NATIONAL COMPANY LAW APPELLATE TRIBUNAL

PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) No.312 of 2026

(Arising out of Order dated 30.07.2026 passed by the Adjudicating Authority (National Company Law Tribunal, Chandigarh Bench, in C.A./126(CH) of 2026 in CP No. 16/CHD/2025)

IN THE MATTER OF

Ashok Kumar Kataria **...Appellant**
S/o Late Sh. Dewan Chand Kataria,
R/o 1668, Phase 3-B2, Mohali,
Punjab– 160059

Versus

1. **Loveleen Dhaliwal Singla,** **...Respondent No.1**
   D/o Sh. Kulbir Singh Dhaliwal,
   R/o House No. 1037, Sector 27-B,
   Chandigarh – 160019

2. **LSR Infracon Private Limited** **...Respondent No.2**
   through its Board of Directors,
   Registered Office Address:
   Plot No. 70, Industrial Area,
   Phase 1, 2nd Floor, Unit No. E2J-E2L,
   Tower B, Godrej Eternia, Chandigarh – 160002

3. **Amit Singla,** **...Respondent No.3**
   House No. 16,
   Sector 27-A, Chandigarh

4. **Kulbir Singh Dhaliwal,** **...Respondent No.4**
   R/o House no. 1037,
   Sector 27-B, Chandigarh

5. **ANIL KUMAR** **...Respondent No.5**
   House No. 3098/2
   Sector 44-D Chandigarh-160043

Present:

For Appellant	:	Mr. Gaurav Mitra, Sr. Advocate, Mr. Karan Malhotra, Mr. Anant Shankar Tripathi, Mr. Anant Sharma, Mr. Sarvesh Kumar, Advocates
For Respondent	:	Mr. Ramji Srinivasan, Sr. Advocate, Ms. Shefali Munde, Mr. Aryansh Tripathi, Mr. Prashant Mishra, Advocates for R1 Mr. Aniket Sancheti, Ms. Lisa Vohra, Advocates for R1

JUDGEMENT

Per Justice Sharad Kumar Sharma, Member (Judicial)

A proceeding in the shape of Company Petition No. 16/CHD/2025, stood instituted by respondent No.1, by invoking the provisions contained under Section 241-242 read with Sections 94, 96, 101, 136, 180, 173 and 447 of the Companies Act, 2013. In the proceedings of the Company Petition, the appellant therein had prayed for the principal relief, for holding respondent Nos. 2 and 3, to be guilty of the acts of oppression and mismanagement in carrying out the affairs of respondent No.1, and a direction was also sought by way of a restraint against respondent Nos. 2 and 3, not to take any action, which were or could have been prejudicial to interest of respondent No.1 company, and further that the respondent Nos. 2 and 3 be ordered not to represent the cause of company in its affairs or act on behalf of the company in any manner whatsoever, and not to transact any affairs of the company hence forthwith. For the purposes of brevity, the relief as sought for in the Company Petition are extracted hereunder: -

> *"1. pass an order holding Respondent No. 2 & 3 guilty of oppression and mismanagement in carrying out the affairs of the Respondent No. 1 Company in terms of Sections 241 and 242 of the Companies Act, 2013;*

2. pass an order directing the Respondent No. 2 to 3 not to take any actions which are prejudicial to the interest of the Respondent NO. 1 Company and oppressive to the Petitioner being the shareholder of the Respondent NO. 1 Company;

3. pass an order directing the Respondent No. 2 & 3 not to represent the Respondent NO. 1 company or act on behalf of the Respondent NO. 1 Company in any manner whatsoever in the future;

4. pass an order declaring all the acts and transactions undertaken by the Respondent No. 2 & 3 concerning the affairs of the Respondent No. 1 Company which are undertaken without the consent and approval of the Petitioner are invalid and ought not to be acted upon;

5. pass an order declaring that any communications/ replies to the clients/vendors/creditors of the Respondent No. 1 Company by the Respondent NO. 2 to 5 without sharing the same with the Petitioner and obtaining her express consent are non-est and invalid;

6. pass an order declaring all the acts relating to filing of any documents or any form related to the Respondent No. 1 Company without consent and consultation of the Petitioner as non-est and invalid;

7. pass an order directing Respondent No. 2 & 3 to pay and be held liable for the penalties or any other actions which may be imposed due to non-compliance under the Companies Act, 2013 as well as any other statute;

8. pass an order directing Respondent No. 2 to 5 to refund all the funds illegally transferred, diverted and siphoned off from the Respondent No. 1 Company;

9. pass an order holding Respondent No. 2 & 3 guilty of violation of the section 94, 96, 101, 136, 180, 173 of the Companies Act, 2013 and declaring them officer in default;

10. To pass an order against Respondent No. 2 & 3 and any other person whosoever found guilty under Section 447 of the Companies Act, 2013;

11.Pass any other order(s) as may be deemed fit and necessary by the Hon'ble Tribunal."

2. For the purposes of deciding the instant Appeal, it becomes necessary for us to refer to the cause title of the Company Petition. The appellant herein has been impleaded in the Company Petition, as to be the opposite party No.3. The petition reflects, that a dispute arose when respondent No.1 in the instant Company Appeal and the petitioner to the Company Petition are said to have filed an application being CA No. 126 (CH) of 2026 in CP No.16/CHD/2025, Loveleen Dhaliwal Singla vs. LSR Infracon Pvt. Ltd. & Ors. The said application was preferred by the petitioner to the Company Petition by invoking the provisions contained under Section 241-242 of the Companies Act, 2013 to be read with Rule 11 of the NCLT Rules, 2016. In the application thus preferred, the appellant was shown as to be the opposite party No.3.

3. In the application thus preferred, the applicant/petitioner in the C.A. No. 126 (CH) of 2026, had prayed for a direction to the District Authorities of State of Himachal Pradesh, Uttar Pradesh, Kerala, Madhya Pradesh and Union Territory of Chandigarh for providing an assistance to secure the physical possession of plant and machinery of respondent No.1 company,

besides other ancillary relief. The prayers as sought therein for in the application, are extracted hereunder: -

> *"In view of the facts and circumstances stated above, it is most respectfully prayed that this Hon'ble Tribunal may kindly be pleased to:*
>
> *a) Direct the District Magistrates/Collectors of the concerned Districts in the States of Himachal Pradesh, Uttar Pradesh, Kerala and Madhya Pradesh, and of the Union Territory of Chandigarh, arrayed as proforma respondents herein, to render all necessary assistance to the applicant to secure and take physical possession of the machinery of the respondent No. 1 company described in ANNEXURE A-1, at the respective locations set out therein;*
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> *b) Direct respondent No. 2 (Amit Singla) and respondent No. 3 (Ashok Kataria) to extend full co-operation to the applicant in the exercise of taking physical possession of the said machinery, and to restrain them from causing any obstruction thereto, and from removing, shifting, alienating, concealing or in any manner dealing with the said machinery in the meantime;*
>
> *c) Direct the respondent no. 2 & 3 to furnish exact particulars & details qua the location of the machines in the eventuality the machinery is not found at the locations stated in the list (Annexure A-1).*
>
> *c) Pass such other or further order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case and in the interest of justice."*

4. It is under these peculiar type of relief, the appellant is before us. By way of repetition, we would be observing hereof that, as per the records available and placed before us, the applicant to the application had modulated certain reliefs to be granted in the fashion, which has been prayed for and extracted above. The same has been considered by the learned Tribunal to be granted in a partial manner. According to the observations made by the learned Tribunal, and the finding, which has been recorded is based upon the unchallenged Orders of the Tribunal dated 04.06.2026 and 07.07.2026, that had been passed by the learned Tribunal. In the Order of 04.06.2026 that was passed in Company Application/82(CH)2026, the learned Tribunal had passed an Order making observations in paragraphs – 4 and 5 of the Order, where it was of the view that since the Company was engaged in the business of infrastructure, construction and civil engineering works and owned substantial assets including machinery, vehicle, tipper and other equipments, and considering the fact that respondent Nos. 2 and 3 therein, had floated a shell company named, ASEC Infra Pvt Ltd. Learned Tribunal also took into consideration that at the various projects sites and the third party locations, which are shown to be systematically concealed and amounts received for such use of equipments were seen to be credited into the account of ASEC Infra Pvt. Ltd. as well as in a proprietorship concern of Amit Singla. The learned Tribunal passed an Order on 04.06.2026 to the following effect: -

> *"5. Having considered submissions so made and, in view of the directions already made in our order dated 20.11.2025 whereby the Board of Directors is expected to manage the affairs of the company in such a manner that no obstruction*

is created on participation of any of the directors for the expected duties as regards to the company's affairs, ***we direct the Respondent No. 2 and 3 to share a list of the machineries owned by the company along with the locations and descriptions of all these machineries with the applicant additional director as well as other directors. The Respondent No. 2 and 3 will be at liberty to refer to any records as available in the company's office and provide the requisite details within a week.****"*

5. The learned Tribunal, while making aforesaid observation in para - 5 of the Order dated 04.06.2026, had taken into consideration the Order passed earlier on 20.11.2025, wherein it was observed that the Board was expected to manage the affairs of the company in a manner that it remains unhindered and by not creating any obstruction in participation of any of the Directors in performance of the duty. Consequently, the Tribunal had passed an order on 04.06.2026, ensuring to meet the object of the following Order on 20.11.2025:-

"We further direct that the Board of Directors would manage the affairs of the company in such a manner that no obstruction is created on participation of any of the Directors for the expected duties as regards to the company's affairs; the Petitioner Ms. Loveleen Dhaliwal Singla also to act as a joint signatory for operation of all the bank accounts of the Respondent No.1 company; the necessary formalities in this regard will have to be done and the concerned bank authorities shall allow the same."

6. In fact, the Order, that has been impugned in the instant Company Appeal, is based upon the effect that was flowing from the unchallenged Order dated 04.06.2026. One of the questions that would fall for our consideration would be that when the appellant has not questioned the validity of the earlier Order of 04.06.2026 by giving a judicial challenge to it, which had already dealt with the propriety of the disclosure of the assets of the company and with regards to the observations made about the siphoning of the capital, the question would be whether at all the appellant at this stage challenge the impugned order alleging it to be bad in the eyes of law.

7. Similarly, the learned Tribunal also took note of the Order that was passed by the Tribunal in Company Application/82(CH)2026, that was preferred in Company Petition 16/CHD/2025 on 07.07.2026. By virtue of the said Order, the applicant had invoked Rule 11 of NCLT Rules, 2016, yet reiterating for the disclosure of assets, accounts, agreements, deposit of revenue and staying of the revocation of the bank guarantees. Besides that, a direction was also sought therein that the additional directors as well as the other directors may share the list of machinery owned by the company along with the details of locations and relocations and descriptions. The learned Tribunal, while taking into consideration the fact that respondent Nos. 2 and 3 were observed to be in the helm of affairs in operating the affairs of respondent No.1 company coupled with the fact since they had been controlling the affairs even prior to the appointment of two additional directors including the applicant, the learned Tribunal proceeded to pass the said Order to the following effect:-

"4. We note that the respondent Nos. 2 and 3 were at the helm of affairs and were controlling the company prior to the appointment of the two Additional Directors including the applicant herein. In such circumstances, their stand that they are not aware of the present location of the Company's machineries is not convincing. It appears that these two directors are not working in the interest of company. Therefore, if they fail to furnish the list of machineries within one week from today, this Tribunal shall consider for their removal from the management of the Company."

8. The Order of 07.07.2026 too remained unchallenged by the appellants. In these peculiar set of circumstances where the Order of 04.06.2026 and the subsequent Order of 07.07.2026 which already contained the directions, directed to be complied by the impugned order, and was not challenged by the appellant which contained a positive direction for the appellants to provide for the details of the plant and machinery which was directed to be provided within 7 days as observed in para – 7 of the Order dated 07.07.2026, which is extracted hereunder:-

"7. The learned counsel Mr. Raghav Kakkar is also given liberty to file the status report as regards the encashment of the bank guarantees or any other facts as they deem fit in the matter. The learned counsels for the UPRRDA are also given liberty to place on record the status of the bank guarantee whether encashed or not or any other facts as they deem fit. The learned counsels for respondents are also directed to file reply containing the list of machineries as was ordered earlier within seven days."

9. It cannot be said that the directions those have been given in the impugned Order as of now, were contrary to the proceedings that have been carried before the learned Tribunal or contrary to the records and that too more importantly, when the foundation of the same were the earlier orders of 04.06.2026 and 07.07.2026, which has been accepted by the appellants. If we look at relevant order of learned Tribunal along with the impugned Order, it was Mr. Amit Singla and the present appellant, who were called upon to provide the requisite details of the Company's machinery which were scattered all over the country and were being depleted, which was not complied with and in that eventuality, the impugned order would amount to be nothing but, only a direction for ensuring compliance by the appellants, of the earlier Order passed by the Tribunal. If we scrutinize the nature of the impugned Order, which is under challenge, the learned Tribunal, while looking into the propriety of Company Application No. 126(CH)2026, it contained the following directions: -

1) Issue Notices on the application to Amit Singla and the present appellant.
2) Service was directed to be effected upon by the respondent/applicant upon the application to the present appellant and thereafter, a compliance of the affidavit was supposed to be filed.
3) It is upon knowledge being attributed to the appellant, he was supposed to file a reply.
4) The respondent Nos. 2 and 3, which was inclusive of the appellant, were directed to confirm the list of machineries as owned by respondent No.

1 company and they were directed to specify the serial numbers of the plant and machinery of respondent No. 1 company.

5) The reason for passing of the impugned order has been that it has been a consistent stand by respondent Nos. 2 and 3, i.e. the appellant, who were in control of the plant and machinery and list maintained thereof. It was deemed that it is under their control.

6) Since a finding has been recorded that the appellant in collusion with respondent No. 2 in the company petition had been clandestinely engaging themselves in dealing with the machinery, that third party they were required to disclose their associations for dealing with the plant and machinery.

7) The appellant was required to provide the details, if they have sold any plant and machinery in the capacity of being a Director of the company and to provide the details of any such sale of the machinery which was attributable to the knowledge of the appellant.

10. Ultimately, the direction that was given by the learned Tribunal, was with a view to ensure the compliance of the earlier Order dated 04.06.2026 and 07.07.2026. The Tribunal left it open for the appellant and respondent No. 2, in the Company Petition to be provided with adequate assistance by the government authorities of the different states and, if there was a failure on the part of the government authorities, it was further made open for the petitioner to approach the authorities to provide due assistance and place the requisite documents before these authorities evidencing the ownership of the machinery.

11. The question before us as of now is whether the appellant, who is the estranged husband of the applicant, could at all under these peculiar circumstances put a challenge to the impugned Order. According to the facts, the respondent No. 3 in the instant Company Appeal was married to the applicant in the year 2003 and appellant with respondent No. 3 along with Kamal Singh were the first set of Directors of Respondent No.2 till 30.09.2006, when the present appellant was appointed as a Director, consequent to which, the estranged husband of the applicant resigned from the directorship on 15.11.2006. But the fact remains that according to the structure of the shareholding of the company, the applicant/respondent was holding 56,137 equity shares of Rs.10/- each equivalent to 98.25% and the newly appointed Director Ashok Kumar Kataria, the present appellant herein, had only 1.75% i.e. holds 1000 equity shares of Rs.10/- each. Be that as it may be, owing to the estranged relationship, which was attempted to be encashed by the appellant and this was restricted to be maintained and controlled owing to the earlier orders passed by the Tribunal. The instant Order does not at all prejudice any of the vested rights of the appellant because of the fact that, if we see the impugned order as a matter of fact, the order was rather ensuring compliance of the earlier orders, which was mandatory as per the various dictums laid down by the Courts that once an Order is existing in the eyes of law, it has had to be complied with irrespective of the chain of circumstances. In the matters reported in (2007) 7 SCC 689 in the matter of "*Commissioner, Karnataka Housing Board vs. C. Muddaiah*", the Hon'ble Apex Court in para – 32 has observed, which is extracted hereunder: -

> *"32. We are of the considered opinion that once a direction is issued by a competent Court, it has to be obeyed and implemented without any reservation. If an order passed by a Court of Law is not complied with or is ignored, there will be an end of Rule of Law. If a party against whom such order is made has grievance, the only remedy available to him is to challenge the order by taking appropriate proceedings known to law. But it cannot be made ineffective by not complying with the directions on a specious plea that no such directions could have been issued by the Court. In our judgment, upholding of such argument would result in chaos and confusion and would seriously affect and impair administration of justice. The argument of the Board, therefore, has no force and must be rejected."*

12. The aforesaid ratio almost propagates the same principal that, so far the Orders passed by the Courts are holding good, they have had to be ensured to be complied with and that is what has been intended by the impugned order. As a matter of fact, the nature of Order that has been rendered by the learned Tribunal under challenge here, it was not adding anything new to it, but was rather laying down the steps to be followed for ensuring compliance of the earlier Orders, hence it cannot be said that this Order was at all prejudicial to the interest of appellant.

13. If at all any prejudice was being caused, it was to the respondent No.1/applicant, because it was her application that was not considered in its totality and was rather deferred to be considered, while granting a partial relief, by the directions issued in the impugned Order. In that view of the

matter, we are of the view that the appellant, as of now, does not have crystallized rights or could be treated as to be at all prejudiced by any order that has been passed by the learned Tribunal. Hence the Company Appeal at the behest of the appellant, would not be sustainable, also because of his status in the company and also because of the nature of the Order itself, which is not an Order adjudicating an issue on merits, but rather intending only ensuring compliance in the earlier Order. Hence the Company Appeal lacks merit and the same is accordingly dismissed.

The Company Appeal is dismissed.

All pending Interlocutory Applications stand closed.

[Justice Sharad Kumar Sharma]
Member (Judicial)

[Arun Baroka]
Member (Technical)

[Indevar Pandey]
Member (Technical)

03.09.2026

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