IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **09.10.2026** THROUGH VIDEO CONFERENCING

PRESENT: **HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)**
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF **:** C Janarthanan
Vs
Notion Press Media Pvt Ltd & 14 Others

MAIN PETITION NUMBER **:** CP(CA)/43/CHE/2024

(IA/MA) APPLICATION NUMBERS

IA(CA)/95/2024; IA(CA)/104(CHE)/2024

ORDER

Present: Ld. Counsel Shri. K.M. Ashif for the Petitioner.

Ld. Counsel Shri. Vijith AN for the Respondents.

Vide common order pronounced in Open Court, the Memorandum of Compromise, Exhibit P1 is taken on record and following directions are issued.

(a) The Petitioner shall surrender 3,999 equity shares of Rs.10/- each with the 1™ Respondent Company and the 1 Respondent Company shall extinguish the said 3,999 equity shares;

(b) Consequent to the surrender of the 3,999 equity shares of Rs. 10/- each by the Petitioner, the 1st Respondent Company shall cancel the said 3,999 equity shares and reduce the paid-up equity share capital of the 1st Respondent Company to the extent of 3,999 equity shares, within 7(Seven) days;

(c) Within the timeline of 7days, corresponding to the reduction of the paid-up equity share capital, the 1st Respondent Company shall pay Rs.3,75,00,000/- (Rupees Three Crores Seventy Five Lakhs only) to the Petitioner through telegraphic transfer / RTGS/NEFT as per the bank details given in the Annexure A2 enclosed with the application.

Petition and the applications are disposed of accordingly.

File be consigned to records.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)

MG

Date: 09.10.2026

IN THE NATIONAL COMPANY LAW RIBUNAL,
DIVISION BENCH – I, CHENNAI

CP(CA)43(CHE)2024

(filed under Section 213, 241-242 of the Companies Act, 2013)

In the matter of ***Notion Press Media Private Limited***

C. Janarthanan
s/o J.Chidambaram Pillai,
No.44, Nallathambi Street,
Triplicane, Chennai-600 005.

... *Petitioner*

Vs

1. **Notion Press Media Private Limited**
   Having Registered office at
   No 50, Chettiyar Agaram Main Road,
   Vanagaram, Chennai-600 095.

2. **Mr. Naveen Valsakumar,**
   S/o. Mr. Valsakumar
   Director and Chief Executive Officer,
   Notion Press Media Private Limited,
   F-0403, Taisha AIS housing complex,
   West Natesan Nagar, Virugambakkam,
   Chennai 600 092.

3. **Mr. Bhargava Adepalley**
   S/o. Mr. Adepallley Venkata Sathyanarayana Prasad
   Director and Chief Technical Officer,
   Notion Press Media Private Limited,
   F-1902, Taisha AIS housing complex,
   West Natesan Nagar, Virugambakkam,
   Chennai 600 092.

4. **Mr. N. Loganathan**
   Director,
   Notion Press Media Private Limited,

No.1148, Sixth Avenue Anna Nagar,
Chennai – 600 040.

5. **Ms. Kangadhara Srinivasan**
Director,
Notion Press Media Private Limited,
No.50/29, Sir Madhavan Nair Road,
Mahalingapuram,
Chennai – 600 034.

6. **Ms. Hema Ahuga**
Old No.250, New No.91,
Kilpauk Garden Road,
Chennai 600 010.

7. **Mr. Sumit Kumar Kalra**
3A, Sudsun Labelled,
93 Harrington Road,
Chetpet, Chennai-600 031.

8. **Ms. Prerna Kalra**
3A, Sudsun Labelled,
93 Harrington Road,
Chetpet, Chennai-600 031

9. **Ms. Hemant Chordia P**
No.22/3, Pycrofts Garden Road,
Chennai-600 006.

10. **Mr. Vikram Chesetty**
No. 6, Sathyanarayana Avenue,
R.A. Puram, Chennai- 600 028.

11. **Mr. Ashwin Chesetty**
No. 4, Sathyanarayana Avenue,
R.A. Puram, Chennai- 600 028.

12. **Mr. Sriram Srinivas Garapati**
GA, Rahul Apartments,

No.23, Cenotaph 2nd Lane,
Alwarpet, Chennai-600 018.

13. **Mr. Shekar Subramanian**
No. 243, Peters Road,
Gopalapuram, Chennai-600 086.

14. **Mr. Gautham Reddy G**
No.5, 6thStreet Rutland Gate,
Nungambakkam,
Chennai-600 034.

15. **Mr. Balaji Prasad**
No.38, East Street,
Kilpauk Garden Colony,
Chennai-600 010.

... *Respondents*

Present:

For Petitioners : *P.H. Arvindh Pandian, Senior Advocate*
C.V. Shailandhran, Advocate
K.M. Ashif, Advocate

For Respondents : *R. Venkatavaradhan, Senior Advocate*
Vijith, Advocate for R2 & R3

Varshini, Advocate for R4, R6 to R15

Along with
IA(CA)/95/2024
IN
CP(CA)43(CHE)2024
(filed under Section 244 of the Companies Act, 2013 r/w Rule 11 of NCLT Rules, 2016)

In the matter of ***Notion Press Media Private Limited***

1. **Mr. Naveen Valsakumar,**
S/o. Mr. Valsakumar
Director and Chief Executive Officer,
Notion Press Media Private Limited,
F-0403, Taisha AIS housing complex,
West Natesan Nagar, Virugambakkam,
Chennai 600 092.

2. **Mr. Bhargava Adepalley**
S/o. Mr. Adepallley Venkata Sathyanarayana Prasad
Director and Chief Technical Officer,
Notion Press Media Private Limited,
F-1902, Taisha AIS housing complex,
West Natesan Nagar, Virugambakkam,
Chennai 600 092.

… *Applicants*

Vs.

1. **C. Janarthanan**
s/o J.Chidambaram Pillai,
No.44, Nallathambi Street,
Triplicane, Chennai-600 005.

2. **Notion Press Media Private Limited**
Having Registered office at
No 50, Chettiyar Agaram Main Road,
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3. **Mr. N. Loganathan**
Director,
Notion Press Media Private Limited,
No.1148, Sixth Avenue Anna Nagar,
Chennai – 600 040.

4. **Ms. Kangadhara Srinivasan**
Director,
Notion Press Media Private Limited,
No.50/29, Sir Madhavan Nair Road,
Mahalingapuram,
Chennai – 600 034.

5. **Ms. Hema Ahuga**
Old No.250, New No.91,
Kilpauk Garden Road,
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6. **Mr. Sumit Kumar Kalra**
3A, Sudsun Labelled,
93 Harrington Road,
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7. **Ms. Prerna Kalra**
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8. **Ms. Hemant Chordia P**
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9. **Mr. Vikram Chesetty**
No. 6, Sathyanarayana Avenue,
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10. **Mr. Ashwin Chesetty**
No. 4, Sathyanarayana Avenue,
R.A. Puram, Chennai- 600 028.

11. **Mr. Sriram Srinivas Garapati**
GA, Rahul Apartments,
No.23, Cenotaph 2nd Lane,
Alwarpet, Chennai-600 018.

12. **Mr. Shekar Subramanian**
No. 243, Peters Road,
Gopalapuram, Chennai-600 086.

13. **Mr. Gautham Reddy G**
No.5, 6thStreet Rutland Gate,
Nungambakkam,

Chennai-600 034.

14. Mr. Balaji Prasad
No.38, East Street,
Kilpauk Garden Colony,
Chennai-600 010.

… Respondents

Present:

For Applicants : R. Venkatavaradhan, Senior Advocate
Vijith, Advocate

For Respondents : P.H. Arvindh Pandian, Senior Advocate
C.V. Shailandhran, Advocate
K.M. Ashif, Advocate for R1

Varshini, Advocate for R4, R6 to R15

Along with
IA(CA)/104(CHE)/2024
IN
CP(CA)43(CHE)2024
(filed under Rule 11 of NCLT Rules, 2016)

In the matter of ***Notion Press Media Private Limited***

1. Ms. Hema Ahuga
Old No.250, New No.91,
Kilpauk Garden Road,
Chennai 600 010.

2. Ms. Prerna Kalra
3A, Sudsun Labelled,
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Vs.

… *Applicants*

1. **C. Janarthanan**
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2. **Notion Press Media Private Limited**
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9. **Mr. Gautham Reddy G**
No.5, 6thStreet Rutland Gate,
Nungambakkam,
Chennai-600 034.

… Respondents

Present:

For Applicants : *Varshini, Advocate*

For Respondents : *P.H. Arvindh Pandian, Senior Advocate*
C.V. Shailandhran, Advocate
K.M. Ashif, Advocate for R1

R. Venkatavaradhan, Senior Advocate
Vijith, Advocate for R3 & R4

CORAM :

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAN, MEMBER (TECHNICAL)

Order pronounced on 09th October, 2026

O R D E R

(***Hearing conducted through Hybrid mode***)

The petition CP(CA)43(CHE)2024 has been filed seeking the following reliefs:

(1) *To declare that the acts of the Respondent No. 2 to 5 are oppressive and prejudicial to the interest of the 1st Respondent Company and the Petitioner*

(2) *To set aside all the resolutions passed at the Board Meetings allegedly held on 28/03/2024 and 15/04/2024 as null and void;*

(3) *To Direct the Respondents not to make any alterations to the Memorandum and Articles of Association of the Company that would affect the rights of the Petitioner as a Director and Shareholder of the Company;*

(4) *To Direct the Respondents 2 to 5 to return the monies, as ascertained by the Independent Chartered Accountant / Forensic Auditor / Investigators, that were siphoned off by the said Respondents from the Company;*

(5) *Appropriate reliefs be passed under and in accordance with sections 242 of the Companies Act, 2013;*

(6) *Order Costs of and incidental to this Petition be paid by the Respondents 2 to 5;*

(7) *A Scheme be framed for the management and control of the affairs of the Company and running of operations thereof;*

(8) *Such further order or orders and/or direction or directions be given as to this Hon 'ble Tribunal may deem fit and proper;*

2. The Petitioner C. Janarthanan, has filed the petition CP/43/2024 under Section 213, 241 and 242 of the Companies Act, 2013 against the Company Notion Press Media Private Limited (Respondent No. 1) & Ors., alleging that the acts of the Respondent 2 to 5 are oppressive and prejudicial to the interest of R1 Company and the Petitioner. Accordingly, prayers have been made to set aside the resolutions passed at the Board meetings held on 28.03.2024 and 15.04.2024, to direct the Respondents not to make any alterations to the Memorandum and Articles of Association of the Company affecting the rights of the Petitioner as Director / Shareholder and to return monies as ascertained by the Chartered Accountant / Forensic Auditor siphoned off by the Respondents from the Company.

3. The Petitioner claims to be a second generation book publisher and distributor working under his father who is a renowned book

publisher and distributor for more than 50 years doing publishing and distribution in the name and style of Tamilnadu Book House and MJP Publishers. The Petitioner and Respondent No. 2, his school friend, planned to constitute a partnership firm Notion Press which they constituted on 09.02.2012 and invited Respondent No. 3 a free lance web developer as partner. Later, they converted the partnership firm into a Company on 12.06.2013 with all three holding 33.33% equity. The Company faced hardships on account of concept of self publishing. The offline book stores were not willing to promote or sell the books as profit margins were very less. Later, R1 Company in collaboration with Bhavish Graphics incorporated a Company named 'Sansrack Publishing Solutions Private Limited' where R1 Company held 25% shares and remaining 50% were held by Bhavish Graphics. It was managed by R2, R3 and Sree Kumar, owner of Bhavish Graphics. Later, R2 and R3 shifted R1 Company office to the premises of Bhavish Graphics. The Petitioner joined at the new office and took charge of publishing and production. R1 was profitable till May 2015 but thereafter it started incurring losses. It was looking for investments for expansion of its business. The investors (CCPS shareholders) expressed their interest and made investments under share

subscription cum share holders agreement dated 24.08.2016. The investors were allotted CCPS of Class A and Class B. R2 also invested nearly Rs. 1.0 Crore for renovation of office space and purchase of laptops etc.,. An amendment in Clause 11.1 of the agreement was made relating to exit options on 16.02.2022.

4. It is alleged that after the investment, attitude of R2 changed. He started disapproving the ideas of the Petitioner. Petitioner conveyed to R2 and R3 a proposal received from a financial consultant in Mumbai to bring in investments from Reliance Group, however, R2 placed an unreasonable demand to give less commission which the consultant refused. There was a loss of about Rs. 20.0 Lakhs by Sansrack. In 2019, a disagreement arose between R2 and Bhavish Graphics on the issue of technology.

5. It is stated that the Petitioner kept away himself from the affairs of the Company from 29.07.2020 and did not attend any Board meetings. By virtue of Section 167(1)(b), his office became vacant from 28.07.2021. It is stated that R2 and R3 contacted the Petitioner in June 2023 to discuss restructuring of the Company with R5, a representative of Investors holding CCPS. It was stated that R1 is going for next

round of investment and as per instructions of R4, 9% of Petitioner's equity be transferred without any compensation in favour of R2 and R3, which the Petitioner refused. They tried to arm twist the Petitioner but he refused. However, they stated that they will sign a separate deal with the Investors. One of the CCPS offered to mediate but no consensus was reached. On 26.03.2024, he received mail from R3 with notice of Board meeting scheduled on 28.03.2024 containing an allegation that Petitioner did not cooperate for providing exit for the Investors and to pass a resolution to take on record the consent of Investors and extend the timeline for conversion of CCPS. The Petitioner sent a mail on 01.04.2024 objecting to the allegations but R2 to R5 went ahead with the Board meeting and passed a resolution. The Petitioner received another mail on 03.04.2024 from R3 containing false allegations. It is stated that Petitioner neither attended the Board meeting nor requested for leave or absence and it was falsely recorded in the minutes of the Board meeting dated 28.03.2024. The Petitioner sent a mail dated 04.04.2024 objecting to the allegations which was not responded. Thereafter, R3 sent a mail dated 08.04.2024 refuting the allegations which was followed by mail dated 12.04.2024 for conducting a Board meeting on 15.04.2024 for passing a resolution to

amend the Articles of Association to incorporate the provisions of the amendment agreement dated 16.02.2022 by deleting some articles and for convening EGM on 08.05.2024 for getting approval of the shareholders.

6. It is stated that Petitioner as a shareholder sent a mail on 14.04.2024 reminding mismanagement in R1 by R2 and R3 including manipulation of accounts and conduct of R4 and R5 and asked them to put on hold the Board meeting but R2 to R5 went ahead with the Board meeting and passed the resolutions to enable the shareholding of the Petitioner reducing from 33.33% to 21% by converting the CCPS into equity shares. It is stated that all this was done in violation of the provisions of the Companies Act as consent of three-fourth of the class of shareholders was not obtained.

7. Respondent No. 2, 3, 6, 8, 10, 13 and 15 filed their reply. The Petitioner filed the common rejoinder.

8. It is stated by R2 and R3 that the petition does not satisfy the shareholding requirements under Section 244 of the Companies Act. The Petitioner had attended the Board Meetings, continued to receive

notices for the meetings and the minutes and never raised any demurer regarding his directorship. He was fully aware of the Investors coming in and the terms under which the investment was brought forward. If he had disputes on the term of investments or the agreement entered into with the Investors, he ought to have taken up the matter in the forum provided under the agreement i.e. Arbitral Tribunal, but instead he has resorted to the present proceedings only to jeopardise the well being of the Company as a whole.

9. Respondent No. 2 and 3 filed an application IA/95/2024 alleging that the petition CP/43/2024 is not maintainable as the Petitioner does not satisfy the precondition under Section 244(1)(a) to file the petition alleging that the Petitioner shareholding in R1 Company is 4.28% only, thus less than 10%. They filed the list of equity shareholders as on 31.03.2023 which shows that there are four equity shareholders and eleven preference shareholders in the Company. The Petitioner filed the reply to which R2 and R3 filed their Rejoinder.

10. Respondent No. 6, 8, 10, 11, 12, 13 and 15 filed an application IA/104/2024 seeking to refer the parties including the parties to SSHA dated 24.08.2016 and 13.12.2018 to arbitration in accordance with

Clause 16 of SSHA. Petitioner filed the reply to which the Respondents filed the Rejoinder.

11. During the hearing of the petition on 07.05.2024, it was submitted that Respondent No. 1 has to conduct EGM on 08.05.2024 for which notice to the Petitioner has been given on 15.04.2024 giving the agenda about the transactions to be followed in the EGM. The agenda includes amendment of terms of Class A CCPS dated 24.08.2016 amended on 16.02.2022 in which the Petitioner was also the signatory. There is another agenda for amendment of articles of association of the Company. The Counsel for the Respondent submitted that EGM is urgently required for incorporation of the provisions of the amendment agreement into the articles.

12. This Tribunal after hearing the Counsels appearing for the parties noted that since the Petitioner has been given notice of the EGM with the agenda and has right to participate in the EGM, the request of the Petitioner for withholding the EGM cannot be acceded to, however, till the filing of reply by the Respondents, let the EGM be

held where Respondent No. 1 will consider the agenda item No. 1 and item No. 2.2. only.

13. On 12.06.2024, it was submitted by the Respondents that EGM was held on 08.05.2024 in terms of the order dated 07.05.2024. Thereafter, an application IA(CA)/104(CHE)/2024 was filed seeking to refer the matter to arbitration in accordance with Clause 16 of SSHA.

14. The Respondents filed the reply to which Petitioner filed the common Rejoinder. The petition and the applications were listed on their maintainability. The parties filed their written synopsis.

15. During the hearing on 13.10.2025, it was submitted by the Counsels appearing for the parties that parties are trying to settle the matter amicably. Thereafter, the Respondents filed a memo vide Sr. No. 4440 dated 22.09.2026 enclosing the memorandum of compromise bearing the signature of the parties and bank details of the Petitioner.

16. Ld. Counsels for the parties submitted that parties have arrived at a full and final settlement to resolve all disputes among them arising out of or in connection with the Company petition and any other matter relating to the affairs of the 1st Respondent Company. They

have recorded the terms and conditions of their settlement in a Memorandum of Compromise dated 03.09.2026 (Annexure A1). Pursuant thereto, the parties have prayed to pass orders in exercise of powers under Section 242(2) of the Companies Act, 2013 in the following terms;

> *"3 (a) The Petitioner shall surrender the 3,999 equity shares of Rs.10/- each with the 1™ Respondent Company and the 1 Respondent Company shall extinguish the said 3,999 equity shares;*
>
> *(b) Consequent to the surrender of the said 3,999 equity shares of Rs. 10/- each from the Petitioner, the Is Respondent Company shall cancel the said 3,999 equity shares and reduce the paid-up equity share capital of the 1st Respondent Company to the extent of 3,999 equity shares, within 3 (Three) days;*
>
> *(c) Within the said timeline of 3 days, corresponding to the reduction of the paid-up equity share capital, the 1 Respondent Company shall pay Rs.3,75,00,000/- (Rupees Three Crores Seventy Five Lakhs only) to the Petitioner through telegraphic transfer / RTGS/NEFT as per the bank details given in the Annexure A2 enclosed herewith."*

17. This Tribunal vide an order dated 25.09.2026 sought clarifications as regards Company paying the amount to the parties by reduction of share capital. The Respondents in response filed note on the settlement between the parties referring the case of *Cosmo steels Private Limited Vs. Jairam Das Gupta & Ors., (1978) 1 SCC 215* enclosing PAS – 3, Form PAS 3 – 28.07.2025 and annexures stating that the

Petitioner would surrender his shares to the Company and the Company would cancel the shares. Upon such cancellation, the share capital of the Company would stand reduced by 3999 equity shares and Company would pay off Rs. 3,75,00,000/- to the Petitioner against such cancellation of shares. This settlement has been agreed to between all the parties which includes the shareholders and the Directors of the Company. This arrangement has been reduced into the Memorandum of Compromise dated 03.09.2026. It is stated that there are no other stakeholders in the Company who would be adversely affected by the settlement. The Company has regular bank accounts. The only creditors are the Banks who have hypothecation over the machineries and the vehicles. The outstanding loan against these machineries and vehicles as on date is Rs. 1,36,24,437/-. The Company is paying the consideration to the Petitioner not from the monies borrowed from the Banks but out of its resources . The rationale behind the valuation is that the entire dispute revolves around the issues raised by the Petitioner regarding conversion of CCDs of the investors into equity shares as per the agreements among the parties which happened on 30.06.2025, post filing of the petition on a valuation of a Company at Rs. 41.50 Crores @ Rs. 8773 per share

based on the financial results for the FY 2024-2025. After conversion, the shareholding of the Petitioner is 8.5%. The Company wants to move ahead and give quietus to the internal dispute. So the Company and the shareholders agreed for the said consideration which is close to the valuation as mentioned above.

18. It is stated that as there are Investors involved and the parties have signed agreements amongst them which are binding so it was agreed that instead of anyone shareholder getting the shareholding by purchasing the same from the Petitioner, it would be an equitable solution to cancel the shares of the Petitioner after paying out from the resources of the Company. The parties accordingly seek orders under Section 242 of the Companies Act, 2013. Section 242(2)(b) contemplates an order providing for the purchase of shares or interest of any member of the Company by the Company which is independent and different from Section 66 and 68 of the Act. Similarly, Section 242(2)(c) of the Act contemplates consequential reduction of share capital where such purchase is effected. Section 242(2)(m) empowers the Tribunal to make provision for any other matter which in its opinion is just and equitable in the circumstances of the case. Hon'ble Supreme Court in

Cosmo Steels Private Limited supra considered a similar situation arising in oppression proceedings where the Company was directed to purchase shares and consequential reduction of share capital was deducted.

19. We have heard Ld. Counsels for the parties, perused the record, settlement memo and the notes of settlement.

20.1 Section 242(1) of the Companies Act, 2013 defines the power of the Tribunal on an application made under Section 241 if it is of the opinion that the Company's affairs have been conducted in a manner prejudicial or oppressive to any member or in a manner prejudicial to the interest of the Company and that to wind up the Company would unfairly prejudice such member or members but that otherwise the facts would justify the making up of a winding up order on the ground that it was just an equitable that the Company should be wind up, the Tribunal may with a view to bringing to an end the matters complained of, make such orders as it thinks fit.

20.2 Section 242(2) provides that without prejudice to the generality of the powers under sub Section (1), an order under that sub Section

may provide for; (b) the purchase of shares or interest of any members of the Company by other members thereof or by the Company; (c) in the case of a purchase of its shares by the Company as aforesaid, the consequent reduction of its share capital; (m) any other matter for which in the opinion of the Tribunal, it is just and equitable that provision should be made.

21. In the instant case, the Petitioner having 3999 equity shares in the R1 Company arrived at a settlement with the Respondents as per which the Petitioner would surrender his shares to the Company and the Company would cancel the shares. Upon such cancellation, the share capital of the Company would stand reduced by 3999 equity shares and the Company would pay off Rs. 3,75,00,000/- to the Petitioner against such cancellation. The Company has regular book accounts. The Creditors of the Company are the Banks that have hypothecation over the machines and the vehicles in the Company and the outstanding loan amount against the machineries and the vehicles as on date of settlement is Rs. 1,36,24,437/-. The Company has been paying the consideration for the surrender of shares from its own resources and not from the monies borrowed from the Banks. The

consideration has been mutually agreed between the Petitioner, Company and the Shareholders after negotiation to give quietus to the litigation.

22. The rational behind the valuation forming basis of the consideration is like this. The Company has a valuation of Rs. 41.50 Crores as per the financial years for FY 2024-2025. Petitioner has shareholding of 8.5% (3999 Equity shares). The value of one share is assessed as Rs. 8773/- per share. With the payment of Rs. 3,75,00,000/- by the Company, the shareholding of 8.5% would be reduced which appears to be commercially prudent considering the valuation of the Company. A decision was also taken by the Investors / Shareholders that instead of any one shareholder getting the shareholding by purchasing the same from the Petitioner, it would be equitable to cancel the shares of the Petitioner and to pay off from the resources of the Company. This arrangement is consensual settlement of disputes forming the subject matter of the petition.

23. In the instant case, no separate application has been filed by the Company seeking reduction of a share capital but considering the provisions of Section 242(2)(b) of the Companies Act, 2013 which contemplates that an order providing for the purchase of shares or interests of any member of the Company can be passed in a petition under Section 241 of the Companies Act, prayer has been made. This provision is independent and different from Section 66 and 68 of the Companies Act which provide for reduction of share capital. Section 242(2)(c) contemplates the consequential reduction of share capital where such purchase is effected. Section 242(2)(m) empowers the Tribunal to make provision for any other order which in its opinion is just and equitable in the circumstances of the case.

24. We find force in the contention of the Counsel appearing for the Respondents that the Petitioner's exit, surrender and extinguishment of his shares would result in consequential reduction of share capital to give effect to the settlement and the same is permissible under Section 242 of the Companies Act. This arrangement is for giving quietus to the dispute pending between the parties in this petition under oppression and mismanagement. Hon'ble Supreme Court in *Cosmo*

Steels supra considered a similar situation arising in oppression proceedings and directed the Company to purchase shares. Consequential reduction of share capital was also directed recognizing that jurisdiction exercise in oppression proceedings is distinct from the ordinary procedure applicable to an independent reduction of share capital. It also recognized that the provisions relating to oppression and mismanagement constitute a Code for granting appropriate relief and confer wide powers upon the Tribunal. In that case, an apprehension was raised that if the Court directs the Company to purchase the shares of some of its members while granting relief against oppression, the Company would part with its funds which would jeopardise the security of the Creditors of the Company and that the Creditors would be adversely affected. The Hon'ble Supreme Court held that this apprehension is unfounded. Even when the Court is moved to confirm the resolution for reduction of share capital, the Court may in its discretion, dispense with the procedure prescribed in that group of Sections. Undoubtedly, the Court would use the discretion only upon proof of special circumstances as contemplated by Section 101(3) of the Companies Act, 1956, but when such discretion

is used, the Creditors would have no opportunity to object to the reduction.

25. Ld. Counsel for the Respondent has quoted the instances where the Tribunal / Company Law Board had used their jurisdiction to record various settlements between the parties, eg., the Company assets have been directed to be handed over to a party as a settlement; the Company has been directed to sell the asset and pay to the outgoing Shareholder.

26. In this case, the R1 Company is a Private Limited Company. All the shareholders have signed the Memorandum of Compromise. The outstanding loan amount of the Bankers is in respect of machineries and vehicles and not the term / working capital loans affecting the paying capacity of the Company. Under these circumstances, there is no need to give notice to the Creditors of the Company as it would not have any adverse effect on the Creditors. The balance sheet shows that the Company has sufficient capital to pay consideration to give exit to the Petitioner pursuant to the Memorandum of Compromise. The value has been assessed on the basis of the valuation report dated 30.04.2025 which is not disputed by any of the shareholders.

27. For the foregoing reasons, we approve and take the Memorandum of Compromise (Exhibit P1) on record and pass the following order under Section 242(2) of the Companies Act, 2013:

(a) The Petitioner shall surrender 3,999 equity shares of Rs.10/- each with the 1™ Respondent Company and the 1 Respondent Company shall extinguish the said 3,999 equity shares;

(b) Consequent to the surrender of the 3,999 equity shares of Rs. 10/- each by the Petitioner, the 1st Respondent Company shall cancel the said 3,999 equity shares and reduce the paid-up equity share capital of the 1st Respondent Company to the extent of 3,999 equity shares, within 7(Seven) days;

(c) Within the timeline of 7days, corresponding to the reduction of the paid-up equity share capital, the 1st Respondent Company shall pay Rs.3,75,00,000/- (Rupees Three Crores Seventy Five Lakhs only) to the Petitioner through telegraphic transfer / RTGS/NEFT as per the bank details given in the Annexure A2 enclosed with the application.

28. In terms of the above order, **the petition CP(CA)43(CHE)2024 is disposed of. The applications IA(CA)/95/2024 & IA(CA)/104(CHE)/2024 stand disposed of accordingly.**

29. File be consigned to records.

Sd/-	**Sd/-**
VENKATARAMAN SUBRAMANIAM	**SANJIV JAIN**
Member (Technical)	Member (Judicial)