

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.306

IA/14(AHM)2024 in CP 114 of 2018

Proceedings under Section Rule 11 of NCLT Rules, 2016

IN THE MATTER OF:

Navinchandra Dayalal Vadalía And Anr

.....Applicant

V/s

Prabhat Solvent Extraction Industries Private Limited

.....Respondent

Order delivered on: 07/07/2026

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)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH (COURT-II)**

Interlocutory Application No. 14 Of 2024

In

Company Petition No. 114 Of 2018

*(Company Application under Rule 11 of the National Company
Law Tribunal Rules, 2016 read with Section 241 And 242 of the
Companies Act, 2013)*

IN THE MATTER OF:

1. Navinchandra Dayalal Vadalia,
801, Floor No.8, Prabhat Complex -1,
Government Press Road,
Rajkot 360001
Email: navinvadalia@gmail.com

2. Nishaben Navinchandra Vadalia
801, Floor No.8, Prabhat Complex -1,
Government Press Road,
Rajkot 360001
Email: nisha_vadalia@yahoo.com

...Applicants

Versus

1. Prabhat Solvent Extraction Industries Pvt. Ltd.
Having its registered office at
1st Floor, Sterling Apartment,
Jawahar Road, Rajkot-360001,
Email: prabhatsolventrajkot@gmail.com

2. Maheshkumar Dayalal Vadalia,
B-501 Decora West Hills, Near Iskcon Temple
Kalawad Road, Rajkot-360005
Email: mahesh_vadalia@yahoo.com

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3. Maheshkumar Dayalal Vadalia (HUF)
Through its Karta Maheshkumar Dayalal Vadalia
Having his address at Near Iskcon temple
B-501 Decora West hills
Rajkot 360005
Email: mahesh_vadalia@yahoo.com
4. Heenaben Maheshkumar Vadalia,
B-501 Decora West hills
Near Iskcon temple
Rajkot – 360005
Email: hina vadalia@yahoo.com
5. Jyotsana Dhirajlal Vadalia,
27, Shitvan Club, Niyari Dam Main Road,
Besides Star Life Style,
Kalawad Road, Kankot, Rajkot – 360005
6. Gopal Dhirajlal Vadalia,
27, Shitvan Club, Niyari Dam Main Road,
Besides Star Life Style,
Kalawad Road, Kankot, Rajkot – 360005
Email: gopalvadalia@gmail.com
(substituted deceased
Dhirajlal Bhanjibhai Vadalia,
vide order dated 18.09.2025)
7. J. A. Sheth and Associates
Shri Jingal A. Sheth CA
Proprietor
507, Alaap-A Limbda Chowk,
Rajkot-360001
Email: jingal2005@gmail.com
8. CS Ankit Thakrar
Company Secretary
A N Thakrar and Co.

sdl/-

sdl/-

318, Krishna Con- Arch-II
Third Floor, Tagore Road
Rajkot-360002
Email: thakrarankit23@gmail.com

9. Registrar of Companies
ROC Bhavan, Opp. Rupal Park Society,
B/h. Ankur Bus Stop Naranpura,
Ahmedabad-380013
Email: roc.ahmedabad@mca.gov.in

.....Respondents

Order pronounced on 07.07.2026

Coram:

**MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)**

**MR. VELAMUR G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)**

Appearance:

For the Applicant : Party in person
For Respondent. : Adv Prashant Patel (for R-8)

JUDGEMENT

1. Applicant has filed the present application seeking following prayers:

(i) To declare that Respondents No. 2, 4, 5, 6, 7, and 8 are conducting the affairs of the Respondent No. 1 Company in an oppressive and prejudicial manner and to restrain them

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- from conducting any further affairs adverse to the Respondent No.1 Company and its shareholders.
- (ii) To delegitimize the purported Annual General Meeting (AGM) of Respondent No. 1 Company for the fiscal year 2022-2023. Further, to declare the adoption of the proposed financial statement as invalid and to mandate that dividends, disbursed by Respondent No. 1 Company, be repaid to the company by Respondents 2, 4, 5, 6, and 7 in their personal capacities, including interest, to facilitate payment to creditors such as Applicant No. 1.
- (iii) To declare the appointment of the Chartered Accountant and Auditor Respondent No.7 invalid and to restrain Respondent No.7 from acting as the Auditor of the Respondent No. 1 Company.
- (iv) To implement measures to hold the eleven attendees accountable for their actions related to their presence at the 56th Annual General Meeting which in reality, was not convened at the declared venue and time.
- (v) To direct Respondents No. 1, 2, 4, 5, 6, 7, and 8 to produce all video footage showing the Applicants, accompanied by police protection, outside the locked venue of the 56th AGM, scheduled on 30 September 2023 at 5 PM.
- (vi) To direct Respondent No. 1 Company to conduct all future AGMS under police protection, to record the entire AGMs, and to provide audio and video copies of the same to the minority Applicants.
- (vii) To uphold the rights of the minority applicants to participate in the AGM of the Respondent No. 1 Company

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and to access the company documents and related materials that have been previously denied

(viii) To direct Respondents 1, 2, 4, 5, 6, 7, and 8 to address and resolve the grave issues raised in the communications sent by Applicant No.1. in the month of September 2023 and October 2023.

(ix) To direct Respondent No. 7 (Chartered Accountant) to provide a detailed and comprehensive explanation for the suppression of critical details in the Financial Statements and Reports of Respondent No. 1 Company listed below:

a) Outstanding Financial Dues owed to Applicant No. 1: An explanation is required for the omission and reasons for not including Applicant No. 1's financial dues since 2021 in the financial statements of Respondent No. 1 Company.

b) Details of Land Attachment: Clarification is needed on the absence of records relating to the attachment of the Taraghadi and Madhapar Lands of Applicant No.1 by the Gujarat Sales Tax Department in the financial statements.

c) Legal Orders and Deeds: An elaboration is necessary on the absence of documentation related to the probate order of the Honourable Civil Court dated 10 April 1981, the Bin Averji deed involving Respondent No. 2, and the Deputy Collector's Order dated 8/7/2022.

d) Unauthorized Agricultural Land Use: An explanation should be provided for the failure to record the

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agricultural use of Madhapar lands without permission from the competent authorities.

- e) *Bank of Maharashtra Loan Documentation: A comprehensive analysis is required for the exclusion of Bank of Maharashtra's Loan Documentation in financial statements particularly pertinent in light of the documentary evidence presented in Case CP114/2018 that demonstrates the involvement of Respondent No.2 in securing loans on behalf of Respondent No. 1 Company, utilizing its Fixed Deposit Receipts (FDRs) as collateral.*
- f) *Loan Liabilities and Collateral Issues: Clarification is needed regarding the absence of documentation on the pledging of Respondent No.1 Company's Fixed Deposits as collateral, the recording of loans from the Bank of Maharashtra as secured loans in the financial statements of Respondent No. 1 Company and reporting the same in ROC.*
- g) *Notice to Vacate Lands: An acknowledgment and explanation are required for the implications of Applicant No. 1's notice to vacate the Madhapar and Taraghadi Lands dated 18/1/2021, and the reasons for its previous omission in the company's financial statements and reports.*
- h) *Inaccurate and Fraudulent Third-Party Leasing Agreements in Financial Statements: A clear explanation for not reporting the third-party leasing agreements, which may be incorrect or deceptive, in Respondent No.1 Company's financial statements.*

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- (x) *To direct Respondent No.7, Auditor/Chartered Accountant of Respondent No. 1 Company or another Court-appointed Chartered Accountant to undertake a thorough and accurate revision of the financial and operational records of Respondent No. 1 Company addressing the issues and documenting the full facts as per relief no 9 (a-h).*
- (xi) *To Direct the Respondent No. 1 Company and Respondent No. 7 to remove the Madhapar Lands 1-3 and Taraghadi Lands 1-6 (as referred to in CP 114/2018) from being shown in the Financial statements of FY 2021 - 2022 and 2022 - 2023 under the Heading "4. Title Deed of Immovable Property not held in the name of the Company."*
- (xii) *To Direct Respondent No.7 to refund his remuneration of the last 3 years received from Respondent No. 1 Company to facilitate compensation of Applicant No. 1's losses incurred due to misleading statements, suppression of orders, and other pertinent issues in his audit reports and to initiate civil and criminal proceedings against Respondent No.7 for these actions.*
- (xiii) *To Punish Respondent No.7 for listing the Madhapar and Taraghadi Lands under the Heading "4. Title Deed of Immovable Property not held in the name of the Company in the financial statements while his Report admittedly notes that the "same is under dispute and matter pending with the Honourable National Company Law Tribunal."*
- (xiv) *To expunge in entirety the Madhapar lands 1 and 2 from petition CP 114/2018 rightfully inherited by Applicant No. 1, facts of which have deliberately not been recorded in the*

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financial statements and reports of Respondent No. 1 company.

- (xv) To impose an injunction against Respondent No. 1 Company for the unauthorized occupation and use of Applicant No. 1's Madhapar and Taraghadi lands, following the status quo order of the Honourable NCLT dated 17th December 2018 and Applicant No. 1's Eviction Notice dated 18th January 2021.*
- (xvi) To direct Respondent No. 1 Company to produce the permissive order authorizing it to lease the Madhapar and Taraghadi lands to third parties.*
- (xvii) To issue directives for immediate action regarding Applicant No. 1's lands at Taraghadi and Madhapar, as follows:*

A. For the Taraghadi Lands:

- 1. To order an immediate halt to the unauthorized use of these lands, including the cessation of agricultural farming, cow tabela operations, and commercial activities conducted for the personal benefit of the directors, former director, and current officers of Respondent No. 1 Company.*
- 2. To order Respondent No. 1 Company to accurately reflect the income generated from the specific activities of agricultural farming, cow tabela operations, and commercial activities in its financial statements, ensuring full transparency and upholding the integrity of the company*

B. For the Madhapar Lands:

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1. To direct Respondent No. 1 Company to cease all activities contravening the Land Revenue Code, 1879, and the Gujarat Tenancy and Agricultural Lands Act, on these agricultural lands.
 2. To Impose appropriate penalties for these violations and order the implementation of measures to repair the ecological damage caused to the soil.
- (xviii) To declare the outstanding dues owed to Applicant No. 1 a responsibility of Respondent No. 1 Company and to impose appropriate penalties and punitive damages on Respondents No. 1, 2, 4, 5, 6, and 7 for their failure to disclose the Applicant No 1's dues in the financial statements of Respondent No. 1 Company
- (xix) To Mandate Respondent No.1 Company to (i) accurately disclose all outstanding charges owed to Applicant No.1 in their financial statements, ensuring full compliance with financial reporting standards, and ii) immediately settle these outstanding payments.
- (xx) To declare the pecuniary damages to be compensated to Applicant No. 1 a responsibility of Respondents numbered 2, 3, 4, 5, 6, and 7 with the directive that these payments be made immediately to Applicant No. 1.
- (xxi) To direct Respondents 2, 4, 5, and 6 to refund the remuneration received from Respondent No. 1 Company for the fiscal year 2022-2023 and further, to restrain them from drawing remuneration until all of Applicant No. 1's dues are settled by the Respondent No. 1 Company.
- (xxii) To direct an investigation into the affairs of the Respondent No. 1 Company by a competent inspector under

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the Companies Act, 2013, and to freeze the reserves and surplus and other assets of the Respondent No. 1 Company until the adjudication of CP114/2018.

(xxiii) To direct Respondent No. 1 Company to refrain from any sale, disposal, or transfer of assets, as well as from authorizing or executing any disbursement of dividends, and to restrict the payment of salary or remuneration to Respondents No. 2, 4, 5, and 6 until the final determination of Company Petition No. 114/2018.

(xxiv) To direct Respondent No.5 to disclose all settlements, agreements, or arrangements made with Respondent No.1 Company or Respondent No.2 specifically related to her allegations of fraud, oppression, and mismanagement against Respondent No. 2 as alleged in CP114/2018, and to direct the reporting of these issues in the Director's and Auditor's Reports during her tenure as a Director of Respondent No. 1 Company.

(xxv) To direct Respondent No.5 to disclose the settlements, agreements, or arrangements involving herself and Respondent No. 1 Company, Respondent No.2, or Respondent No.7 regarding the listing of Applicant No. 1's lands as properties not held in the name of the Company in the Financial Statement starting 2021-2022 during the pendency of CP114/2018.

(xxvi) To order Respondents No. 2, 4, 5, 6, and 7 to transfer all income generated from the Madhapar and Taraghadi lands, after the status quo order dated December 17, 2018, back to Applicant No. 1.

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(xxvii) To direct Respondents No. 2 and 6 to submit all lease deeds of the Madhapar and Taraghadi Lands to Applicant No. 1 and the Honourable Tribunal, for the period following the stay order dated 17th December 2018, especially registered lease deeds as per section 17 of the registration act for leases extending to a year or more.

(xxviii) Pass such other orders/ directions as this Tribunal may deem just and proper in the facts and circumstances of the present case.

ORDER

In view of the order passed in CP No. 114 of 2018, this IA becomes infructuous.

Sd/-

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

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CHITRA HANKARE
MEMBER (JUDICIAL)