directed the Board to take charge of the Finance and Accounts Department of the Company and terminate the CFO Agreement and accordingly the Board terminated the CFO agreement vide E-mail dated 22.11.2022.

32. In response to the termination the respondents sent a legal notice dated 25.11.2022 directing the company of the petitioners to hand over keys, password, accounting records, registers etc. to the company and also demanded the company of the petitioners to refund Rs. 18,70,000/- which was paid to them in excess to what was agreed upon by the CFO agreement but in response to the legal notice expressed their inability and unwillingness to hand over the finance and accounts departments in such a short notice. It is submitted by the respondents that the petitioners also filed a plain for recovery before the Ld. ADJ, Durg against the termination of the CFO agreement but the Ld. Court

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was not inclined to pass any order of injunction against the respondents herein and dismissed the application for injunction vide order dated 13.12.2022. It is further alleged that the petitioners in violation and contempt of order dated 13.12.2022 issued a public announcement dated 15.12.2022 demanding that no third party should excess the accounts and finance department of R-1 Company which was objected to by the respondents through their Advocate vide legal notice dated 17.12.2022 pointing out that announcement dated 15.12.2022 was in contravention of the order of Ld. ADJ.

33. It is also alleged that the respondents against try to convene Board meeting vide notice dated 12.12.2022 however the same was again objected to by the petitioners vide WhatsApp communication dated 13.12.2022 and 15.12.2022 leading to obstructions to regular dispensation of the business of the company

34. Proforma Respondents No. 5, 6, 9,10,12 and 15 filed a separate reply supporting the contentions of the R2, R3 and R4.
R-13 filed a reply supporting the averments of the Petitioners.

35. The applicant filed **IA (Companies Act) No. 17/CB/2023** to bring on record two additional documents i.e. (i) Loan Sanction Letter dated 18.09.2020 and (ii) Loan Sanction Letter dated 30.01.2022 **which were taken on record vide order dated 24.04.2023.**

SUMMARY OF REJOINDER FILED BY THE APPLICANT:

36. The applicant filed a rejoinder through CA No. 18/CB/2023 which was allowed and the Rejoinder taken on record vide order dated 24.04.2023 wherein the applicant submitted that the dispute arising out of CFO agreement dated 01.04.2019 is pending before Ld. ADJ, Durg and an appeal against an order dated 13.12.2022 in regard to injunction is also pending before hon'ble High Court of Chhattisgarh vide MA No. 116/2022 wherein the Hon'ble High court has granted stay

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in favour of the petitioners herein vide order dated 06.01.2023 and 20.01.2023. It has been further submitted that the disputes regarding the agreement dated 01.04.2019 between Proethic Consultants Pvt. Ltd. and R-1 Company has no bearing on the present petition and is beyond the jurisdiction of the Tribunal and hence should not be considered.

37. The applicants have submitted that the assertions made by the respondent in regard to the outstanding loan is erroneous and as on 31.01.2023 R1 has a total outstanding loan to the tune of Rs.13,23,32,778/- against two term loans of HDFC Bank. The applicant further submits that the R-2 & R-3 are taking undue credit for the financial growth of the R1 Company instead the growth is attributed to the 300+ doctors and staff working for the hospital.

38. In regard to allegations made regarding the role of M/s PSAC & Associates (later named as Proethic Consultants Pvt. Ltd it has been contended by the applicant that M/s PSAC & Associates was never engaged in providing internal auditor services or was responsible for the day-to-day operation of the R1 Company but was limited to accounting services. It is further submitted that R-2 & R-3 were drawing separate remuneration of Rs.1,00,000/- pm and the responsibilities of MD and any other statutory responsibility cannot be outsourced to an outsider. It is further argued that the term 'CFO Services' has no legal basis as alleged by the respondents and the terms of the agreement also do not describe the services as CFO services instead the scope of the agreement was to advice the R1 Company for development of business of the company and to advise the R1 company on entering into strategic tie ups for long term business goals.

39. The applicant has averred that Petitioner No.1 was appointed as Director by virtue of their shareholding he held in R1 company which is the 4th highest amongst all shareholders and not because of the

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agreement with M/s PSAC & Associates and M/S PSAC & Associates & Proethic Consultants Pvt Ltd are independent entities which were engaged by the R1 Company for seeking their professional services.

40. The applicant contends that R-2 and R-3 have tried to glorify themselves by submitting that they have abstained from drawing salary from the company to support the physical health of the company but has omitted to specify that no payment was made to any shareholder consultants of the company for the said 18 months and the financial upturn of the company is attributed to the rise in medical services rendered during Covid-19. The applicant further averred that the letter annexed by respondents as R-7 in the reply is not a letter of appreciation rather is an approval letter signed by all Directors of the Company in relation to payment of Covid-19 facility management consultancy fees to the enlisted doctors for provisional of services during Covid-19 and the recognition an award cited by the respondents are a regular affair for doctors as they render a public service and it cannot be construed as validation for the contribution to the group of the company.

41. The applicant has argued that the respondents has in the reply taken complete credit for the financial growth of the company whereas for all other financial management it has blamed the consultancy company which is an outsider. The applicant submits the respondent company would have been much better financial situation had R-2 and R-3 not indulge in financial mismanagement.

42. In regard to the invoice dated 10.10.2020 amounting to Rs. 6,00,000 it has been contended by the petitioner that the same was released to M/S PSAC & Associates upon approval a signature of respondent directors only and the same was paid in lieu of taking over of an existing turn loan at more attractive rates and condition while the

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company was facing severe financial crunch although the same fell beyond the scope of the agreement executed with the consultancy firms.

43. The applicant submits that they were never in complete charge of financial affairs, cash handling and banking of the company but were only responsible for accounting related services which was done based on the inputs and data provided by the company and furthermore the activities of the consultancy firms were closely monitored and approved by R-2 and R-3. The scope of the work under the agreements executed between the company and the consultancy firms does not include issuance of work order, purchase order, signing of cheques, authorizing releasing of cash payments etc. and the petitioners are not even authorized signatory of the bank account of the company. The E-mails of the consultancy firms cited by the respondents in the reply are merely routine E-mail sent in discharge of the scope of their work.

44. In regard to allegations made by the respondents regarding the training sessions conducted and the cost incurred thereof it has been contended by the applicants that all the training sessions were approved by the Board of the Company and all payments with respect to such sessions were cleared by the signatures of R-2 and R-3. It is further contended that the board of the company has appreciated the work of Mr. S.N. Singh and has held discussions to further enhance his scope of the assignments (A/20 of rejoinder).

45. The debt of the company was written off by the approval of the Board of the Directors and specific resolution for writing off was passed by the board on 06.10.2021 and an amount of Rs. 8,56,270 was also written off vide approval note dated 24.11.2020.

46. The applicants had denied the responsibility of Proethic Consultants Pvt. Ltd. for convening of board meeting and AGM in terms of clause 5 of the agreement signed instead Proethic Consultants was

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only responsible for preparation of minutes of board and general meeting. In regard to board meeting dated 21.09.2022 it is submitted by the applicants that the BD had unanimously agreed for convening the AGM in the said board meeting and the AGM was attended by the shareholders of the company and the directors without raising any objection and relevant period or prior to the conduct of the AGM which shows that all the members of the company had consulted to the holdings of the AGM which is sufficient to show that a board meeting was indeed conducted on 21.09.2022 however even after agreeing to hold the AGM and approving the financial reports in the board meeting the respondents had not signed the financial reports of the company.

47. In regard to allegations of the involvement of the petitioners in the incident dated 11.10.2022 the petitioners have contended that there is no nexus of the incident with the petitioner and hence no legal proceeding has been initiated by the law enforcement agency. In regard to the objection raised by the petitioner for conveying the board meeting on a shorter notice period it is submitted by the petitioner that it was done to safeguard the interest of the R-1 company as the said board meeting was called in less than a day's notice to decide upon 9 agendas including appointment of a new executive director without citing any urgency in violation of the provisions of the Companies Act 2013.

48. The petitioners have alleged that R-2 and R-3 is to receive amounts under Ayusman Bharat Scheme and use it for illegal gratification of other medical consultants who do not belong to the company and in the pursuit were cheating not only the company but also government agencies

SUMMARY OF SUR-REJOINDER FILED BY R2 TO R4:

49. The respondents filed the sur-rejoinder vide CA No. 39/CB/2023 which was allowed vide order dated 29.11.2023

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wherein in addition to the contentions in its reply contended that R2 and R3 does not belong to any majority shareholding group as averred by the Petitioners and hence there is no question of abuse of dominant position by R2 and R3.

50. The respondents have submitted that the Financial service providers/consultancy firms are not outsiders or third parties but rather entities that are under the effective control of the petitioners. It is further submitted that the order dated 06.01.2023 or the Hon'ble High Court of Chhattisgarh, cited by the Petitioners directed all parties to maintain status quo as on 06.01.2023 and the CFO agreement was terminated on 22.11.2022 upon the instruction of the Board and there were no directions in the order of the Hon'ble High Court directing reinstatement of the financial service providers of the Company.

51. The Respondents have submitted that they are not bringing our issues regarding the termination of the CFO agreement in the present proceeding which is sub-judice before the Hon'ble High Court and Ld. ADJ, Durg. However, the reliance on this agreement is being made to showcase the extent of role of the companies belonging to the petitioners in the R1 Company vide the CEO and CFO agreements.

52. It is contended by the Respondent that as the CFO and CEO agreement the consultancy forms of the Petitioners were engaged for auditing services and all other services which specified in the CFO and CEO agreements and upon perusal of the invoices raised by the firm on the R1 company, it will be evident that the firms billed the R1 company for services termed as 'Income Tax Consultancy', 'CEO services' and 'CFO services'.

53. The respondents have denied that no separate remuneration was paid to R2 and R3 for their roles as MD and Medical Superintendent rather R2 and R3 only receive remuneration for the clinical services

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rendered by them and the entities belonging to the petitioners were paid consideration for their responsibility of complying with statutory laws, finance and accounts departments. The respondents have further denied that R2 and R3 were responsible for the day-to-day functioning of the Company and that the role of the entity of the petitioner as per the CEO agreement was not limited to advise the R1 Company for development of business instead the communications made by the petitioner in capacity of their entities to different departments of the R1 Companies will clearly indicate the control of the petitioners in the day-to-day functioning of the Company.

54. The respondents have categorically denied that the petitioners were appointed directors in the R-1 company because of the shareholding and have averred that the company has 16 shareholders but not all of them have been made directors. It is further submitted that in regard to environment made by the petitioners that during the financial year slumber faced by the company none of the shareholders received any payment is although true but the petitioners have omitted to say specify that that the other shareholders had their private clinics and Hospitals from where they generate income unlike the petitioners who have no other than of remuneration of R-1 company furthermore the entity of the petitioners who were offering financial services never chose to differ or forgo their consideration amount in the interest of the R-1 Company.

55. In regard to *Annexure 19* annexed with the rejoinder the respondents have contended that they are not in knowledge of such documents as prepared by the petitioners and are in the sole custody of the petitioners and hence the respondents cannot make any submissions in that regard.

56. In regard to the averments made by the petitioners regarding the growth and revenue of the company the respondents have submitted

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that the gross profit for FY 2022-2023 is Rs. 4.82 crores approximately (provisional and unaudited) which is not during Covid period and hence the averments of the petitioner that the upturn in the revenue of the company is solely attributable to the Covid 19 period is misleading.

57. The respondents have submitted that the R-1 Company availed a credit limit of Rs. 15.80 Crores from LIC vide sanction letter dated 10.03.2016 and the R-1 Company was diligently paying off the interest but upon the insistence of the Petitioners, who assured that Respondents that they can arrange for credit line at better interest rates, the R-1 Company was made to pay Rs. 61,64,716/- from its internal accruals, while being in financial distress, to close the credit line availed from LIC. It is however alleged by the respondents that in the pretext of 'project finance' the Petitioners secured a credit line from HDFC bank for Rs.11.72 Crores which is approximately 4 Crores less that what the R1 Company enjoyed from LIC and the terms and conditions of the credit facility by HDFC also required R1 company to create a FD of Rs. 44,55,000/- with the bank leading to reduction in liquidity of the company. The respondents allege that the Petitioners in this entire process have put the respondent company in a worse off situation in the pursuit of enriching themselves by Rs. 6,00,000/- through their firm/company at the cost of interest of the company

58. The respondents have contended that the accounts and finance departments of the Company was in absolute control of the Petitioners through their entities who had deputed their employees to the accounts & finance department of the company and no other person other than the employees of the firms were allowed access to the accounts & finance department and because of which after the termination of CFO Agreement the Petitioners filed a complaint for re-gaining access to the accounts and finance department.

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59. The respondents have refuted the stance of the petitioners that the Email sent by the consultancy firms of the company is of routine nature and has relied on the email dated 03.11.2021 sent by Petitioner No. 2 to share the final minutes of the meeting drafted by Petitioner No. 2 and has contended that the Emails referred to by the respondent in its reply at Para 19 of the reply were all sent by Petitioner No. 2 himself on behalf of the firms of the petitioners and hence the Petitioners cannot take the plea that the firms are distinct from the petitioners.

60. The Respondents have denied that the discount extended to the acquaintances of the Petitioners by the Petitioners were approved by the management and has contended that due to the failure on part of the firms of the Petitioners to timely recover payments on behalf of R-1 Company under the CFO Agreement compelled the R-1 company to write off the bad debts that arose out of such deficiency of services. The Respondents has averred that the Petitioners have impliedly admitted the contents of Annexures R/12, R/13, R/14, R/16, R/17, R/18, R/19 & R/20 presented by the Respondents by not denying the same.

61. The Respondents have relied on *Clause 5 of the CFO agreement* to refute the contention of the Petitioners that the firms of the petitioners were not responsible for convening board meeting & general meeting that it was the responsibility of the firms of the Petitioners to ensure compliance of company law by the R-1 Company and has also submitted that P-2 in the AGM held on 27.09.2022 has admitted his default before the shareholders for not ensuring compliance with Section 136(1) of the Companies Act, 2013 which is also video graphed.

62. The Respondents have opposed the plea of the Petitioners that a Board meeting was held on 21.09.2022 and has contended that the argument of the Petitioner, that the holding of AGM is a sufficient proof to establish that a board meeting was actually convened on 21.09.2022, is erroneous as the Petitioners have failed to bring on record any notice

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or attendance sheet with respect to such meeting and has also refuted that the adoption of books of accounts in the AGM dated 27.09.2022

63. The respondents have refuted the allegation of the petitioners that Dr. Ashish Jain was pressurised to resign and has submitted that Dr Ashish Jain had given an affidavit to R-1 Company under oath admitting that the Petitioner hatched the conspiracy to intimidate the R-2. The Respondents has averred that the firms of the Petitioners have continued to raise invoices on the R-1 Company for the months of October, November, December 2022 and January 2023 without rendering any services and that the too after termination of the CFO agreement on 22.11.2022.

64. The Respondents have questioned the veracity and authenticity of the Chart filed by the Petitioners along with the Rejoinder and has contended that the petitioners have not disclosed the source of such document and has also submitted that the chart per se does not indicate any wrongdoings.

SUMMARY OF REPLY TO SUR-REJOINDER FILED BY APPLICANT:

65. The applicant **filed their reply to sur rejoinder on 05.10.2023** wherein the applicant made the following submissions in addition to the submissions made in their reply:

a. It is submitted that the reliance placed upon by the respondents on the agreements executed between the R-1 Company and PSAC and Proethic Consultants Private Limited are irrelevant for adjudication of the present petition as the entities are third parties and are not party to the present proceedings and the issue pertaining to the agreement is sub judice before the Hon'ble High Court of Chhattisgarh.

b. The Petitioners have refuted the reliance placed by the respondents on the emails sent by the Petitioners to the various departments of the R-1 company and have submitted that the

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communications made were with respect to some sundry works and that cannot be considered to be exercise of effective control on the operations of the company especially when R-2 and R-3 were appointed as MD and Medical superintendent of R-1 Company vide Board Resolution.

c. The Petitioners in response to the averment by the respondents that the firms/company of the Petitioners have continued to receive payments in terms of the agreement even during the financial crunch face by the company have contended that the Petitioners have not placed on record anything to show that other directors/shareholders have received remuneration from the company in their capacity of being director/shareholder during the financial crunch and hence non drawing of salary by R-2 and R-3 during the financial crunch has no relevance.

d. The Petitioners have submitted that the firms/company of the Petitioners, third parties to the proceedings, have received the remuneration of Rs.6,00,000/- from R-1 company for helping in securing such transfer of loan and no payment were made to the Petitioners.

e. The partitioners as directors have no role to play in the accounts of the R-1 company and the firm/ company engaged by the R-1 company were also given limited task of optimizing financial record keeping and arranging the data provided by R-1 Company and since the Respondents were diverting funds from the books of accounts of the company in a orchestrated manner and hence it never came to the knowledge of the Petitioners. The Petitioners have also submitted that R-2 under his own signature has made referral payments to Third Party

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doctors as per the Chart annexed by the Petitioners in their rejoinder.

66. The Petitioner filed **IA(IB) No.74/CB/2024** on 20.09.2024 to bring on record two documents in CP No. 61/CB/2022 i.e. (i) *Order Dated 18.07.2024 is issued by Directorate of Health Services, Chhattisgarh as A/19* and (ii) *Legal Notice dated 27.08.2024 as A/20*. **This Tribunal vide order dated 24.09.2025 partly allowed the application and only took on record A/19 on record, subject to proof, relevancy and admissibility and without expressing any opinion on merits.**

67. The Petitioners filed **IA(IB) No.24/CB/2025** on 15.05.2025 to bring on record following 7(Seven) documents in CP No. 61/CB/2022:

a) *Annexure A/21*: Copy of a de-empanelment order dated February 7, 2025, issued by the Directorate of Health Services, Chhattisgarh.

b) *Annexure A/22 (Colly):* Copies of emails from October 13, 2024, and October 14, 2024, along with a notice for the sale of shares dated December 4, 2024.

c) *Annexure A/23 (Colly):* A copy of an email dated December 4., 2024, which includes a valuation report dated November 26, 2024.

d) *Annexure A/24:* A copy of an email dated December 5, 2024, sent by the applicants.

e) *Annexure A/25:* A copy of an offer letter dated January 31, 2425.

f) *Annexure A/26:* A copy of an email dated February 16, 2025.

g) *Annexure A/27:* A copy of an Extra Ordinary General Meeting (EGM) notice dated March 5, 2025, along with an email dated March 11, 2025

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IA(IB) No.24/CB/2025 was Allowed vide order 24.09.2025 and all these documents were taken on record subject to relevance and admissibility at the final hearing. It was also clarified that no opinion was expressed on the merits of the documents brought on record and it will be considered at the time of final hearing in CP Mo. 61/CB/2022. The Respondents were also permitted to file any documents in rebuttal to the documents taken on record in IA(IB) No.24/CB/2025.

68. The respondents filed a rebuttal to the documents filed through IA(IB) No.24/CB/2025 and filed the following documents vide affidavit on 05.11.2025 and Memo dated 05.11.2025

a. *Show Cause Notice Dated 13.01.2025 and Reply dated 03.05.2025.*

b. *Copy of De-empanelment of 28 other high profile hospitals and health care centres dated 07.02.2025 and confirmation orders all dated 02.06.2025.*

c. *Copy of the review Petition dated 22.07.2024 filed by the Applicant against the order of Directorate of Health Services, Chhattisgarh dated 18.07.2024.*

d. *Copy of the Writ Petition No. 3316/2025 filed before the Hon'ble High Court of Chattisgarh challenging order dated 18.07.2024 dated 22.07.2024 filed by the Applicant against the order of Directorate of Health Services, Chhattisgarh and Order dated 27.05.2025 issued by the Appellate Authority.*

e. *Copy of Order dated 29.10.2025 of Hon'ble High Court of Chattisgarh in WP(C) No. 3316/2025 setting aside the order dated 18.07.2024 and 27.05.2025.*

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f. *Copy of Letter dated 18.11.2025 issued by Directorate of Health Services, Chhattisgarh Re-Empanelment in compliance with order dated 29.10.2025 in W.P.(C) No. 3316/2025*

g. *Copies of Newspaper Publication and representations made before Indian Medical Association (IMA) against the orders passed by Directorate of Health Services, Chhattisgarh*

h. *Copy of entire Communication and investigation report submitted by Chief Medical and Health Officer, Durg obtained under RTI Act.*

i. *Copy of rules of empanelment & de-panelmenet of Hospitals under ABY scheme.*

j. *Copy of all notices of board meetings, general meetings, mode of service of notice, attendance sheet of the Board & General meetings from 29.04.2022 till 05.09.2025.*

k. *Copy of Board Resolution passed at the board meeting held on 25.10.2024 for appointment of registered valuer*

l. *Copy of board resolution passed at board meeting held on 02.12.2024 for approving the valuation report*

m. *Copy of the board resolution passed at board meeting held on 28.02.2025 for calling and convening of EGM on 11.03.2025 and approving of the draft notice of EGM.*

n. *Copy of Ordinary Resolution Unanimously passed by the shareholders of the Respondent No.1 Company in their AGM dated 11.03.2025.*

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o. *Copy of the Board Resolution passed at the board meeting held on 24.05.2025 for approving and adopting of the Valuation report on DCF method.*

IA (COMPANIES ACT) NO. 34/CB/2024:

SUMMARY OF AVERMENTS MADE BY THE APPLICANTS:

The applicant in its application made the following averments that:

69. While the company petition bearing no. CP No. 61 of 2022 was already pending, the Respondent No.4 and Respondent No. 10 (wife of Respondent No. 3) issued an Email dated 13.10.2024 to the shareholders of the Company showcasing their intention to sell their shares (Respondent No. 3's 64,880 shares and Respondent No. 10's 40,550 shares) of the respondent No. 1 Company due to personal reasons.

70. That as soon as the mail dated 13.10.2024 was issued by the Respondent No. 3 and Respondent No. 10 showcasing their interest to sell their shares of Respondent No. 1 Company, the Applicants herein vide their Email dated 14.10.2024 expressed their interest to purchase the shares of the company subject to appropriate financial due diligence and valuation of the company's shares in accordance with the procedures agreed upon in the Articles of the Association of the company.

71. As per the Article 15(2) of the Articles of Association of the Company, Board of the Company has the power to appoint valuer for determining the value of the shares of the Company after receipt of written request from any shareholder stating his intention to sell his/her shares in the company. As per the Articles the Board of the Company has power to appoint independent valuer for determining the price of company's shares. However, in the instant case, after receipt of

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the mail dated 13.10.2024 from Respondent No. 4 and Respondent No. 10, the respondent directors without consulting the Board of the company or without convening any Board meeting issued a notice dated 04.12.2024 to the shareholders of the Company stating that the valuation of the shares was carried out and the same was found to be Rs. 145.48/- (Rupees One Hundred Forty-Five & Forty-Eight Paisa) and the shareholders were given offer to buy the same at the valuation price if they desired to do so.

72. Apart from issuance of notice dated 04.12.2024, the respondent directors also issued a mail dated 04.12.2024 to the shareholders wherein they shared a valuation report of the respondent company's shares which was prepared by one CA Mukesh Jain on 26.11.2024. The letter dated 26.11.2024 issued by CA Mukesh Jain wherein, he has share the valuation report with the respondent No. 1 Company is issued to company's Board of Directors however, no resolution was ever passed by the Board of the Directors of the Respondent No. 1 company for appointment of CA Mukesh Jain for carrying out the valuation of the shares of the Respondent No. 1 Company.

73. That being aggrieved by the illegal appoint of the valuer and the arbitrary and unauthorized actions of the respondent directors, the applicants herein issued a mail dated 05.12.2024 to the Managing Director and the Medical Superintendent of the Respondent No. 1 Company raising issues over the illegal appointment of the valuer without conducting the mandatory Board meeting and the sharing of valuation report without being first tabled before the Board of the Directors of the company.

74. Upon being objected with respect to appointment of valuer and tabling of valuation report prepared by illegally appointed valuer, the respondent directors did not abstain themselves from committing the acts of oppression and proceeded ahead with issuance of notice dated

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31.01.2025 wherein, they again reiterated the price of shares as determined by the illegally appointed valuer and provided the number of shares that each shareholder was eligible to purchase as per their current shareholding.

75. The Respondent No. 4 also objected to the valuation of shares as being done by the respondent directors and issued a mail dated 16.02.2025 to the company to re-evaluate the share prices as the prices arrived at by CA Mukesh Jain were improper for being extremely low as compared to Company's assets.

76. The Applicants were continuously raising objections with respect to the incorrect valuation done by the valuer and the illegal appoint of the valuer, the respondent directors issued a notice dated 05.03.2025 calling for the extra-ordinary general meeting of the company for valuing the equity shares of the company by discounted cash flow method.

77. Board of the respondent No. 1 company had not convened any meeting for calling of the extra-ordinary general meeting of the company. However, the respondent directors on their own called for extra-ordinary general meeting without first passing a resolution in the Board meeting setting the agendas of the extra-ordinary general meeting. The Applicants were not even aware about holding of extra-ordinary general meeting prior to issuance of notice dated 05.03.2025 issued by Respondent no.3, issued mail dated 11.03.2025 to the respondent directors and shareholders raising issues with respect to conduct of illegal extra-ordinary general meeting as the mandatory prior Board meeting for calling extra-ordinary general meeting was not conducted by the respondent directors.

78. The respondent directors neither replied to the objections raised by the Applicants herein regarding conduct of illegal extra-ordinary

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general meeting and illegal appointment of valuer nor provided any clarification regarding the illegal acts of oppression and mismanagement being done in the Respondent No. 1 Company. This is despite of the fact that at least two petitions are already pending against the respondent directors for committing oppression and mismanagement in the company.

79. The resolutions passed in the extra-ordinary general meeting were not even shared with the shareholders or members of the Board of the company by the respondent directors. Further, while the Applicants herein were still awaiting reply to the objections raised by them regarding conducting of extra-ordinary general meeting illegally in violation of Section 100 of the Companies Act and appointment of valuer in violation of the Articles of Association of the Company, the respondent directors issued a notice dated 31.05.2025 to the shareholders of the Company stating that the value of shares of the company by using discounted cash flow method is arrived at Rs. 238.59/- (Rupees Two Hundred Thirty-Eight & Fifty-Nine Paise) and the interested shareholders were given 60 days' time period to communicate their desire to purchase the same in ratio of their shareholding in the company.

80. The respondent directors have not apprised the Board of the company regarding reconducting of share valuation to arrive at price of Rs. 238.59/- (Rupees Two Hundred Thirty Eight and Fifty Nine Paise). Moreover, even the appointment of valuer for fresh valuation was also not communicated to the Applicants herein even when the Applicants herein were continuously raising issues with respect to the illegal appointment of valuer.

81. It is further submitted that the respondent directors did not even share the valuation report by which the value of shares of the company were arrived at Rs. 238. 59/- (Rupees Two Hundred Thirty-Eight and

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Fifty-Nine Paise). The Applicants who are also directors of the company have till date neither received any valuation report by which valuation of shares is done by cash flow discounted method nor have received the resolutions passed in the extra-ordinary general meeting dated 11.03.2025.

82. Since the respondent directors did not respond to the communications/objections raised by the Applicants regarding the illegal conduct of the extra-ordinary general meeting and the illegal appointment of valuer and have continued to proceed ahead with the illegal acts of oppression in the company, the Applicants herein were left with no other option but to file the instant application challenging the appointment of valuer and conduct of extra-ordinary general meeting dated 11.03.2025.

SUMMARY OF REPLY ON BEHALF OF THE RESPONDENT NO. 2, 3 & 4 TO I.A. 34 OF 2025

83. The Respondents in addition to its contentions already taken in the reply to CP No. 61/CB/2022 raised the following contentions in their reply to IA 34.

84. The Applicants herein had filed yet another IA No. 24/CB/2025 in the Company Petition in the month of May, 2025 for bringing on record Annexure-A/21-27 filed in said IA 24. Annexure-A/3-11 sought to be brought on record by the Applicant by way of filing the instant IA 34 are exactly the same as Annexure-A/21-27 filed in said IA 24. the Applicants have long been aware about the documents they have sought to bring on record by way of filing instant IA 34, however even when said IA 24 is under consideration before this Tribunal, have filed the instant IA 34 for bringing on record the same set of documents as already filed by them in IA 24, which was filed without seeking any reliefs, other than to take said documents on record.

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85. The Applicants had filed IA 24 without seeking any material reliefs, and in hindsight post realizing that their application must contain material reliefs have filed IA 34 seeking interim and final material reliefs on the basis of documents which were already in possession of the Applicants since long and which they have already brought on record by way of earlier IA 24.Tthe devious tactic of the Applicants to prolong the litigation is clear from the fact that they are filing IA's one after the another for bringing on record the same documents, with the ulterior motive of covering up their act of unpreparedness and fallacies. The instant IA 34 claiming various material reliefs is filed as a cover up to the IA 24 which was filed without seeking any reliefs. Since the documents sought to be brought on record by way of IA 34 are already on record and the Applicants have deliberately suppressed this material fact from this Hon'ble Tribunal and are yet claiming equitable relief. In light of the above facts the instant IA 34 is liable to be dismissed on this ground alone.

86. The Applicants herein are Chartered Accountants and by virtue of their expertise in finance, human resources and management etc were appointed as Directors on the Board of the Respondent No. 1 Company. The complete financial, law, compliance, managerial, human resources, banking, cash management etc. with respect to the affairs of the Respondent No. 1 Company was completely out sourced to Proethic Consultants Private Limited & M/s PSAC & Associates, Chartered Accountants, both being the exclusive entities owned by and belonging to the Applicants herein. And by virtue of CFO & CEO agreements (Annexure-R-4 & R-5 of the reply affidavit to the main Company Petition) entered into by and between the Respondent No. 1 Company and the aforesaid entities, the aforementioned activities of the Respondent No. 1 Company were completely out sourced to aforementioned entities of the Applicants.

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87. That by virtue of being professional Chartered Accountants and by virtue of the aforesaid agreements the Applicants were solely in charge of all the compliance affairs of the Respondent No. 1 Company, including but not limited to compliance with the provisions of the Companies Act, 2013. It is submitted that the Applicants had last called and convened a board meeting on 29.04.2022 i.e. in the FY 2022-23, which was attended by all the directors on the Board of the Respondent No. 1 Company as on that date. Further in terms of the provisions of section 173 (1) of the Companies Act, 2013 a Company must hold a minimum of 4 board meetings in a financial year. However, in sheer non-compliance with the. provisions of said provision, the Applicants, who are professional Chartered Accountants, had woefully failed in their duties as finance Directors and further in the contractually mandatory terms of the CFO & CEO agreements. Upon becoming aware about the fact of non-compliance, the shareholders of the Respondent No. 1 Company vide their letter dated 22.11.2022 directed the board to terminate the CFO agreement. Hence acting under the instructions of the shareholders the Board duly terminated said agreement.

88. That post being deserted by the Applicants, and upon becoming aware about the compliance requirements of the mandatory provisions, the Respondents called and convened Board and General meetings of the Respondent No. 1 Company for the following financial years. A detailed chart of the board and general meetings that have happened in the Respondent No. 1 Company as as under:

Board Meetings in the FY 2022-23, 2023-24, 2024-25 & 2025-26:

Date	FY	Notice sent to	Attendance by Directors
29-04-2022	2022-23	All the 6 (Six) Directors, including the Applicants	All the 6 Directors

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15-12-2022	2022-23	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
09-02-2023	2022-23	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
28-06-2023	2023-24	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
29-08-2023	2023-24	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
13-09-2023	2023-24	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
23-11-2023	2023-24	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
10-02-2024	2023-24	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
30-04-2024	2024-25	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
28-08-2024	2024-25	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
07-09-2024	2024-25	All the 5 (Five) Directors, including the Applicants	Not attendant by the Applicants
25-10-2024	2024-25	All the 3 (Three) Director validly occupying the office of Director	Applicant vacated their office as Directors by virtue of Section 167 (1) (b)
02-12-2024	2024-25	All the 3 (Three) Director validly occupying the office of Director	Applicant vacated their office as Directors by virtue of Section 167 (1) (b)
28-02-2025	2024-25	All the 3 (Three) Director validly occupying the office of Director	Applicant vacated their office as Directors by virtue

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			of Section 167 (1) (b)
24-05-2025	2025-26	All the 3 (Three) Director validly occupying the office of Director	Applicant vacated their office as Directors by virtue of Section 167 (1) (b)

Extra Ordinary General Meetings in the 2023-24 & 2024-25:

Date	FY	Notice sent to	Attendance by Directors
21-09-2023	2023-24	All the Shareholders, including the Applicants	Not attendant by the Applicants
11-03-2025	2024-25	All the Shareholders, including the Applicants	Not attendant by the Applicants

Annual General Meetings in the FY 2023-24 & 2024-25:

Date	FY	Notice sent to	Attendance by Directors
04-03-2024 (adjourned)_	2021-22	All the Shareholders, including the Applicants	Not attendant by the Applicants
14-06-2024	2022-23	All the Shareholders, including the Applicants	Not attendant by the Applicants
30-09-2024	2023-24	All the Shareholders, including the Applicants	Not attendant by the Applicants

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89. The Applicants, who are Chartered Accountants, themselves do not comply with the provisions of the Companies Act, 2013 for which they have been appointed as Directors and entrusted with & further do not comply with the CFO & CEO agreement, and time and again when they are sent the notices of board and general meetings do not attend any of said meetings. It may kindly be noted that the last board meeting attended by the Applicants was on 29.04.2022, i.e. more than 3 years ago, hence by virtue of the provisions of section 167 (1) (b) of the Companies Act, 2013 the Applicants have vacated their office as Director of the Respondent No. 1 Company by operation of law, due to not attending any of the board meetings from 29.04.2022 till 24.05.2025.

The Applicants had been sent all the notices of board meetings by the Respondents, starting from 15.12.2022 till 07.09.2024, which is' more than 12 months period prescribed in law, during which the Applicants deliberately chose to consciously remain absent from all the meetings that happened is spite of receiving the notices for each such meeting, hence have vacated their office as Director of the Respondent No. 1 Company by operation of law.

90. The Applicants have been sent all the notices of board and general meetings via email during the relevant period, which is a valid mode of service, however the Applicants have deliberately & consciously failed and neglected to attend any of the board and general meetings during the relevant time.

91. The Applicants have not only remained consciously absent from the board meetings, but have deliberately & consciously chosen to be absent from all the general meetings during the aforesaid period, in spite of receiving notices of each such meetings, including but not limited to the EGM dated 11.03.2025, the Applicants have sought to challenge by way of filing the instant IA 34. Hence in light of the factual

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submissions made herein, the objections raised by the Applicants pertaining to legality of the lack of board meetings & challenging of EGM for adoption of the valuers report, violation of provisions of AOA is invalid and null.

92. The Applicants along with Respondent No. 7, 8 & 13 did visit the registered office of the Respondent No. 1 Company on 04.03.2024 for attending the adjourned AGM of the Company for the FY 2021-22, and keeping in tune with their acts of creating hyperbole, sympathy seeker and creation of false narrative, had sought police protection while visiting the premises of the Respondent No. 1 Company. And in spite of being accompanied by the law enforcement officers to the AGM of the shareholders, which was also attended by female shareholders, deliberately chose to remain outside the conference hall located at 3rd floor, where the AGM was scheduled to take place, and intentionally did not attend the adjourned AGM but were standing outside the conference hall laughing and chit chatting during the time when the AGM was being held and in spite of repeated requests made by the .Respondent No. 3 to kindly participate and join in & attend the AGM, specifically chose to remain outside the conference hall. The Respondents submit that the fact that the Applicants, Respondent No. 7, 8 & 13 were present on the 3rd floor outside the conference hall is duly captured in video camera, and the Respondents seek kind leave of this Hon'ble Tribunal to bring the same on record at the appropriate stage of the instant proceedings.

93. The Applicants not only chose to remain absent from all the board and general meetings but also did not discharge any of their duties as director of the Respondent No. 1 Company, including but not limited to filing of disclosure of interest by Director as enshrined under the r provisions of section 184 (1) of the Companies Act, 2013. The Applicants have deliberately failed to disclose their interest at the start

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of the FY 2023-24, 2024-25, hence have miserably failed in their mandatory obligations under the Companies Act, 2013 and hence have also failed to discharge their duties as Director as enshrined under the provisions of section 166 of the Companies Act, 2013, which are mandatory in nature.

94. the Respondent No. 4 suggested that the valuation may be conducted by a different method. Since the Respondent No. 4 had requested for valuation by a different method, the validly constituted members of the Board called and convened a board meeting on 28.02.2025 and a resolution was passed with unanimously for calling an EGM of the shareholders of the Company for discussion of the method that may be adopted for conducting the valuation.

95. It is submitted that the EGM was preceded by a board meeting held on 28.02.2025, notice of which was duly sent to the validly constituted and existing members of the Board, and a resolution for calling and convening an EGM was unanimously passed thereat. In their capacity as a shareholders, the Applicants were duly shared notice of EGM scheduled to be held on 11.03.2025, just like it was shared with other shareholders, which was duly received by them, however, just like the earlier board and general meetings, they consciously chose to remain absent from the EGM held on 11.03.2025, where the shareholders present thereat unanimously approved and consented to carrying out valuation of the shares of the Respondent No. 1 Company on DCF method basis, and further at the EGM directed the Board and the valuer to factor in and consider the revenue and growth graph of the Company in the last 10 years and accordingly arrive at the valuation on DCF method basis. It is submitted that the Applicants could have attended the EGM and provided their much needed and valuable inputs & insights as a professional Chartered Accountant, however, chose to remain absent just to cry foul from afar.

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96. It is denied that the AOA of the Respondent No. 1 Company has been violated. It is submitted that the valuation report of the valuer based on DCF method and as directed by the shareholders in their EGM was duly put forth before the members of the Board, validly constituted and existing as on that date in a duly convened and held board meeting held on 24.05.2025, and the members of the Board unanimously passed a resolution for adoption and approval of the valuation report of the registered valuer on DCF method for valuing the shares of the Company Rs. 238.59/- per equity share.

CA No. 11/CB/2025

SUMMARY OF AVERMENTS MADE BY THE APPLICANTS:

The applicant in its application made the following averments that:

97. Respondent directors who along with their family members and other associates are in majority in the company have on multiple occasions attempted to keep the Petitioners out of the management of the Respondent No. 1 company and in furtherance of the same had removed the Petitioners from the WhatsApp group of the company.

98. The account details and other relevant data of the company were also not being shared with the Petitioners even when the Petitioners are directors in the Respondent No. 1 company.

99. The Petitioners had raised objections with respect to the illegal conduct of Respondent Directors in managing the affairs of the Respondent No. 1 company as the Respondent No. 1 company were diverting the funds of the company to make illicit gains at the cost of the company.

100. The Petitioners from raising concerns over the affairs of the company and to further minimize their power in the Board of the company, Respondent Directors had initially sought to appoint a third

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person as the Executive Director in the company which was objected by the Petitioners by issuing a notice dated 07.11.2022 and due to the objections made by the Petitioners, the Respondent Directors had back tracked from appointing a new person in the Board of the Company but then had engaged in a systemic act of diminishing the control of the Petitioners and their say in the Board of the Respondent No. 1 company by keeping the Petitioners completely out of the affairs of the Respondent company.

101. The Respondent Directors were not sharing the details of the Respondent No. 1 company with the Board of the Company; the Petitioner No. 1 had visited the registered office of the Respondent No. 1 Company on 02.12.2022. However, the Respondent Directors mishandled and abused Petitioner No. 1 and violently assaulted him due to which Petitioner No. 1 was constrained to file a police complaint before the Superintendent of Police, Durg (C.G.).

102. The Respondent Directors have on public forum verbally abused multiple doctors, dignitaries which had resulted in such doctors leaving the Respondent No. 1 company thereby resulting in loss of precious man power in the Respondent No. 1 company which has business of healthcare facilities.

103. There was serious threat to their security, Petitioners even after being Directors of the Respondent No. 1 company were constrained to abstain themselves from entering the premises of the Respondent No. 1 company, however, they continued to discharge their duties of director by raising objections towards the illegal acts being done in the Respondent No. 1 Company.

104. The Petitioners were willing to attend the meetings of the company, they had on multiple occasions requested the Board the conduct the meetings of the Company at a neutral public space so that

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their security could be ensured and they were not abused by the Respondent Directors. However, Respondent Directors being in complete control of the Board of the Respondent No. 1 Company ignored such requests of the Petitioners and continued to conduct meetings in the premises of the Respondent No. 1 company to ensure that the Petitioners were prevented from attending such meetings.

105. The Respondent Directors wherein they physically assaulted the Petitioners was followed by physical assault of another shareholder/employee of the Respondent No. 1 company (Dr. Deepak Kothari) which resulted in lodging of FIR against the Respondent Directors on 12.01.2024.

106. The Respondent Directors by engaging into illegal violent acts had threatened the minority shareholders of the company to such an extent that the Petitioners along with other minority shareholders of the company had to inform Police Station seeking security and deploy camera men to ensure their safety while attending the Annual General Meeting of the Company.

107. The Respondents were engaging in violent acts of physically assaulting Petitioners and were not sharing the details of the daily workings of the Respondent No. 1 Company with Petitioners even when the Petitioners are the directors of the Respondent No. 1 Company, the Petitioners abstained from attending the Board meetings of the Company physically to ensure their safety.

108. The Petitioners herein had time and again requested for holding of the meetings of the Company at a neutral place apart from the registered office of the Company or to provide online link for the meetings so that the safety of the Petitioners could be ensured. However, since the Respondents intended to usurp complete

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management of the Company and run it illegally, they abstained from considering the request of the petitioners.

109. The Respondents have repeatedly refrained from replying to the repeated requests of the Plaintiff to hold the meetings at a neutral venue. Furthermore, they have also refrained from addressing the concerns of the Petitioner regarding their personal security and safety and have actively compromised the same by endangering the life of the Applicants because they were actively raising the issues with respect to the illegal acts of Respondent directors in the Company.

110. The Applicants have been taking a proactive interest in the affairs of the Company to ensure the smooth and lawful functioning of the same. The Applicants have, throughout their tenure as the directors of the Company, have promptly followed and supported the lawful directions of the board of directors and have made objections, wherever necessary in order to ensure that the interests of the company are protected.

111. The Respondents on the other hand have been conniving to remove the Applicants from the Post of directors of the Company and have failed to reply to any of the several representations made by the Applicants. The Respondents, for instance, issued a notice on 12.12.2022 calling for a board meeting on 14.12.2022 and thereafter rescheduled it to 15.12.2022 on a shorter notice. The agenda for the aforesaid meeting laid down frivolous reasons for conducting the same and it was clear that the same was being conducted to disadvantage the Respondents from attending the same. However, no reply to the same was ever received by the Applicants herein.

112. Holding an illegal board meeting at a shorter notice at the registered office of the company wherein there are threats to the safety and security of the Applicants is not limited to the above-mentioned

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instance but has been the repeated conduct of the Respondents thereby creating an environment wherein the Applicants cannot attend any meetings without the same being an active life-threatening situation for them.

113. The Respondents persistence in excluding the Applicants from the day-to-day affairs of the Company, the Applicants have played an active role in the same. The Applicants have repeatedly made their objections in writing to the illegal board meetings conducted by the Applicants and have always informed the reason of their absence to the Board of Directors. A detailed chart of the objections raised with respect to the agenda and conducting of the meeting in the Company's premises is detailed herein below –

Details of Meeting	**Date of Notice sent by the Company**	**Objections raised by the Applicant**
BoD Meeting FY 2022-23 dated 15.12.2022	12.12.2022	13.12.2022
03rd BoD Meeting FY 2022-2023 dated 09.02.2023	01.02.2023	07.02.2023
01st BoD Meeting FY 2023-2024 dated 28.06.2023	19.06.2023	25.06.2023
02nd BoD Meeting FY 2023-2024 dated 29.08.2023	21.08.2023	25.08.2023
03rd BoD Meeting FY 2023-2024 dated 13.09.2023	05.09.2023	09.09.2023

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Extra-Ordinary General Meeting dated 21.09.2023	14.09.2023	17.09.2023
04th BoD Meeting FY 2023-2024 dated 23.11.2023	15.11.2023	22.11.2023
05th BoD Meeting FY 2023-2024 dated 10.02.2024	02.02.2024	10.02.2024
Annual General Meeting FY 2021-2022 dated 04.03.2024	11.02.2024	04.03.2024
01st BoD Meeting FY 2024-2025 dated 30.04.2024	20.04.2024	28.04.2024
Annual General Meeting FY 2022-2023 dated 14.06.2024	21.05.2024	14.06.2024
02nd BoD Meeting FY 2024-2025 dated 28.08.2024	28.08.2024	28.08.2024
Annual General Meeting FY 2023-2024 dated 30.09.2024	07.09.2024	09.09.2024
Extra-Ordinary General Meeting Dated 11.03.2025	05.03.2025	11.03.2025

114. The Applicants have also been proactive in raising the issues in the management of the Company before this Hon'ble Tribunal and have marked their presence at each scheduled hearing of the same which further exhibits their active interest and role in the affairs of the Company. As part of the deliberate strategy to exclude the applicants from raising issues related to the Company before this Hon'ble Tribunal, the Applicants Directorial office was shown as vacant without any reasons and notice being served to the Petitioners in this regard. This was done by the Respondent Directors by misusing the provisions of

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Section 167(1)(b) of the Companies Act, 2013 even when the Petitioners were taking active role in the affairs of the Respondent No. 1 Company.

115. That the Applicants were shown as having vacated the post of directors of the Respondent Company by the Applicants via a misuse of the aforementioned provisions. It is pertinent to mention here that no show cause notice was served upon the directors before vacating the post and no information was ever conveyed to the Applicants regarding their removal by the Respondents or their authorized representatives. Further, it is only when the Respondents filed their reply in the IA no. 34/CB/2025 (IA filed by the Applicants in 61/CB/2025), the Applicants became aware that they have been shown to be vacated from their post under the provisions of Section 167(1)(b) of the Act. However, not even a single notice was served to the Petitioners regarding showcasing of their directorial office as "vacant" even when the Petitioners are specifically pursuing the case against the Respondents for the acts of oppression and mismanagement in the Respondent No. 1 Company. It is reiterated that even after repeated requests to convene Board meetings and other meetings of the company at a neutral place apart from the company's registered office, no action was taken by the Board of the Company (managed by Respondent Directors) to convene meetings at a neutral place and it is for this reason it became practically impossible for the Applicants to attend the Board meetings of the company without compromising on their own security and safety. It has also been acknowledged by the Respondents themselves in the above-mentioned Reply to IA No. 34/CB/2025 that the Applicants had to avail external security services just to attend the board meetings of the Company.

116. The Applicants, the respondents have on one hand placed hurdles in way of Applicant from attending the meetings of the Company by physically assaulting them and on the other hand the

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above-mentioned provisions of Section 167 of the Act has been misused to show the office of Applicants as "vacant" for failing to attend the meetings of the company in person. The Respondent Directors had issued a director's report dated 05.09.2025 which showed the Applicants directorial office as "vacant". This was strongly objected to by the Applicants/Petitioners vide objection letters dated 15.09.2025 and 16.09.2025 however, no reply was issued by the Respondent Directors to the objections issued by the Petitioners. for convening the Annual General Meeting of the company on 30.09.2025

117. The Respondent Directors on one hand completely ignored the detailed objections made by the Petitioners/Applicant vide letters dated 15.09.2025 and 16.09.2025 and on the other hand issued a notice dated 24.09.2025 for convening Annual general meeting of the Company on 30.09.2025.

118. The Applicants being desirous of attending the annual general meeting of the Company issued a mail dated 30.09.2025 to the Respondent at 11:00 a.m. in the morning requesting the Respondents to provide meeting link for attending AGM scheduled at 4:30 p.m. in the evening. However, in continuance of their oppressive behavior, the Respondent Directors issued a mail at 4:14 p.m. i.e. merely 16 minutes before the schedule meeting time thereby ensuring that the Applicants were prevented from attending the annual general meeting of the company.

119. The act of the Respondent wherein it delayed providing of meeting link for attending annual general meeting was objected by the Applicants however, the Respondent Directors in blatant display of their oppression did not provide any reason for delaying providing of such link and providing it just 16 minutes before the scheduled annual general meeting. Moreover, the respondent directors fail to provide any

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mechanism as to how the members of the company could attend meeting online. This shows a deliberate attempt on part of the respondent directors to prevent the Petitioners/Applicants from

SUMMARY OF REPLY IN CA 11:

120. The Applicants herein had filed yet another IA No. 24/CB/2025 in the Company Petition in the month of May, 2025 for bringing on record Annexure-A/21-27 filed in said IA 24 & further filed IA 34 in the month of June, 2025, it may kindly be noted that Annexure-A/3-11 sought to be brought on record by the Applicant by way of filing the IA 34 are exactly the same as Annexure-A/21-27 filed in said IA 24. The Applicants have long been aware about the documents they have sought to bring on record by way of filing CA 11, however even when said IA 24 was and IA 34 is under consideration before this Hon'ble Tribunal, chose to remain silent and have filed the instant CA 11 for bringing on record the same set of documents as already filed by them in IA 24 & 34, and which have been in their possession, and even when they had ample of opportunities to bring the documents on record, which are now sought to be filed by way of the instant CA 11, by way of filing of rejoinder to the reply filed by the Respondents in CA 11, however specifically chose to remain silent and voluntarily forfeited their right to file rejoinder to the reply in IA 34, and voluntarily let it be recorded that the pleadings in said matte are closed, and are now agitating the same issues by filing instant CA 11. The Applicants herein had already been made aware of the fact of vacation of office by operation of law in the reply to IA 34 filed by them, which was served on them on 29.07.2025, however they deliberately chose to voluntarily relinquish their right to file a rejoinder to such reply in IA 34 and/or seek appropriate modification, however chose to remain silent and in absolute contravention of the mandatory directions of this Hon'ble Tribunal as mentioned in orders passed in IA 74 of 2024 & IA 24 of

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2025, directing the parties to not file repeated IA's on same subject matter have file the instant CA 11 on the same lame grounds which they have been aware since last 2.5 years file the instant CA 11.

121. the Applicants herein are Chartered Accountants and by virtue of their expertise in finance, human resources and management etc were appointed as Directors on the Board of the Respondent No. 1 Company. It is further submitted that the complete financial, law, compliance, managerial, human resources, banking, cash management etc with respect to the affairs of the Respondent No. 1 Company was completely out sourced to Proethic Consultants Private Limited & M/s PSAC & Associates, Chartered Accountants, both being the exclusive entities owned by and belonging to the Applicants herein. And by virtue of CFO & CEO agreements (Annexure-R-4 & R-5 of the reply affidavit to the main Company Petition) entered into by and between the Respondent No. 1 Company and the aforesaid entities, the aforementioned activities of the Respondent No. 1 Company were completely out sourced to aforementioned entities of the Applicants.

122. By virtue of being professional Chartered Accountants and by virtue of the aforesaid agreements the Applicants were solely in charge of all the compliance affairs of the Respondent No. 1 Company, including but not limited to compliance with the provisions of the Companies Act, 2013. It is submitted that the Applicants had last called and convened a board meeting on 29.04.2022 i.e. in the FY 2022-23, which was attended by all the directors on the Board of the Respondent No. 1 Company as on that date. Further in terms of the provisions of section 173 (1) of the Companies Act, 2013 a Company must hold a minimum of 4 board meetings in a financial year. However, in sheer non-compliance with the provisions of said provision, the Applicants, who are professional Chartered Accountants, had woefully failed in their duties as finance Directors and further in the contractually

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mandatory terms of the CFO & CEO agreements. Upon becoming aware about the fact of non-compliance, the shareholders of the Respondent No. 1 Company vide their letter dated 22.11.2022 directed the board to terminate the CFO agreement. Hence acting under the instructions of the shareholders the Board duly terminated the agreement.

123. After being deserted by the Applicants, and upon becoming aware about the compliance requirements of the mandatory provisions, the Respondents called and convened Board and General meetings of the Respondent No. 1 Company for the following financial years. A detailed chart of the board and general meetings that have happened in the Respondent No. 1 Company is as under:

Board Meetings in the FY 2022-23, 2023-24, 2024-25 & 2025-26 (till 2nd quarter):

Date	FY	Notice sent to	Attendance by Directors
29.04.2022	2022-23	All the 6(Six) Directors, including the Applicants	All the 6 Directors
15.12.2022	2022-23	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants
09.02.2023	2022-23	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants

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28.06.2023	2023-24	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants
29.08.2023	2023-24	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants
13.09.2023	2023-24	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants
23.11.2023	2023-24	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants
10.02.2024	2023-24	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants
30.04.2024	2024-25	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants
28.08.2024	2024-25	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants

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07.09.2024	2024-25	All the 5(Five) Directors, including the Applicants	Not attended by the Applicants
25.10.2024	2024-25	All the 3(Three) Directors validly occupying the office of Director	Applicants vacated their office as Directors by virtue of Section 167 (1) (b)
02.12.2024	2024-25	All the 3(Three) Directors validly occupying the office of Director	Applicants vacated their office as Directors by virtue of Section 167 (1) (b)
28.02.2025	2024-25	All the 3(Three) Directors validly occupying the office of Director	Applicants vacated their office as Directors by virtue of Section 167 (1) (b)
24.05.2025	2025-26	All the 3(Three) Directors validly occupying the office of Director	Applicants vacated their office as Directors by virtue of Section 167 (1) (b)
05.09.2025	2025-26	All the 3(Three) Directors validly occupying the office of Director	Applicants vacated their office as Directors by virtue of Section 167 (1) (b)

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Extra Ordinary General Meetings in the 2023-24 & 2024-25:

Date	FY	Notice sent to	Attendance by Directors
21.09.2023	2023-24	All the shareholders including the Applicants	Not attended by the Applicants
11.03.2025	2024-25	All the shareholders including the Applicants	Not attended by the Applicants

Annual General Meetings in the FY 2023-24, 2024-25 & 2024-25

Date	FY	Notice sent to	Attendance by Directors
04.03.2024 (adjourned)	2021-22	All the shareholders including the Applicants	Not attended by the Applicants
14.06.2024	2022-23	All the shareholders including the Applicants	Not attended by the Applicants
30.09.2024	2023-24	All the shareholders including the Applicants	Not attended by the Applicants

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30.09.2025	2024-25	All the shareholders including the Applicants	Not attended by the Applicants despite being provided with virtual link for the AGM at their request

124. The Applicants, who are Chartered Accountants, themselves do not comply with the provisions of the Companies Act, 2013 for which they have been appointed as Directors and entrusted with & further do not comply with the CFO & CEO agreement (acting through their entities), and time and again when they are sent the notices of board and general meetings do not attend any of said meetings. It may kindly be noted that the last board meeting attended by the Applicants was on 29.04.2022, i.e. more than 3 years ago, hence in terms of the provisions of section 167 (1) (b) of the Companies Act, 2013 the Applicants have vacated their office as Director of the Respondent No. 1 Company by operation of law, due to not attending any of the board meetings from 29.04.2022 till 05.09.2025

125. The Applicants have been sent all the notices of board and general meetings via email during the relevant period, which is a valid mode of service, however the Applicants have deliberately & consciously failed and neglected to attend any of the board and general meetings during the relevant time.

126. the Applicants have not only remained consciously absent from the board meetings, but have deliberately & consciously chosen to be absent from all the general meetings during the aforesaid period, in spite of receiving notices of each such meetings, including but not

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limited to the EGM dated 11.03.2025, the applicants have sought to challenge by way of filing the IA 34. Further the Applicants have challenged the noting made in the Directors Report for the FY 2024-25 prepared and shared with them by the Board, pertaining to vacation of their office as Directors by operation of law, even though the last board meeting attended by the finance Directors, who are professional Chartered Accountants, was on 29.04.2022 i.e. more than 3 years ago, hence must have been duly aware that they are to attend and participate in the board and general meetings for providing their valuable inputs to the Board consisting of doctors, however chose to deliberately abstain from all the meetings and are now challenging the automatic vacation of office as Directors by operation of law, by filing the instant CA 11, and are blaming the Respondents for their own incompetencies and act of deliberate omissions. Hence in light of the factual submissions made herein, the objections raised by the Applicants pertaining to legality of the board & general meetings & challenging of AGM dated 30.09.2025 is invalid and null.

127. The Applicants along with Respondent No. 7, 8 & 13 did visit the registered office of the Respondent No. 1 Company on 04.03.2024 for attending the adjourned AGM of the Company for the FY 2021-22, and keeping in tune with their acts of creating hyperbole, sympathy seeker and creation of false narrative, had sought police protection while visiting the registered office premises of the Respondent No. 1 Company. And in spite of being accompanied by the law enforcement officers to the AGM of the shareholders, which was also attended by female shareholders, deliberately chose to remain outside the conference hall located at 3rd floor, where the AGM was scheduled to take place, and intentionally did not attend the adjourned AGM but were standing outside the conference hall laughing and chit chatting during the time when the AGM was being held and in spite of repeated

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requests made by the Respondent No. 3 to kindly participate and join in & attend the AGM, specifically chose to remain outside the conference hall. The Applicants, Respondent No. 7, 8 & 13 were present on the 3rd floor outside the conference hall is duly captured in video camera, and the Respondents seek kind leave of this Hon'ble Tribunal to bring the same on record at the appropriate stage of the instant proceedings.

128. The Respondents herein in terms of the AOA, had on 24.09.2025 duly sent a notice convening AGM of the Company for the FY 2024-25 to all its shareholders, including the Applicants herein, however keeping in tune with their past practices of disrupting the operations, the R Applicants at 11.00 am on 30.09.2025 i.e. the very date of the AGM, sent an email for providing of virtual platform to the shareholders for attending the said AGM, and the link was duly provided and sent to all the shareholders before the AGM, which was scheduled to be held at 4.30 pm, however despite receiving the link, the Applicants herein chose to remain absent despite sharing of the link at their behest. Since the Applicants did not join in the virtual link, the Respondents sent an email to the Applicants at 4.59 PM requesting them to join the virtual proceedings, and intimate that all the other shareholders are still waiting for them to join the AGM, which was yet to be commenced, however most astonishingly instead of joining the link the Applicants sent an email, once again creating a false narrative by stating that the meeting was scheduled to be held at 4 pm and the link was deliberately sent at 4.14 pm, when the fact of the matter is that the AGM was schedule to be held at 4.30 pm and not 4 pm as the Applicants would have others falsely believe. Further in yet another desperate act to hide their incompetencies and with ulterior motive of creating false narrative, the Applicants sent an email stating that the link was not functioning. Hence the Applicants deliberately chose to remain absent

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from all the meetings, and with all gusto file IA's after IA's on same ground by narrating the false stories created and manufactured by them at their whims and fancies to suit their narrative.

129. The Applicants not only chose to remain absent from all the board and general meetings but also did not discharge any of their duties as director of the Respondent No. 1 Company, including but not limited to filing of disclosure of interest by Director as enshrined under the provisions of section 184 (1) of the Companies Act, 2013. The Applicants have deliberately failed to disclose their interest at the start of the FY 2023-24, 2024-25 hence have miserably failed in their mandatory obligations under the Companies Act, 2013 and hence have also failed to discharge their duties as Director as enshrined under the provisions of section 166 of the Companies Act, 2013, which are mandatory in nature.

ANALYSIS AND FINDINGS:

130. We have heard the rival submissions of the parties and perused the material on record, pleadings and the judicial decisions relied upon by the parties. On careful examination of the material on record, the pleadings and the submissions made by the Ld. Counsels from both the sides, the bench considers the following two key issues for determination. **Firstly;** that whether the company had been subjected to continuous and systematic pattern of oppressions and mismanagement pursuant to the acts and deeds carried out by Respondent No. 2 and 3 in the affairs of Respondent No. 1 company. **Secondly;** whether petitioner's-chartered accountants collectively holding 16.9% of the share capital of Respondent No. 1 Company are removed from the office of the directors of the company pursuant to such acts of oppressions and mismanagement by R2 and R3 in the affairs of R1 Company or they stand removed by operation of law under

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Section 167(1)(b) of the Companies Act, 2013 and their removal form directorship is illegal.

Issue No. 1

Whether the company had been subjected to continuous and systematic pattern of oppressions and mismanagement pursuant to the acts and deeds carried out by Respondent No. 2 and 3 in the affairs of Respondent No. 1 company.

I. The petitioners are chartered accountants by the profession holding collectively 16.9 % share capital of R1 Company. The petitioners are also directors on the board of the Company and represented the minority shareholders. The petitioners are not only directors and minority shareholders but also co-borrowers/guarantors in the loans availed by the R1 Company. It is thus contention of the petitioners that deterioration in the financial health of the Company directly affects the rights and financial interest of the petitioners adversely.

II. On perusal of the pleadings, it is quite manifest that the management and control of the company remained vested with the R2 and R3 who were functioning as the managing director and medical superintendent of R-1 Company respectively. It is also the contention of the petitioners that it is the responsibility of the managing director and medical superintendent i.e., R2 and R3 for conducting the day-today affairs, operations, finance, statutory compliances, patient administration and overall management of the hospital. However, the Respondents have repeatedly attempted to shift the responsibility for the affairs of the R1 company upon the petitioners by relying upon the consultancy agreements dated 15.09.2016 & 01.04.2019

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executed with M/s PSAC and M/s Proethic Consultants Pvt. Ltd. by R-1 Company.

III. The Bench however observed that the agreement executed with M/s PSAC and M/s Proethic Consultants Pvt. Ltd. merely provided for hiring and rendering the professional consultancy services relating to various areas of work including finance, accounts, management, human resource training and other operational support and such agreement does not confer any authority to manage the affairs of the R-1 Company upon the Petitioners. The bench further observed that the said agreements were terminated on 22.11.2022 only whereas the instances of operations and mismanagement as emanated from the petition continued to be committed by Respondents No. 2 and 3 which pertain to the subsequent period after the said agreements got terminated. The Acts of financial regularities siphoning of the funds continuous violation of Government Health Care Schemes, regulatory penalties and systematic operation of minority shareholders manifestly continued even after the termination of the agreements with the said entities M/s PSAC and Proethic Consultants Pvt. Ltd. with effect from 22.11.2022.

IV. On the contrary, the contention of the Petitioners that the case of the Petitioners is not founded upon their engagement with the R1 Company but upon the fact that during the course of such engagement petitioners became aware of the serious irregularities committed by R2 and R3 within the affairs of R-1 Hospital Company. The petitioners brought such irregularities to the notice of the management of the R1 Company but instead of rectifying the violations the management choose to disregard such concerns which paved the way for initiating the

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Regulatory Actions by various governmental authorities against the R1 Company. In this regard, the petitioners have cited a glaring instance of irregularities committed by the management of the R1 Company in administering the **Ayushman Bharat Scheme.** The Petitioners have alleged that Respondent No. 2 and 3 are directly involved in defrauding the company and its members by seeking and accepting payments in cash from the patients holding 'Ayushman cards' with a malafide intention to make undue advantage at the cost of the company and its members. The illegal acts committed by the Respondents have also come under the scrutiny of the Collector and *vide* order dated 03.11.2021, Collector has issued a specific order directing the Company to refund the excess amount charged from one of the patients as has been brought out by the petitioners in their pleadings. Besides, the office of the Chief Medical Officer, Durg during the course of inspection also found that the hospital was charging medical bill in cash over the **'Ayushman'** limit. The Bench also observed that the directorate of health services, Chhattisgarh vide letter dated 18.07.2024 enforced penalties on the Respondent No. 1 Company for their continuous indulgence in billing irregularities to the patients.

V. Consequently, the R-1 Company ultimately faced **de-empanelment** by Directorate of Health Services, Chhattisgarh from **'Ayushman Bharat Pradhan Mantri Jan Arogya Yojna'** on 07.02.2025 which clearly indicate that the major irregularities continued even after termination of the agreement executed with two concerns owned by the Petitioners. Therefore, the contention raised by the Respondents in the reply affidavit that the petitioners are solely responsible for the oppressions and mismanagement in the

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affairs of the R1 Company does not carry much substance in as much as that the majority of the irregularities of operations and mismanagement continued to occur and have occurred post termination of the agreement with the said two concerns of M/s PSAC and Proethic Consultants Pvt. Ltd. with effect from 22.11.2022. In this regard, the Respondents have sought to rely upon the order dated 29.10.2025 passed by the Hon'ble High Court of Chhattisgarh in W.P. © No. 3316 of 2025 whereby the de-empanelment order issued against the Respondent No. 1 Company was set aside. However, a bare perusal of the said order would show that the Hon'ble High Court has not adjudicated upon the merits of the allegations levelled against the hospital nor has it recorded any finding exonerating the Respondents from the charges of irregularities committed under the Ayushman Bharat Scheme. The de-empanelment order was set aside by Hon'ble High Court solely on the ground that a detailed speaking order had not been passed by the competent authority. The Hon'ble High Court has expressly left it open for the concerned authorities to consider the matter and pass an appropriate speaking order after considering the show cause notice and the reply submitted by the Respondents.

VI. It is the contention of the Petitioners that due to de-empanelment they being the shareholders and the guarantors of the borrowings of R1 Company have suffered irreparable laws to loss.

VII. There exist serious allegations of syphoning of the funds of R1 Company by Respondent No. 2 and 3 by accepting cash payments from the patients which are not recorded in the books of account maintained by the Company. This is also found in conformity with the qualification recorded by the

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statutory auditors in the billing mechanism of the R-1 company, highlighting therein the deficiencies in the billing process and lack of control. In this regard, the petitioners have brought on record certain documents evidencing the cash transactions signed by the Respondent directors which are not reflected in the books of account of the R1 Company. The maintenance of parallel cash transactions outside the books obviously deprive shareholders about the true and fair picture of the financial affairs of R1 Company. The respondents for the same are holding the petitioners responsible in view of the agreements executed with the two concerns namely M/s PSAC and Proethic Consultants Pvt. Ltd. owned by the petitioners but the fact remains that by virtue of execution of such agreement the petitioners have been assigned the professional consultancy work in various areas of work of hospital and the said agreement as such does not confer any authority of control and management of affairs of R1 Company to the petitioners and that control & management of R-1 Company remains only with the respondent No. 2 and 3 who were acting as the managing director and medical superintendent of the R1 Company respectively.

VIII. The petitioners after discovering the instances of financial irregularities, diversion of funds, regulatory violations and acts of oppression being committed in the affairs of R-1 Company, approached this Tribunal in November, 2022 by filing the present Petition IA (IB) 61/CB/2022 under Section 241 and 242 of the Companies Act, 2013. In the main Petition, the Petitioners also sought interim reliefs, including to direct an investigation, a forensic audit and into the affairs of the R-1 company and for appointments of a receiver till the petition is

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finally decided which were dismissed by this Tribunal vide order dated 17.07.2023.

IX. Being aggrieved, the Petitioners preferred an appeal before the Hon'ble **National Company Law Appellate Tribunal**. The Hon'ble **NCLAT** vide order dated 26.04.2024 in Company Appeal (AT) No. 157 of 2023 simply held that since some reliefs in the interim application are also of a final nature, therefore the interim order was rendered ineffective. Consequently, the allegations of oppression, mismanagement, diversion of funds, regulatory violations and the necessity of investigation into the affairs of the Company remain open for independent consideration by this Hon'ble Tribunal.

X. The proposed transfer of shares held by R4 and R10 also demonstrates the continuing disregard for corporate governance and statutory procedures through the conduct of R2 and R3. The Respondent No. R4 and 10 holding more than one lakh equity shares in R1 company offered sale of their shares and the petitioners conveyed their interest for purchase of the same however in contravention to the prescribed procedure of convening any board meeting for appointment of an independent registered valuer the R2 and R3 both prepared a valuation report dated 26.11.2024 without following any transparent and legally compliant process. Thus, the allegation raised by the petitioners that exercise of valuation of shares of R4 and R10 was undertaken behind the back of the Board showing complete disregard to the established corporate procedure carry substantial merit for want of any specific rebuttal thereof by the Respondents. It is significant to mention that even the Respondent No. 4 one of the proposed sellers of the shares himself had questioned the veracity of the valuation

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report stating that valuation has not been done in accordance with the established corporate procedure. However, despite objections by the shareholder whose shares were offered for sale, the R2 and R3 proceeded in the matter of sale of shares of R4 and R10 without adhering to any corrective measure by issue of offer letter dated 31.01.2025 by R2, the managing director of the Company.

XI. The petitioners in their reply to sur-rejoinder filed by Respondents have also given rebuttal to the allegations levelled against their partnership firm M/s PSAC and Proethic Consultants Pvt. Ltd. contending that the Respondents have not brought any material on record to refute the contentions of the Petitioners regarding the oppressions and financial mis-management by Dr. Deepak Verma R2, the managing director of the Hospital and Dr. Sanjay Goel R3, being the medical superintendent of the hospital. The Petitioners have filed the rejoinder in original petition by way of an application being CA No. 18/CB/2023 and the same was allowed by the Hon'ble Tribunal vide its order dated 24.04.2023. The respondents have not challenged such order of the Hon'ble Tribunal and therefore, it has attained finality. Since, the rejoinder in the main petition filed by the Petitioner is already taken on record by the Hon'ble Tribunal, any challenge to such rejoinder cannot be raised by the Respondents at this stage and therefore, the contents of para 7 of the sur-rejoinder are liable to be dismissed for being completely frivolous.

XII. It is a fact that the present petition has been filed by the petitioners against the oppressions and mismanagement in the R1 Company, therefore, the contention of the petitioners that the pending dispute of R1 Company with third party entities

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which are not party to the present case cannot be considered while adjudicating the issue of oppressions and mismanagement in R1 Company also carry substantial force. This Tribunal observed that the Petitioners have brought on record 'Board resolution' of the Respondent No. 1 company to show that the Respondent No. 2 was the managing director and respondent No. 3 was medical superintendent of the Respondent No. 1 Company and they were the sole operators of the Company's accounts and all the invoices raised to Respondent No. 1 Company and they were receiving remuneration from the Respondent No. 1 Company for such positions. Further, Respondent No. 2 and Respondent No. 3 were sole operators of the Company's accounts and all the invoices raised to Respondent No. 1 Company were cleared with the signature and approval of the Respondent No. 2 and 3 only, it is also noted that even the agreements placed on record by the Respondent directors showing the dealings of R1 company and third party firms bear the signatures of the Respondent No. 2 on behalf of Respondent No. 1 company which further fortifies the fact that the Respondent Directors were in complete control of the Respondent No. 1 Company and therefore are liable for all the affairs and fraudulent activities committed in the Respondent No. 1 Company.

XIII. The Bench observed that the contention regarding non-drawl of salary by the majority shareholders of the Company during covid period in anyway does not justify the fraudulent practices in the Respondent No. 1 Company.

XIV. The Bench observed that the third-party entity engaged by the Respondent No. 1 Company were also given limited task of optimizing financial record keeping and arranging the data

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provided by Respondent No. 1 company to it. The fact that the Respondent directors were taking payments in cash from '**Ayushmaan card holders**' and cognizance of the same have been taken by concerned authorities is enough to demonstrate that there is financial mismanagement in the Respondent No. 1 company. This coupled with the fact that the Respondent No. 2 with its own signature has made "**referral payments**" to third party doctors which is allegedly not entered in the books of the Respondent No. 1 company shows that the Respondent directors acts are prejudicial to the financial affairs of Respondent No. 1 company. The dispute between the Respondent No. 1 company and the third-party entity is sub-judice before the Hon'ble **High Court of Chhattisgarh** and the same does not have any relevance to the facts of the instant case and therefore, contentions raised by the Respondent directors with respect to such issues are found to be devoid of any merit.

XV. The bench observed that the Petitioners which are minority shareholders in the Respondent No. 1 Company raised the relevant issues within the Respondent No. 1 Company as soon as they came to know the same in consequence of which the instant petition was filed. However, the respondent majority directors instead of addressing the concerns raised by the Petitioners in the Respondent No. 1 Company tried to deflect such allegations.

XVI. The Bench observed that unlike the specific Board resolutions of the Respondent No.1 Company, which makes the Respondent No. 2 and 3 Managing Director and Medical Superintendent of the Respondent No. 1 Company, there is **no Board resolution** to show that the Petitioners were ever

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appointed as financial directors of the Respondent No. 1 Company.

XVII. The Bench observed that the Respondent directors are majority shareholders and in complete control of the Respondent No. 1 company.

XVIII. The Bench further observed that before filing of the instant Petition being IA 34/CB/2025, the Respondent Directors had intended to appoint an unrelated person as the Executive Director of the Company which was completely in violation of the **Articles Of Association** of the Respondent No. 1 company.

XIX. The Bench observed that the business dealings of the Respondent No. 1 company and third party entities are not subject matter of the instant petition and since such issues are sub-judice before competent courts, such contentions of the Respondent Directors regarding the ongoing dispute between the Respondent No. 1 and the third party entities bear no consequence in the facts of the instant case.

XX. The Bench also observed that the Petitioners by way of rejoinder have brough on record ANNEXURE P/23 which is a chart bearing signatures of Respondent No. 2 and shows that the funds of the Respondent No. 1 Company are being diverted to various unrelated third parties. These transactions are allegedly not reflected in the books of the Respondent No. 1 company and this chart is not even disputed by the Respondent directors but no rebuttal has been given by Respondents against the allegation that the amount which has not been entered in books had been siphoned off. The fact that the only submission with respect to chart made by the

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Respondent Directors is that the **Petitioners should provide source of such document and the details provided in the chart are not disputed**, is enough to show that the Respondent Directors have conceded to mismanagement and diversion of funds in the Respondent No. 1 company for want of any rebuttal to the document.

XXI. Finally, the Tribunal observed that the Respondents have not specifically denied the allegations of oppressions and mis-management in the affairs of R-1 Company and, on the contrary, continuously attempted to shift the responsibility on the petitioners, without any cogent material support, which itself resembles that the R-1 Company had suffered oppressions and mis-management.

XXII. After taking into consideration all the cumulative factors and the circumstances, the Bench is of considered judicious opinion that the R-1 Company had been subjected to continuous and systematic mis-management by R-2 and R-3 which has resulted into consequential oppression of minority shareholders by the majority shareholders. **Hence, this issue is answered in Affirmative.**

XXIII. **No Separate order is passed in IA No.34/CB/2025 as the issues raised therein is already covered by the findings hereinabove.**

Issue No. 2 - CA No. 11/ CB/ 2025

Whether petitioners Chartered Accountants collectively holding 16.9% of the share capital of Respondent No. 1 Company are removed from the office of the directors of the company pursuant to such acts of oppressions and mismanagement by R2 and R3 in the affairs of R1 Company or they stand removed by operation of

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law under Section 167 (2) of the Companies Act, 2013 and whether they were illegally removed from the directorship of the R1 Company.

I. **CA No. 11/ CB/ 2025** has been filed by the petitioners in the main Company petition CP No. 61/CB/2022 inter alia challenging therein the vacation of the directorial position of the petitioners by operation of law under Section 167 (1) (b) of the Companies Act 2013. The contention of the applicants is that once they had reported the alleged irregularities in the affairs of the R1 Company to the management for rectifying the same, the management failed to rectify the irregularities which forced the petitioners to move a present petition no. 61/CB/2022 under Section 241-242 before the tribunal against the R2 and R3 of the said petition who were the key managerial persons of R1 Company functioning in the capacity of managing director and medical superintendent respectively in the R1 Company. The petitioners thus had contended that it is but for filing a petition against the operations and mismanagements committed by R2 and R3 in R1 Company that the petitioners were prevented from attending the board meetings physically due to there being an eminent threat to their life. The petitioner thus alleged that the respondent No. 2 and 3 have illegally declared the directorial office of the petitioners as vacant by operation of Section 167(1)(b).

II. The respondents have raised an objection that CA 11 has been filed by invoking Rule 11 of NCLT Rules, 2016. However, under the jurisdiction of S. 241/242, such interim applications can only be visualized through the lens of S. 242 (4). As per S. 242 (4), the nature of a such an application is only interlocutory i.e. during the pendency of the main petition. The prayers in the

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said CA 11, therefore, being interlocutory in nature, cannot be considered at this stage of final disposal of the main CP itself. Moreover, the Applicants have also not taken steps to amend the main CP to incorporate any such reliefs as claimed in CA 11. In this regard, the petitioners contend that CA No. 11 of 2025 is filed on the basis of actions of Respondents which were officially communicated to the Petitioners for the first time on 05.09.2025 via Director's report of the Respondent No. 1 company. No prior notice or intimation was given to Petitioners before initiating actions under Section 167 (1) (b) despite the fact that Petitioners were actively pursuing the case before this Hon'ble Tribunal.

III. In this regard the respondents have placed reliance on the judgment of this Hon'ble Tribunal in C.P. No. 98/CTB/2019 dated 30.08.2022 in the case of Dr. Kedarnath Panda vs. Institute of Gastro and Kidney Care Pvt. Ltd.

IV. The Bench observed that the facts in the case of Mr. Kedarnath Panda adjudicated by this Bench are at variance from the facts and circumstances of the present case in hand. There in the case of Dr. Kedarnath Panda he was removed from the directorship by passing a resolution in the Board meeting but in the present case the petitioners are not removed from their office of directorship by way of holding any Board meeting and their office of directorship as such is declared vacant by operation of law under Section 167 (1) (b) of the Companies Act 2013 which according to the petitioners is attributable to the peculiar facts and circumstances of this case in as much as that in the present case the petitioners were prevented by the management specially to attend the meetings of the R1 Company forcibly and kept the petitioners away from

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participation in Board meetings for the obvious reasons that the petitioners have filed the present petition being CP 61/CB/2022 before this Tribunal against the acts of oppressions and mismanagement by the R-2 and R-3 in R-1 Company. The Tribunal thus observes that the applicability of Section 167 in the case of the petitioners is manifestly attributable to the acts and circumstances created by the management in the affairs of the R1 Company which fact has been demonstrated by the Petitioners by citing certain instances of threat to the life of the Petitioners for which criminal case was also filed by one of the directors in the police. Further that there appears to be no obvious reason for Petitioners not to attend the meeting except the manifest facts and circumstances which have been created due to mishandling the managerial and financial affairs of the Company by the R2 and R3 who being the Managing Director and the Medical Superintendent of the hospital were vested with the sole powers of managing the affairs of the Hospitals R1 Company including the indulgence into the wrongful acts including the application of physical force by the bouncers against the petitioners for which the petitioners have filed the complaints as per the pleadings taken in present IA 11 arising out of CP 61 filed against oppressions and mismanagement by R2 and R3 of R1 Company. A simple instance of hiring of police by the Petitioners for their security to attend the AGM itself demonstrate that the petitioners were under threat for which they have taken the shield of police for protection against any anticipated intimidating behaviour itself resembles a situation of oppressions and mismanagement by the key managerial directors of the R1 Company. It is nothing but reflection of conflict between the directors of R1 company which supports

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the case of the petitioners that the key managerial persons who were responsible for managing the affairs for R1 Company have rescinded to adhere to corporate governance. Filing of an FIR by Dr. Deepak Kothari one of the directors against the key managerial personnels of the hospital R1 company itself shows that the affairs of the company were not being carried out in accordance with law resulting into oppressions and mismanagement to its shareholders. **Here it is pertinent to mention that Dr. Deepak Kothari one of the directors of the R1 Company along with other two directors namely Dr. Jai Tiwari and Dr. Anoop Kumar Gupta has also filed another petition on being CP IB 22/CB/2024 under Section 241-242 of the Companies act against the present respondent R1, R2 and R3 of R-1 Hospital** Company which is pending for hearing and disposal before this AA. Thus, the allegations by the Petitioners that the R2 and R3 through indulgence into the Acts and deeds amounting to oppressions and mis-management has made an attempt to usurp the democratic rights of the minority shareholders by depriving them to their lawful participation in the affairs of the R1 Company by vitiating the atmosphere of the Hospital Company. The Respondents contention is that the petitioners are not removed from their office but they stand removed from their directorial office by operation of law under Section 167 (1) (b) of the Companies Act, 2013.

V. The Tribunal feels that if it being a case in that situation the respondents should have no objection to the restoration of the petitioner directors to their office of Directorship. Further that by having advanced such contention that the directors are not removed by the Board of directors, the respondents as such are ratifying that there has been no allegation of wrong doing on

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the part of the petitioners so far as their indulgence as directors persisted during the relevant period.

VI. Even though Section 167 (1) (b) is an automatic provision and the vacation of office is by operation of law but the underlying reason for such *suo-moto* absence from attending the Board meetings by the petitioners have to be looked into keeping in mind the prevalent circumstances which compelled the petitioners to such *suo-moto* absence from board meetings. The fact that it is the petitioners who while acting as directors have disclosed the acts of oppressions and mis-management by the R-2 and R-3 in the affairs of the Company and subsequent filing of petition under Section 241-242 of the Companies Act against such oppressions and mis-management of R-1 Company in itself is a self-contained example of mis-management in R-1 Company. Secondly that it is post filing of present petition being CP 61/CB/2022 that the petitioners have kept remaining absent themselves from the board meetings. So, this tribunal has to appreciate the distinction in both between the intention and motive of R2 and R3 pursuant to filing CP 61/CB/2022. It is quite obvious that after having filed such petition against the Respondents the Respondents would not prefer the petitioners to participate in the affairs of R1 company for the obvious reasons. Thus, the intention of the Respondents is quite manifest to keep the petitioners aloof from such meetings of R1 Company obviously for the underlying reasons and for doing so the motive of the Respondents is obvious to defeat the allegations brought out in CP 61/ CB/2022 against the Respondents filed in this Tribunal.

VII. In view of the foregoing discussion and after considering the facts and legality, this Tribunal is of the opinion that the

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vacation of office of the Directorship of petitioners is neither attributable by nature of operation of Law nor they were removed as per Law by Board hence considering them office as vacant is illegal; under the peculiar facts and circumstances of this case. **Therefore, this Tribunal, in the interest of justice, hold that the petitioners still continue to be the directors of R-1 Company as they were admittedly neither removed by the Board of the Company as required by applicable laws passing any Board resolution of R-1 Company nor under peculiar facts and circumstances, they stand removed by operation of law.**

ORDER

A. This Tribunal under Section 242(4) of the Companies Act, 2013, appoints **Shri Deep Chandra Joshi, Former Acting President, NCLT, Delhi** having Mobile No. **9784900680 and Email Id- deep.chandrajoshi@yahoo.com** as an **Administrator** to control and manage the affairs of the Company for an initial period of 3 months commencing from the date of acceptance of his appointment.

B. Shri Deep Chandra Joshi, the Administrator shall chair all the meetings of the Company and shall have right to reconstitute the Board as per law, manage bank account of the company, appoint forensic auditor, to investigate into the affairs of the company, the allegations of oppression and mismanagement, fraud, collusion, concealment of books of accounts, siphoning of funds, etc. and also to render proper compliances by way of affidavit to the orders of this Tribunal.

C. The Administrator shall discharge all functions including administrative and operational functions in the Company effectively to ensure that the Company continues as a going

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concern while discharging its obligations to its clients through the existing Board of Directors. All the employees of the Company are directed to report to the Administrator as per the existing hierarchy. In case of a difference of opinion between the Administrator and the Board of Directors on any matter relating to the discharge of the functions, the opinion/view/stand of the Administrator shall prevail.

D. The Administrator shall be paid a monthly remuneration/ compensation of **Rs. 2,50,000/-** plus the applicable taxes by the Company.

E. The Administrator may take help and/or appoint an assistant/consultant/employee as he may deem fit and proper on such fee/remuneration/compensation as may be determined by the Administrator which shall be paid by the Company herein. However, the Administrator shall not pass any dismissal/termination order of employees without prior permission and approval of this Tribunal. The Administrator shall also not borrow any funds, or dispose of, or alienate, or create any kind of charge on any of the assets of the Company without prior permission and approval of this Tribunal.

F. Further the applicants and respondents and their representatives shall render utmost cooperation and assistance to the Administrator and his staff/consultants/employees in the discharge of his functions as well as the scope of work entrusted in this order.

G. The Company shall make to the Administrator or his staff a full and free/complete disclosure of records of the company, including Books of Accounts/Financial Statements,

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Contracts, Agreements and the like relating to the affairs of the company.

H. The Administrator shall not (except in the ordinary course of business): a) Sell or otherwise dispose of or encumber the Company's assets. b) Incur liabilities. c) Distribute funds from the Company. d) Enter into any contracts. e) Change the nature of business. f) Alter or increase the paid-up share capital or issue further shares. g) Enter into any related party transactions. h) Make investments in other bodies corporate.

I. Not limited to the matters specifically mentioned hereunder, the Administrator shall investigate the matters of oppression and mismanagement, fraud, collusion, concealment of books of accounts, diversion and siphoning of funds, unauthorized sale of land/ properties, etc. which are alleged against the company and/or the Board of Directors who manage the company. The Administrator shall analyse the entire state of affairs of the company and should also render proper compliances to the orders of this Tribunal. The administrator shall file a 3 months' composite Report on the affairs of the company as well as on his investigation of the allegations mentioned above.

J. The Administrator shall enjoy complete immunity from any kind of civil and criminal proceedings already launched or to be launched in or outside the country against the company and its directors of all acts done prior to and subsequent to the date of appointment as an Administrator with an additional immunity and protection during all such legal proceedings for and against the Company. None of the State and Central Government agencies shall initiate any action, civil or criminal, punitive or coercive against the Administrator

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for the acts of omission or commission in the exercise of regulatory enforcement and the like powers.

K. The Board Meetings and other general meetings of the Company as required under the law shall be convened and conducted by the Board of Directors under the directions of the Administrator. The Administrator shall allow the petitioners to participate in the affairs of the Company including Board Meetings in usual manner to exercise their **directorial powers as their directorship** stands restored in continuity as directors.

L. Company is directed to ensure all compliances before the relevant statutory authorities including but not limited to filing under the Companies Act, 2013, under the supervision and superintendence of the Administrator.

M. The Administrator is given liberty to seek such directions or guidance from the Tribunal for the effective discharge of his function by filing appropriate applications or reports before this Tribunal.

N. The Administrator will file an acceptance-cum-consent letter to the above order before this Tribunal within a sever days from the date of receipt of the copy of this Order.

O. The Administrator as well as parties may approach this Tribunal if they feel that intervention of the Tribunal is required in a particular situation.

P. Accordingly, **CP 61/CB/2022**, **IA 34/CB/2025** and **CA 11/CB/2025** stands **ALLOWED** and **DISPOSED OF.**

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Q. The Registry is hereby directed to send e-mail copies of the order forthwith to all the parties, their counsel and the Administrator for information and to take necessary steps.

R. Let the certified copy of the order be issued upon compliance with requisite formalities.

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BANWARI LAL MEENA
MEMBER (TECHNICAL)

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CHEEKATI RADHA KRISHNA
MEMBER (JUDICIAL)