

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2



ITEM No.302
APPEAL/60(AHM)2023

Proceedings under Section 59 of Co. Act, 2013

IN THE MATTER OF:

SHRI ASHOK RAMCHANDRA PANCHAL & Anr.
VS
VEER FABRICATORS PRIVATE LIMITED & Ors.

.....Applicant

.....Respondent

Order delivered on: 01/07/2026

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)
Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

This case is fixed for pronouncement of order

The order is pronounced in open court vide separate sheet.

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

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CHITRA HANKARE
MEMBER (JUDICIAL)

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

APPEAL/60/AHM)/2023

(An Application under Section 59 of the Companies Act, 2013)

In the matter of :

1. Shri Ashok Ramchandra Panchal
O-301, Abhishek Apartment,
Opp. Ganesh Vidhyalaya,
New Vadaj, Ahmedabad-380013
 2. Harsh Ashokbhai Panchal
Through PoA Shri Ashok Ramchandra Panchal
O-301, Abhishek Apartment,
Opp. Ganesh Vidhyalaya,
New Vadaj, Ahmedabad-380013
- Appellants

Versus

1. Veer Fabricators Private Limited
Registered office at: Plot No. 1162
LS 1038 village Mathasur, Tal: Kadi
Dist. Mehsana, Gujarat-382705
2. Meet Bharatbhai Patel
Having address at:
D/204 Sarvopari Elegance,
Opp. Satya Residency, New Ranip,
Ahmedabad-382470
3. Mr. Amrish Ramanbhai Panchal
59, Supath Co-op. Society,
Chandkheda,
Gandhinagar-382424
...Respondents

Order Pronounced on 01/07/2026

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CORAM:

MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)

DR. V.G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)

Appearance:

For the Appellant : Mr. Jaimin Dave, Advocate
Ms. Hirva Dave, Advocate
For the Respondent : Mr. Parth Shah

J U D G E M E N T

1. The present Appeal has been filed under Section 59 of the Companies Act, 2013 seeking rectification of the Register of Members of Respondent No.1 Company. The relief(s) prayed for:

a) *May be pleased to direct Respondent no. 1 to rectify the register of members and further direct Respondent no. 1 to restore the name of the Appellants and remove the names of the Respondent no. 2 and Respondent no. 3 as shareholders/members of the Respondent no. 1*

b) *May be pleased to direct Respondents to jointly and severally pay damages to the tune of Rs. 50,00,000/- (Rupees Fifty lacs) to the Appellants for omitting name of Appellants from the register of members without sufficient cause and in*

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completely illegal fraudulent and unlawful manner;

c) May be pleased to grant any other /further relief(s) as may be deemed fit in the interest of justice.

Submissions of the Appellants

2. Respondent No. 1 was incorporated on 22.04.2019 under the provisions of Companies Act, 2013. The case of the Appellants is that they were holding 10,000 equity shares constituting 100% shareholding of Respondent No.1 Company since 06.08.2021. Their names were duly entered in the Register of Members and were reflected as shareholders in the Annual Report for FY 2020-21. The original subscribers of the MoA and AoA of the Respondent No. 1 as well as Original promoters, Directors and Shareholders of Respondent No. 1 were as under:

Promoter/Director/Shareholder	Shares	Shareholding (in %)
Harsh Ashokbhai Pnachal	3,500	35%
Pankit Hemangbhai Panchal	3,500	35%
Abhishek Ashishkumar Panchal	3,000	30%
Total	10,000	100%

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3. On 4.10.2019 Mr. Abhishek Ashish Panchal has resigned as Director of Respondent No. 1 and Appellant No. 1 was appointed as Executive Additional Director of the Respondent no. 1. Form DIR-12 was duly filed before the ROC. On 10.10.2019 Mr. Pankit Hemangbhai Panchal resigned as Director of Respondent no. 1 Form DIR-12 was duly filed before ROC. On 10.10.2019 Mr. Abhishek Ashish Panchal and Mr. Pankit Hemangbhai Panchal also indicated their desire to liquidate their entire shareholding in Respondent No. 1 and Appellant No. 2. However, appellants remained as Directors holding 5000 shares of Rs. 10 each of Respondent No. 1. On 03.07.2020, Respondent no. 2 was introduced as additional executive director of Respondent No. 1 Form DIR-12 filed ROC. On 05.08.2021, Appellant No. 2 resigned as Director and Mr. Amrish Panchal was appointed as Director of Respondent No. 1 on 06.08.2021 Form DIR-12 filed with ROC.



Shareholder	Shares	Shareholding (%)
Harsh Ashokbhai Panchal	5000	50%
Shri Ashok Ramchandra Panchal	5000	50%
Total	10,000	100%
Director	Date of assuming office	
Mr. Meet Bharatbhai Patel	03.07.2020	
Mr. Amrish Ramanbhai Panchal	06.08.2021	

There is no legal and valid change in the shareholding of the Respondent No. 1 since 06.08.2021.

4. The Appellants contend that Respondent Nos. 2 and 3 were only Directors of Respondent No.1 and were not shareholders. According to the Appellants, at no point of time did they execute any share transfer form, transfer deed or any other document transferring their shares in favour of Respondent Nos. 2 and 3.
5. It is further the case of the Appellants that the original share certificates continued to remain in their possession and were never delivered either to Respondent No.1 or to Respondent Nos.2 and

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6. The Appellants have alleged that Respondent Nos. 2 and 3 illegally and unauthorised manner got the shares transferred in their favour and caused deletion of the names of the Appellants from the Register of Members of Respondent No.1 Company.
7. The Appellants have relied upon Section 56 of the Companies Act, 2013 and Clause 19 of the Articles of Association of Respondent No.1 to contend that a transfer of shares cannot be registered without a duly executed instrument of transfer and compliance with the prescribed procedure. The Appellants also submitted that there is no litigation pending before any other forum
8. The Appellants relied upon the judgment of *Suhas Chakma vs. South Asia Human Rights Documentation Centre(P.) Ltd.*, NCLT-New Delhi.

Reply of ROC

9. ROC submitted in its reply list of Shareholders

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as on 31.03.2022 and copy of Master Data of Company. It is also submitted that as per records available with this office, no prosecution, complaints, compounding and no matters are pending against the company.

Reply of Respondent No. 2

The Appeal is liable to be dismissed as premature and not maintainable. The Appellants did not approach the Registrar of Companies prior to invoking Section 59 and have also failed to implead the RoC, which is stated to be a necessary and proper party. The RoC report dated 22.08.2025 records that the entire shareholding of Respondent No.1 Company stands in the names of Respondent Nos. 2 and 3 and that the transfers were duly registered. The statutory records therefore support the existing shareholding position. The disputes raised by the Appellants involve contested factual allegations which cannot be adjudicated in a summary rectification proceeding under Section 59.



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Accordingly, the Appeal suffers from material irregularities, lacks bona fides, and deserves to be dismissed with costs. The Respondent No. 2 had also filed written submission and relied upon the judgment of Hon'ble Supreme Court of India in *Chalasani Udaya Shankar and others vs. M/s.Lexus Technologies Pvt. Ltd. and others*.

10. In response to the reply filed by the R-2, the Appellant has filed its Affidavit-in-rejoinder denying the allegations levied by the R-2 with a prayer to allow this appeal.
11. We have heard Ld. Counsels for both the sides and perused the material available on record. Perused the written submissions filed by both the parties.

a. This application is filed on 21.09.2023 and as per records of ROC as on 31st March 2021, the applicants were holding 50% of shares each, while as on 31st March 2022, the respondents hold 50% of the shares



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each. From this it is apparent that the share transfers were affected in the name of the respondent/s, as per record while the original shares are still with the applicant/s as submitted.

b. Both the parties have not brought in to record how the share transfer was affected and share consideration made as they were only 2 shareholders who are applicant/s who are replaced by the 2 respondents. If the share transfer has happened through sale, gift, inheritance or restructuring has not been proved or produced in the submissions of both parties. No documentation are produced by either parties. Since the transfer is effected not by demat, but physical, the shares are with the applicants.

c. Even though the ROC has submitted the relevant data, it has not given as to how the share transfer was effected. Hence we would



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direct the ROC to conduct an inquiry under Section 206(4) of the Companies Act. This becomes more essential as apparently the parties have filed an FIR before the Police on the dispute. Even though the applicant/s have not approached ROC, mere fact that they are eligible to file an appeal before this tribunal is sufficient and maintainable.

d. The Applicant has submitted the relevant MGT 7 for the year ended 31.03.2021 (where their names figure as shareholders) and MGT 7 (41-54) for the year ended 31.3.2022 (Page 55-69). We observe from the MGT filed for 31.3.2022 that the details of share transfers made are shown as blank, however, the names of respondents appear as new shareholders. The same is also not denied by the respondent nor any financial consideration for the shares, relevant board meetings, approvals are placed on record to accept authenticity of the inclusion of new

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names, depriving the applicant/s. Hence, the prayers made by the applicant for rectifying register of ROC cannot be granted at this stage.

e. From ROC submission we find the following data:

Percentage of holding Number of Equity Shares as on March 31,2021

1. Harsh Ashokbhai Panchal 5,000 (50%)
2. Ashok Ramchandra Panchal 5,000 (50%)

List of shareholders as on 31.03.2022

3. Meet Bharatbhai Patel 5,000 (50.00)
4. Amrish Ramanbhai Panchal 5,000 (50.00)

Since the ROC has powers to decide the matter on share transfer effect, its authenticity, we order the ROC to conduct an investigation as to whether the company R 1 has affected the transfers in compliance of Sec 56 of Companies Act after conducting an enquiry under Sec 206(4) of the Companies Act 2013. In view of the same we

pass the following order:

ORDER

- 1 Appeal 60(AHM) 2023 is partly allowed.
- 2 The ROC is directed to conduct an enquiry of the Company under Section 206(4) of the Co. Act, 2013 and decide the shareholding of the petitioner as of date of filing this application and pass appropriate orders.
- 3 The appeal stands disposed of.

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DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

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