

NATIONAL COMPANY LAW TRIBUNAL
COURT-V, MUMBAI BENCH

8. CA/370/2025 CP/276(MB)2023

IN THE MATTER OF

Ravinder Pal Singh Tuli

Vs

Tuli Hotels Pvt Ltd

U/s 59 of the Companies Act, 2013

Order Delivered on 15.05.2026

CORAM:

SH. NILESH SHARMA
MEMBER (J)

SH. CHARANJEET SINGH GULATI
MEMBER (T)

Appearance through VC/Physical/Hybrid Mode:

For the Petitioner: Adv. Smriti Shahani (VC)

For the Respondent:

ORDER

CA/370/2025: The above CA is listed for pronouncement of the order. The same is pronounced in open court, vide a separate order.

Sd/-
CHARANJEET SINGH GULATI
Member (Technical)
//Rahul//

Sd/-
NILESH SHARMA
Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBI BENCH - V**

C.P. No.276(MB)/2023

Ravinder Pal Singh Tuli

540, Clark Town, Magalwari, Nagpur -
400004

....Petitioner

VERSUS

1. Tuli Hotels Private Limited

CIN No. U55200MH1982PTC026277
37, Central Bazar Road, Ramdas Peth,
Nagpur - 440 010

2. Bachiter Singh Tuli

540, Clark Town, Nagpur - 400 004

3. Prince Pal Singh Bachiter Tuli

540, Clark Town, Nagpur - 400 004

4. Satyajeet Vikram Mohobatsingh Tuli

Tuli Education City, Bokhara, Nagpur –
441123

5. Manmeet Kaur Maritpal Singh Tuli

540, Clark Town, Nagpur – 400004

6. Registrar of Companies, Mumbai

Everest, 100, Marine Drive, Mumbai-
400002.

....Respondents

**CA/370/2025
IN
C.P. No.276(MB)/2023**

- 1. Bachiter Singh Tuli**
- 2. Prince Pal Singh BachiterTuli**
- 3. Satyajeet Vikram Mohobatsingh Tuli**
- 4. Manmeet Kaur Maritpal Singh Tuli**
- 5. Tuli Hotels Private Limited**

....Applicants

VERSUS

Ravinder Pal Singh Tuli

....Respondent

IN THE MATTER OF:

Ravinder Pal Singh Tuli

....Petitioner

VERSUS

Tuli Hotels Private Limited & Ors

....Respondents

Order Pronounced on: 15.05.2026

Coram:

Hon'ble Sh. Nilesh Sharma, Member (Judicial)

Hon'ble Sh. Charanjeet Singh Gulati, Member (Technical)

Appearances:

For the Applicant

CA/370/2025: Adv. Prakhar Tandon i/b Adv. Agam H Maloo.

For the Petitioner

C.P. No.276(MB)/2023: Adv. Sahil Mahajan a/w Adv. Smriti Shahani.

For the Respondent

C.P. No.276(MB)/2023: Adv. Prakhar Tandon i/b Adv. Agam H Maloo.

ORDER

C.P. No.276(MB)/2023

1. The present Petition has been filed by Mr. Ravinder Pal Singh Tuli, (“**Petitioner**”), under Section 59 and other applicable provisions of the Companies Act, 2013 (“**the Act**”) r/w Rule 11 and 70 of the NCLT Rules 2016 (“**NCLT Rules**”) seeking declaration of transfer of the 30000 shares of Rs.100/- each of Respondent no.1 Company made in favour of Bachiter Singh Tuli (“**Respondent No.2**”) as null and void, declaration of the resolution dated 09.07.2022 passed by the board of directors of the Respondent no.1 Company in the second meeting for the FY 2022-23 with respect to the transfer of 30000 shares of the Petitioner as null/void and illegal, declaration of the Form no.MGT-14 filed by the Respondent no.1 Company with respect to transfer of 30000 shares of the Petitioner as null, void, illegal and bad in law and further to direct the Respondent no.1 Company to rectify the Registrar of Members with respect to 30000 shares in favour of the Petitioner. Furthermore, seeking to direct the Registrar of the Companies, Mumbai (“**Respondent no.6**”) to invalidate the annual returns and Form no. MGT-14 with respect to transfer of 30000 shares of the Petitioner and to impose exemplary cost on the Respondents.

Description of Parties :

2. The Petitioner, is a shareholder in **Tuli Hotels Private Ltd** (“**Respondent no.1 Company**”) holding 30000 shares, i.e. 11.407% of the total issued and paid up share capital of 263000 shares of Rs.100/- each of the Company before such 30000 equity shares of Petitioner were transferred to Respondent No. 2.
3. The Respondent No.1, is a Private Limited Company incorporated under the Companies Act, 1956 and is carrying business of hotels and restaurants. The Respondents no.2 to 5 are the directors of the Respondent no.1 Company. The Respondent no. 6 is the Registrar of the Companies, Mumbai.

Facts as per the Petition in brief :

4. The present Company Petition is filed under Section 59 of the Act seeking rectification of the Register of Members of Respondent No.1 Company and for setting aside the transfer of 30,000 equity shares (“**impugned transfer**”) belonging to the Petitioner, which was done without the Petitioner’s knowledge and consent.
5. The Petitioner submits that he is a shareholder Respondent No.1 Company, holding 30,000 equity shares of Rs.100 each, which constituted approximately 11.40% of the total issued and paid-up share capital of the Company prior to the impugned transfer. The Petitioner submits that the shareholders of the Respondent no.1 Company are the members of the Tuli Family and they are carrying on other various business either jointly or individually.

6. At the time of the incorporation of the Company, the authorized share capital of the Company was Rs.2,50,000/- divided into 2500 equity shares of Rs.100/- each. The paid up capital of the Company was Rs.15000/-, out of which Gurlal Singh Tuli (Petitioner's father) held 25 shares amounting to Rs.2500/-. The Company has increased its authorised share capital from time to time. Mr. Gurulal Singh Tuli at the time of his death on 05.06.2020, was holding 30000 equity shares, out of the Total paid-up share capital of 263000 of Rs.100/- each. After Mr. Gurulal Singh Tuli's death, the shares were transferred in the name of the Petitioner. The following is the list of shareholders of the Company as on 31.03.2022:

Sr.No.	Name	No. of Shares
1.	S. Indrajeet Singh Tuli	58,000.00
2.	S. Mohabat Singh Tuli	3000.00
3.	Dallip Singh Tuli	30,000.00
4.	Bachitter Singh Tuli	55,800.00
5.	Ajinder Pal Singh Tuli	30,000.00
6.	Tuli Tiger Resort	1.00
7.	Hotel Tuli International	1.00
8.	S. Kapoor Singh Tuli & Sons	1.00
9.	Manmeet Kaur Tuli	27,997.00
10.	Satyajeet Vikram Singh Tuli	27,000.00
11.	Prince Pal Singh Tuli	200.00
12.	Prabjeet Singh Tuli	100.00
13.	Satinder Kaur Tuli	100.00
14.	Ravinder Pal Singh Tuli	30,000.00
	Total	263,000.00

7. Disputes arose between the Tuli family members, which were referred to the Arbitral Tribunal comprising of three Arbitrators and one Advisory consultant. The Arbitral Tribunal has passed the award no.1 dated

23.06.2022 and Additional award dated 16.08.2022 (“**impugned Arbitral awards**”). Under the said awards, the Arbitral Tribunal has distributed the properties and the shareholding of the entities between the members of the Tuli family. Through the said awards, the Petitioner and other shareholders are excluded from the membership of the Respondent No.1 Company and their shares and respective shareholding in the Company is allotted to Respondent No.2. The Petitioner being aggrieved by the said impugned awards, has filed the Arbitration Case No. 296 of 2022 under section 34 of the Arbitration and Conciliation Act, 1996 before the Ld. District Judge -2, Nagpur. By order dated 07.10.2022 the Hon'ble District Court has directed the parties to maintain the status quo.

8. The Petitioner submits that before the period of 90 days for passing the award No. 1 dated 23.06.2022, the Directors of the Respondent no.5 Company have passed the resolution dated 09.07.2022 for transfer of 30000 shares of the Respondent in favour of Respondent no.2 Pursuant to the said resolution, Form No. MGT-14 has been filed vide resolution dated 09.07.2022 before the Registrar of Companies, Mumbai. As per Section 34(3) of the Act, time period for challenging the award is 3 months from the date the party received arbitral award. In the present case, 30000 shares of the Respondent were transferred in favour of the Respondent no.2 before expiry of the time period given under Section 34(3). It is contended that the said transfer in favour of the Respondent no.2 is without the consent of the Petitioner and is in contravention of the provision of Section 36 of the Arbitration and Conciliation Act, 1996, which deals with enforcement of the award, which shall be enforced in accordance with the provisions of Code of Civil Procedure, 1908.

9. That the said transfer is in contravention to section 56 of the Companies Act, 2013, which requires that instrument of transfer shall be duly stamped, dated and executed between the transferor and transferee.
10. Thus it is submitted that the transfer of the shares of the Petitioner in favour of Respondent no.2 is illegal, fraudulent and void under law and is liable to be set aside.

Submissions of the Respondent no.1 to 5 in brief :

11. The present petition has been filed as a result of Arbitration Proceedings and Award passed thereof. The matter pertains to a family dispute of family of S. Kapoor Singh Tuli, who was a businessman from Nagpur. Mr. S. Kapoor Singh Tuli (Deceased), had five sons namely Gurlal Singh Tuli, Inderjeet Singh Tuli, Mohbbat Singh Tuli, Dalip Singh Tuli and Bachiter Singh Tuli. An Arbitration Agreement dated 02.10.2010 (“**the said Arbitration Agreement**”) was entered into between members of Tuli family in respect of the properties of all family members of five brothers, which was invoked in 2011. Thereafter, an Interim Award dated 03.09.2011 was passed with the consent of all the parties to the said Arbitration, whereby, shares of all the Parties were determined and settled in consensus, which is mentioned herein below:

Gurlal Singh Tuli	16%
Ajinder Pal Singh Tuli (son of GST)	16%
Inderjeet Singh Tuli	16%
Mohabbat Singh Tuli	16%
Dalip Singh Tuli	16%
Bachiter Singh Tuli	20% “

12. Later on, the Petitioner moved application dated 23.06.2020 after the death of his father, for substitution as the legal representative on the basis of Will dated 24.04.2014, which was supported by affidavit of his mother and elder brother and he was allowed to be substituted in place of deceased Mr. Gurulalsingh Tuli. It is contended that the Petitioner has failed to join the necessary parties in the main petition such as Mr. Ajinder Pal Singh Tuli, Mr. Inderjeet Singh Tuli and Mr. Dalip Singh Tuli, accordingly the present Company Petition ought to be dismissed.
13. It is submitted that the parties had filed several applications and litigations against each other in pursuance of the Arbitration proceedings. The Arbitral Tribunal had passed award dated 23.06.2022 and 16.08.2022, thereby adjudicating upon all the issues and disputes between the Tuli Family members.
14. It is submitted that the Respondent no.1 Company is a private limited company and Hotel Tuli Imperial is owned by Respondent no.1 Company. Respondent no.2 is the Managing Director of Respondent no.1 Company and the said Company was allotted to family of Respondent no.2 and Respondent no.5 as per the terms of the Awards, whereby, 89% of the shareholding of the Shares was granted to Respondent no.2 whereas, 11 % of the shareholding in the Respondent no.5 Company was given to Respondent no.5 and his son Respondent no.4 namely Mr. Satyajit Vikram Singh Tuli, to the extent of 1 % and 10% respectively.
15. It is contended that as per the awards all other members of the Respondent no.1 company, namely the Petitioner, Mr. Ajinder Pal Singh Tuli, Mr. Inderjeet Singh Tuli and Mr. Dalip Singh Tuli, Mr. Prabhjit Singh Tuli, Smt. Satinder Kaur Tuli, Hotel Tuli International, Tuli Tiger Resort, S. Kapoor

Singh Tuli and sons were to be excluded from the membership of Respondent no.1 Company and their shares and respective shareholding in the Respondent no.1 Company was to be allotted in the name of Respondent no.2. Further, the said Arbitral Awards exempted the outgoing members to voluntarily transfer the shareholding and declared that the outgoing Members who were excluded from the membership in Respondent no.1 Company by virtue of this award shall be deemed to have been transferred their shares in the name of Respondent no.2 by passing of a resolution by the Board of Director, even if outgoing member fails to execute a separate deed of transfer in their name by virtue of the said award. This award was deemed to be a resolution for implementing its terms in the Memorandum of Association and Article of Association of Respondent no.1 Company.

16. Accordingly, in pursuance of the said Arbitral Awards, the Respondent no.1 Company has passed resolution for transfer of shares in the name of the Respondent no.2 and uploaded appropriate forms as per the provisions of Companies Act, 2013.
17. It is submitted that the Petitioner had filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 challenging the said Arbitral Awards, being Arbitration Case No. 296 of 2022 before the Ld. District Court, Nagpur. In the said proceedings, by consent of the parties, the Ld. District Court, Nagpur passed an order dated 07.10.2022 directing the parties to maintain status quo. The Petitioner has sought to rely upon and seek implementation of the said status quo order dated 07.10.2022. Thereafter, Mr. Ajinder Pal Singh Tuli filed an application before the Ld. District Court, Nagpur seeking modification/variation of the consent status quo order dated 07.10.2022. However, the said application was rejected by the Ld. District Court, Nagpur by way of an order dated 24.02.2023.

18. Being aggrieved by the order dated 24.02.2023, Mr. Ajinder Pal Singh Tuli preferred Writ Petition Nos. 1423 and 1424 of 2023 before the Hon'ble Bombay High Court, Nagpur Bench. The Hon'ble High Court, by order dated 03.08.2023, has set aside the orders dated 07.10.2022 and 24.02.2023 and directed the Ld. District Court, Nagpur to consider and decide the application seeking stay of the Arbitral Award dated 23.06.2022 and Additional Award dated 16.08.2022.
19. Pursuant to the directions of the Hon'ble Bombay High Court, the Ld. District Court, Nagpur, by order dated 04.09.2023, stayed the operation of the said Arbitral Awards and further directed that the interim arrangement as contemplated under the Interim Award dated 03.09.2011 shall continue till the disposal of the proceedings under Section 34 of the Arbitration and Conciliation Act, 1996.
20. It is submitted that the said order dated 04.09.2023 has been challenged by Mr. Dalip Singh Tuli by filing Writ Petition No. 6220 of 2023 before the Hon'ble Bombay High Court, Nagpur Bench and the same is presently pending consideration. In view of the stay granted on the Awards by the Ld. District Court, Nagpur, the present Company Petition seeking rectification of the register of members is premature and not maintainable at this stage.
21. It is contended that the Petitioner has suppressed material facts from this Tribunal, including that the order dated 07.10.2022 relied upon by the Respondent has already been set aside by the Hon'ble Bombay High Court, Nagpur Bench. It is further submitted that while the Petitioner seeks to challenge the transfer of shares carried out in compliance with the said Arbitral Awards, Petitioner has also partly implemented the Award and Additional Award by transferring to himself the properties and business

ventures allotted there under and has been receiving profits from such ventures. These material facts have been suppressed in the present Company Petition. The Petitioner has thus acted upon the Award and Additional Award by appropriating the allotted properties/shares. This is evidenced by documents before the Ld. Arbitral Tribunal, including the order dated 20.11.2022 directing disclosure of the Petitioner's participation in the allotted ventures, and the reply of Mr. Dalip Singh Tuli admitting that the Petitioner was receiving profits in accordance with his share. The Petitioner has thus accepted and acted upon the benefits arising out of the Award. In such circumstances, the Petitioner cannot be permitted to approbate and reprobate simultaneously. Consequently, having accepted the benefits under the Award, the Petitioner is estopped from challenging its implementation.

22. It is contended that the Petitioner and his co-partners were given 1/3 share in the property i.e. Hotel Tuli International and S Kapoor Singh Tuli & Sons (Jaswant Mall) and this benefit is subject to depriving Respondent No. 1 Company of his right in shareholding in these properties and this arrangement has been drawn in the main award by the Ld. Arbitral Tribunal, by providing shareholding of Respondent Company in the name of Respondent no.2 by virtue of said Award.
23. It is submitted that the Respondent Company merely gave effect to the declaration of ownership made by the Ld. Arbitral Tribunal, which constitutes a voluntary recognition of declared rights and not execution or enforcement of the award. Consequently, the provisions of Section 36 of the Arbitration and Conciliation Act, 1996 are not applicable to the present case. The Award dated 23.06.2022 is declaratory in nature and not executory, and therefore does not require enforcement under Section 36.

24. It is contended that the present petition has been filed under the provisions of Section 59 of the Companies Act, 2013 read with Rules 11 and 70 of the NCLT Rules, 2016. However, no cause of action has accrued to the Petitioner to invoke the jurisdiction of this Tribunal for rectification of the register of members under Section 59 of the Companies Act, 2013. It is further submitted that the only remedy available to the Petitioner, insofar as the transfer of shareholding effected pursuant to the Arbitral Award is concerned, lies before the competent court under the provisions of the Arbitration and Conciliation Act, 1996.
25. It is contended that Section 56 of the Companies Act, 2013 prescribes the procedure for transfer and transmission of securities in the ordinary course of business and does not govern transfer of shareholding carried out in compliance with an order or decree of a civil court. An arbitral award passed under the Arbitration and Conciliation Act, 1996 has the force of a civil court decree, and therefore the transfer effected pursuant to such award cannot be questioned under the said provision.
26. It is further contended that the reliefs sought in the Company Petition effectively amount to challenging and seeking to set aside a part of the said Arbitral Awards. It is a settled position of law that this Tribunal does not have jurisdiction to set aside or interfere with an arbitral award, as such power exclusively vests with the competent court under the provisions of the Arbitration and Conciliation Act, 1996. Therefore, the present petition under Section 59 of the Companies Act, 2013 is misconceived and not maintainable before this Tribunal.
27. It is contended that the Petitioner has concealed several litigations and orders passed by the Ld. Arbitral Tribunal, Hon'ble Bombay High Court Nagpur

Bench, and Ld. District Court, Nagpur, and has proceeded with the present Company Petition without full disclosure, and hence it deserves to be dismissed. Reliance is placed on the judgment of the Hon'ble Supreme Court in *S.P. Chengalvaraya Naidu (Dead) by LRs vs Jagannath (Dead) by LRs*, wherein it was held that a party approaching the court must come with clean hands and that suppression of material facts amounts to fraud on the court, justifying dismissal of the case.

28. The Respondents contend that the Companies Act, 2013, is complete in itself, and there being no provision of setting aside an Award passed by an Arbitral Tribunal, the Petition filed herein deserves to be dismissed.

CA/370/2025 :

29. This Company Application has been filed under the provisions of Rule 11 of the National Company Law Tribunal Rules, 2016, by the Respondent no.1 to 5, challenging the maintainability of the present Petition, raising similar issues as already submitted in their Affidavit-in-Reply dated 07.05.2024, to the petition. Hence for the sake of brevity, the submissions in the said application is not being reproduced.

Analysis & Findings

22. We have heard the Counsel for the Petitioner and the Respondents and have carefully gone through the materials available on record.

23. The present Petition has been filed by the Petitioner under Section 59 of the Companies Act read with Rule 11 and 70 of the NCLT Rules 2016 *inter alia* seeking declaration of transfer of the 30,000 shares made in favour of the Respondent No.2 as null and void, declaration of the resolution dated

09.07.2022 passed by the board of directors of the Respondent no.1 Company with respect to the transfer of 30000 shares of the Petitioner as null, void and to direct the Respondent no.1 Company to rectify the Registrar of Members with respect to 30000 shares in favour of the Petitioner

24. Before we go into the facts of the present case, it is necessary to refer section 59 of the Companies Act, 2013, under which the main petition has been filed. The relevant extract of Section 59 is reproduced below for reference:

“Section 59. Rectification of register of members:

(1) If the name of any person is, without sufficient cause, entered in the register of members of a company, or after having been entered in the register, is, without sufficient cause, omitted therefrom, or if a default is made, or unnecessary delay takes place in entering in the register, the fact of any person having become or ceased to be a member , the person aggrieved, or any member of the company, or the company may appeal in such form as may be prescribed, to the Tribunal , or to a competent court outside India, specified by the Central Government by notification , in respect of foreign members or debenture holders residing outside India, for rectification of the register.

(2) The Tribunal may, after hearing the parties to the appeal under sub-section (1) by order, either dismiss the appeal or direct that the transfer or transmission shall be registered by the company within a period of ten days of the receipt of the order or direct rectification of the records of the depository or

the register and in the latter case, direct the company to pay damages, if any, sustained by the party aggrieved.”

25. The above provision stipulates that where the name of any person has been omitted from the register of members of a company without sufficient cause, the person whose name has been wrongfully removed or omitted, and thereby ceased to be reflected as a member of the company, is entitled to approach the Tribunal seeking appropriate relief. The provision enables the aggrieved person to file an application before the Tribunal for rectification of the register of members, so as to restore his or her name therein and correct the register to accurately reflect the lawful membership of the company. The Hon’ble Supreme Court in *IFB Agro Industries Ltd. v. SICGIL India Ltd. and Ors., (2023), Civil Appeal No. 2030 of 2019*, (“IFB Agro’s case”) has exhaustively dealt with the issue related to rectification of register of members. The relevant paragraphs of the said judgement are reproduced below for reference:

“On the first issue, following the decision of this Court in Ammonia Supplies Corporation (P) Ltd. v. Modern Plastic Containers Pvt. Ltd. & Ors.5, we have held that the rectificatory jurisdiction under Section 59 of the 2013 Act is summary in nature and not intended to be exercised where there are contested facts and disputed questions.

18. The rectificatory powers of a Board/Company Court under Section 38 of the Companies Act, 1913, then under Section 155 of the 1956 Act, followed by Section 111A introduced by the 1996 Amendment to the 1956 Act, and finally, Section 59 of the 2013 Act, demonstrate that its essential ingredients have remained the same. It is a summary power to carry out corrections or rectifications in the register of members. The rectification must relate to and be confined to the facts that are evident and need no serious enquiry.

19. *The scope and ambit of Section 155 of the 1956 Act, as it then existed, fell for consideration in a decision of this Court in Ammonia Supplies (supra). The application for rectification in Ammonia's case was filed under Section 155, and it was submitted that the scope for rectification under Section 155 is enlarged in comparison with the position as it were under Section 38 of the 1913 Act. Rejecting the argument, this Court in Ammonia held that the jurisdiction exercised by the court for rectification of the register of members is essentially limited. The comparative analysis in Ammonia assumes importance as a similar submission is made before us by Mr. Chidambaram that the scope and jurisdiction of the Tribunal under Section 59 of the 2013 Act is wide when compared with Section 111A of the 1956 Act as amended in 1996. The relevant portion of the judgment in Ammonia is as under: –*

*“26. There could be no doubt any question raised within the peripheral field of rectification, it is the court under Section 155 alone which would have exclusive jurisdiction. However, the question raised does not rest here. In case any claim is based on some seriously disputed civil rights or title, denial of any transaction or any other basic facts which may be the foundation to claim a right to be a member and if the court feels such claim does not constitute to be a rectification but instead seeking adjudication of basic pillar some such facts falling outside the rectification, its discretion to send a party to seek his relief before the civil court first for the adjudication of such facts, it cannot be said such right of the court to have been taken away merely on account of the deletion of the aforesaid proviso. **Otherwise under the garb of rectification one may lay claim of many such contentious issues for adjudication not falling under it. Thus in other words, the court under it has discretion to find whether the dispute raised is really for rectification or is of such a nature that unless***

decided first it would not come within the purview of rectification. The word “rectification” itself connotes some error which has crept in requiring correction. Error would only mean everything as required under the law has been done yet by some mistake the name is either omitted or wrongly recorded in the Register of the company.

27. *In other words, in order to qualify for rectification, every procedure as prescribed under the Companies Act before recording the name in the register of the company has to be stated to have been complied with by the applicant.... The Court has to examine on the facts of each case whether an application is for rectification or something else. So field or peripheral jurisdiction of the court under it would be what comes under rectification, not projected claims under the garb of rectification. So far exercising of power for rectification within its field there could be no doubt the Court as referred under Section 155 read with Section 2 (11) and Section 10, it is the Company Court alone has exclusive jurisdiction...But this does not mean by interpreting such “court having exclusive jurisdiction to include within it what is not covered under it, merely because it is cloaked under the nomenclature rectification does not mean the court cannot see the substance after removing the cloak.*

28. *Question for scrutiny before us is the peripheral field within which the Court could exercise its jurisdiction for rectification. As aforesaid, the very word “rectification” connotes something what ought to have been done but by error not done and what ought not to have been done was done requiring correction. Rectification in other words is the failure on the part of the company to comply with the directions under the Act.*

....

31. *Sub-section (1)(a) of Section 155 refers to a case where the name of any person is without sufficient cause entered or omitted in the Register of Members of a company. **The word “sufficient cause” is to be tested in relation to the Act and the Rules. Without sufficient cause entered or omitted to be entered means done or omitted to do in contradiction of the Act and the Rules or what ought to have been done under the Act and the Rules but not done. Reading of this sub-clause spells out the limitation under which the court has to exercise its jurisdiction. It cannot be doubted that in spite of exclusiveness to decide all matters pertaining to the rectification it has to act within the said four corners and adjudication of such matters cannot be doubted to be summary in nature. So, whenever a question is raised the court has to adjudicate on the facts and circumstances of each case. If it truly is rectification, all matters raised in that connection should be decided by the court under Section 155 and if it finds adjudication of any matter not falling under it, it may direct a party to get his right adjudicated by a civil court.”***

20. *It is evident from the above that while interpreting Section 155, this Court has held that the power of CLB is narrow and can only consider questions of rectification. If a petition seeks an adjudication under the garb of rectification, then the CLB would not have jurisdiction, and it would be duty-bound to re-direct the parties to approach the relevant forum. The Court also held that the words ‘sufficient cause’ cannot be interpreted in a manner which would enlarge the scope of the provision.*

21. *The decision in Ammonia was followed by this Court even after the deletion of Section 155 and insertion of Section 111A. This Court, in **Standard Chartered Bank v. Andhra Bank Financial Services Ltd. & Ors.**¹⁴ and **Jai Mahal Hotels (P)***

Ltd. v. Devraj Singh & Ors.15, held that even though Section 111(7) of the 1956 Act, seemingly enlarges the power of the CLB, the power of rectification continues to remain summary in nature and if any seriously disputed questions arise, the Company Court should relegate the parties to a forum which is more appropriate for investigation and adjudication of such disputed questions.”

26. The aforesaid judgment clearly delineates the scope of the summary jurisdiction exercised by the Tribunal in proceedings concerning rectification of the Register of Members. In essence, the judgment of the Hon'ble Supreme Court clarifies that the expression “rectification”, as used under Section 111A of the Companies Act, 1956 (corresponding to Section 59 of the Companies Act, 2013), contemplates the correction of an error in recording the correct particulars in the Register of Members. The Court has observed that such rectification presupposes the existence of a mistake in the register, for instance, where despite compliance with all legal requirements, the name of a member is either erroneously omitted or wrongly entered. The judgment further states that where the omission or entry is not the result of a mere mistake but arises out of a substantive civil dispute involving competing claims or disputed rights, such a matter would fall outside the limited ambit of rectification proceedings and cannot be adjudicated within the Tribunal's summary jurisdiction.

27. In the present case, the Respondent no.1 to 5 have submitted that Section 56 of the Companies Act, 2013 governs the procedure for transfer and transmission of securities in the ordinary course of business and does not apply to transfers effected in compliance with an order or decree of a civil court. It is contended that the impugned Arbitral Awards have the force and effect of a decree of a civil court under the Arbitration and Conciliation Act, 1996, and therefore any transfer of shares carried out pursuant to such awards

cannot be challenged under the provisions of the Companies Act relating to ordinary share transfers. It is further contended that although the present petition has been filed under Section 59 of the Companies Act, 2013 read with Rules 11 and 70 of the NCLT Rules, 2016, no cause of action has arisen for the Petitioner to invoke the jurisdiction of this Tribunal for rectification of the Register of Members. According to the Respondents, insofar as the transfer of shareholding effected pursuant to the Arbitral Awards is concerned, the appropriate remedy available to the Respondent lies before the competent court under the provisions of the Arbitration and Conciliation Act, 1996.

28. Upon consideration of the submissions advanced by the Respondents above and applying the principles laid down in the judgment in *IFB Agro's case (Supra)*, we are of the opinion that Section 59 confers only a limited and summary jurisdiction upon this Tribunal for the purpose of rectification of the Register of Members. In the present matter, it is noted that an application filed by the Petitioner challenging the impugned Arbitral Awards, is already pending before the Ld. District Court at Nagpur for adjudication. The issues raised in the present petition therefore stem from and are intrinsically connected with the validity and effect of the said Arbitral Awards, which involve substantive and contested civil disputes. Such disputes fall within the jurisdiction of the civil court in terms of the provisions of the Arbitration and Conciliation Act, 1996. It is further noted that one of the principal reliefs sought by the Petitioner in the main petition is to declare the transfer of the Respondent no.1 Company's shares in favour of Respondent No. 2 as null and void. Since the determination of such relief necessarily involves adjudication of civil rights arising from the Arbitral Awards and the transactions carried out pursuant thereto, the same cannot be undertaken within the limited summary jurisdiction of this Tribunal under Section 59 of the Companies Act, 2013. Consequently, the power of this Tribunal to direct rectification of the

records of the depository or the Register of Members cannot be invoked for granting the reliefs sought in the main petition.

29. It is further noted that the impugned Arbitral Awards challenged by the Petitioner under Section 34 of the Arbitration and Conciliation Act, 1996 before the learned District Court, Nagpur are presently pending adjudication. During the pendency of the said proceedings, the learned District Court, by order dated 04.09.2023, has stayed the operation of both the main and the additional Arbitral Awards. The said order has further been challenged before the Hon'ble Bombay High Court by Mr. Dalip Singh Tuli by way of Writ Petition No. 6220 of 2023, which is presently pending consideration.
30. From the above, it is evident that the Petitioner has invoked Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the impugned arbitral awards. The said provision affords an aggrieved party recourse to challenge an arbitral award before the competent civil court, thereby creating a bar on seeking parallel relief before any other adjudicating authority in respect of matters arising out of the arbitration.
31. Therefore, it is noted that since the issue regarding validity and enforceability of the impugned Arbitral Awards is already *sub judice* before the competent courts under the provisions of the Arbitration and Conciliation Act, entertaining the present petition (which essentially seeks to challenge the transfer of shares effected pursuant to the said Awards) would amount to parallel adjudication of issues already pending before the competent courts. The filing of the present proceedings therefore appears to be an attempt to seek relief before an alternative forum and amounts to forum shopping.
32. In view of the above discussion, it is observed that the main Petition is not a fit case for invocation of powers of this Tribunal under Section 59 and

rectification of register of members of the Respondent no.1 Company cannot be directed since parallel proceedings are pending before Competent Courts with respect to the transfer made through said impugned Arbitral Awards. Hence, we find that the present petition is not maintainable and hence liable to be dismissed.

33. Accordingly, the present Petition **C.P. No.276(MB)/2023** is **dismissed** and **disposed of**.
34. Since the present Petition is dismissed, the Application **CA/370/2025** which challenges the maintainability of the present Petition on similar grounds becomes **infructuous**, and **is disposed of** as such.

Sd/-

Charanjeet Singh Gulati
Member (Technical)

(Rashmi, LRA)

Sd/-

Nilesh Sharma
Member (Judicial)