NATIONAL COMPANY LAW APPELLATE TRIBUNAL

PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) No. 100 of 2026

[Arising out of Order dated 12.01.2026 passed by the Adjudicating Authority (National Company Law Tribunal, Mumbai Bench) in Company Petition No. 162 of 2022]

IN THE MATTER OF:

1. **Dr. ACHARYA LABORATORIES PRIVATE LIMITED**
A Company Registered Under
the Companies Act, 2013,
Having Its Registered Office at Sal Jyot,
Office No.105, 1st Floor.
Neepa CHS, Junction of S.N. Road
& S.L. Road, Mulund West, Mumbai City,
Maharashtra - 400080
CIN: U24200MH2005PTC153343 **...Appellant No. 1**

2. **ANAND ACHARYA**
An Adult Indian Inhabitant,
Having his Office Address at Sal Jyot,
Office No. 105, 1st Floor.
Neepa CHS, Junction of S.N. Road
& S.L. Road, Mulund West, Mumbai City,
Maharashtra - 400080 **...Appellant No. 2**

3. **SHRIKANT ACHARYA**
An Adult Indian inhabitant,
Having his Office Address at Sal Jyot,
Office No. 105, 1st Floor.
Neepa CHS, Junction of S.N. Road
& S.L. Road, Mulund West, Mumbai City,
Maharashtra - 400080 **...Appellant No. 3**

4. **SHRIPATI ACHARYA**
An Adult Indian Inhabitant,
Having his Office Address at Sal Jyot,
Office No. 105, 1st Floor.
Neepa CHS, Junction of S.N. Road
& S.L. Road, Mulund West, Mumbai City,
Maharashtra-400080 **...Appellant No. 4**

5. **USHA ACHARYA**
An Adult Indian Inhabitant,
Having her Office Address at Sal Jyot,
Office No. 105, 1st Floor.

Neepa CHS, Junction of S.N. Road
& S.L. Road, Mulund West, Mumbai City,
Maharashtra - 400080 **...Appellant No. 5**

Versus

VENKATRAMAN NARAYAN BHAGWAT
An Adult Indian inhabitant,
Having his Office Address at Sal Jyot,
Office No.105, 1st Floor.
Neepa CHS, Junction of S.N. Road
& S.L. Road, Mulund West, Mumbai City,
Maharashtra-400080. ...**Respondent**

Present:

For Appellants	:	**Mr. Rahul Chitnis, Mr. Parmatma Singh, Ms. Nishita Jagetia and Ms. Manorama Mohanty, Advocates.**
For Respondent	:	**Mr. Bharadwaj S. Iyengar, Advocate.**

J U D G M E N T

Per Justice Sharad Kumar Sharma, Member (Judicial)

1. This Company Appeal arises out of proceedings under Sections 241, 242 & 244 of the Companies Act, 2013, which were initiated by the Respondents to the Company Appeal. The said proceedings were registered as **Company Petition No. 162 of 2022**, Venkatraman Narayan Bhagwat Versus Dr. Acharya Laboratories Pvt. Ltd. & Ors. before the NCLT, Mumbai Bench, and were adjudicated by the judgment dated 12.01.2026, which is under challenge in the instant Company Appeal.

2. The Appellant's case is that Respondent No. 1, who was a graduate in Science (Chemistry), owing to the fact that he had considerable control over the subject and was backed by knowledge in the field of pharmaceutical development and manufacturing, was employed with M/s Anand

Synthochem, as far back as 1972–1973. It is against this backdrop, while working with Anand Synthochem, that Respondent No. 1 is said to have met with late Mr. Srinivas Acharya. Because of his past background and persuation, Respondent No. 1 was shown to have been added as a partner in a partnership firm with late Dr. Acharya, Respondent No. 3 herein, and late Dr. Acharya's mother, alongside another partner, Mr. V.S. Hosurkar, and they founded a firm named "Acharya Chemicals" in 1973.

3. One of the partners, Mr. V.S. Hosurkar, retired from the firm, and consequent to it Appellant No. 4 was inducted as a partner, carrying on the business of manufacturing and selling chemicals. Right from the date of his inception, the Petitioner was shown to be holding 16% of the profits and losses of Acharya Chemicals. In 1997, Dr. Srinivas Acharya's mother was replaced by Appellant No. 2 as a partner. Owing to the passing away of Dr. Srinivas Acharya, who died on 10.11.1999, Appellant No. 5 was added as a partner in Acharya Chemicals. After acquiring all these business experiences, the partners of Acharya Chemicals acquired another private company which too was engaged in the business of manufacturing and selling chemicals, i.e., M/s Shirdi Chemicals Private Limited. In view of the expansion attained by the Company the business and Appellant No. 1 Company – Dr. Acharya Laboratories Private Limited – was incorporated in 2005 by the partners of Acharya Chemicals.

4. Respondent No. 1 accepts that Acharya Chemicals and three private limited companies (being Appellant No. 1, Asvik Pharma and Chemicals Private Limited, and Shirdi Chemicals Private Limited), together with M/s

Herbert Brown Pharmaceutical and Research Laboratory (in which Appellant Nos. 2, 3, and 5 were partners), carried forward the business under the name of the M/s Acharya Group.

5. According to Respondent No. 1, Acharya Chemicals it continued its business with Appellant No. 1 and carried on new businesses operations. As such, it was argued that Appellant No. 1 cannot be treated as a quasi-partnership, owing to the fact that the quasi-partnership concept could only be available when the partnership is converted into a corporate form and its previous business is subsequently continued through the company. Because, according to the case of the Appellant, there were no such ingredients available, the so-called concept of quasi-partnership did not stand fulfilled.

6. The dispute started arising amongst themselves when an allegation was raised in 2019, where Appellant No. 2 suggested to the Respondent to exit from the Acharya Group consisting of the two firms as referred to above; however, owing to the Respondent not being satisfied with the valuation of the shares, he accordingly refused to exit.

7. Because of the change in configuration of the companies due to the progression made in the business of the company, an AGM of the company was held on 31.12.2020, wherein certain amendments were made to be carried in the Articles of Association of the company. The AGM of 31.12.2020 showed that the Respondent attended the meeting, and not only that, he voted in favour of the amendments, and his name also finds reference in the attendance slip of the AGM held on 31.12.2020.

8. Respondent No. 1, despite having attended the AGM of 31.12.2020 and having voted in favour, started raising allegations contending that the alleged amendments carried out in the company's Articles of Association vide various resolutions passed in the AGM of 31.12.2020 were alleged to be illegal. Also, because of the fact that it was brought to his knowledge for the first time in March 2022, based upon the aforesaid grounds, the Respondent has put a challenge to the AGM of 31.12.2020 wherein under Article 60, Appellant Nos. 2, 3, and 5 have been designated as permanent Directors; under Article 69, the board's meetings were left open to be summoned by Appellant Nos. 2, 3, and 5; under Article 64, it permitted the holding of board meetings with at least two days' notice; and lastly, by Article 72, only Appellant Nos. 2 and 5 can be the chairperson of meetings.

9. On the basis of the AGM of 31.12.2020, an amendment was made in the company's Articles of Association. The amendment that was made by the AGM of 31.12.2020, bringing changes in the Articles of Association as detailed above, they were not welcomed and hence was subjected to challenge in the proceedings of the Company Petition, which ultimately, upon its adjudication, was held not to be an oppressive act because of the fact that Article 64 did permit the holding of the board's meeting for at least two days' notice which was mandatory.

10. There had been a corresponding resolution to amend the Memorandum of Association (MoA) too for the purposes of increasing the authorised share capital, in which the Respondent attended the board's meeting and discussed the issue with regard to the issue of increase of the authorised share capital and to carry out the alteration in the MoA. Consequently, in the board's meeting of 27.12.2021, the resolution was carried by an unanimous decision of which the petitioners were also shown to be the signatories.

11. Consequently, on 21.12.2021, a notice of the EOGM was issued to the members of the Company, including to the Appellant, for convening the EOGM on 31.12.2021, for the purposes of discussing the upon the issues pertaining to share capital and its alteration, which too was attended by the Respondent, and it was thereupon resolved to increase the share capital and to alter the MoA. After carrying out the aforesaid EOGM on 31.12.2021, Form No. SH-7 was issued to the Registrar of Companies, giving intimation about the increase in the authorized share capital vide the resolution carried by the EOGM of 31.12.2021.

12. The Respondent, by projecting a false case, has alleged that he could learn about the amendment carried out in the Company's MoA for the first time in March, 2022, and by alleging that he was not in receipt of any notices of such meeting, it was based upon the aforesaid facts and circumstances, that the Company Petition was preferred by the Respondent seeking a declaration that the business affairs of the Appellant No. 1 Company were carried out by Appellant Nos. 2 to 5 in a manner prejudicial to the interest of the Appellant No. 1 Company, alongside with other reliefs prayed for in the proceedings under Sections 241, 242, and 244 of the Companies Act.

13. The learned Tribunal, while deciding the Company Petition on its own merits by the judgment dated 12.01.2026, observed that as far as the amendment in the MoA through the EoGM held on 31.12.2021 is concerned, as the Respondent had marked his attendance, in the attendance sheet of the first Respondent Company, showing their presence for the EoGM of 31.12.2021, the learned Tribunal recorded a finding regarding the amendment in the MoA together with the impugned rights issue.

14. To conclude with the increase in the authorized capital as a rights issue made in March, 2022, it was observed that in accordance with the notice dated 10.03.2022 for the board meeting to be held on 12.03.2022—even though the said notice was in violation of Section 173(3) of the Act, which prescribes 7 days' notice, but since the Petitioner had signed the letter on 12.03.2022, giving consent for a shorter notice, and also because of the fact that the board's meeting lasted for three minutes, as is evident from the minutes book recording the start and conclusion of the meeting, the Tribunal, upon considering the rival contentions, observed thereof that five days before the rights issue was placed for consideration, the Company had liquidated a fixed deposit of Rs. 4.5 Crores with Saraswat Bank, which had matured on 07.03.2022. Ultimately, the Tribunal came to the following conclusion:-

"52. We have noted that the amendment to AoA as well as Right issue constitutes act of oppression to the petitioner. Further, the pleadings of both the parties demonstrate that an irretrievable breakdown in trust and confidence between the Petitioner and Acharya Family has taken place. Accordingly, it will just and equitable to wind up the affairs of the Respondent Company, however, it is also pertinent to note that such winding up shall be unfairly prejudicial to the Respondents, we consider it appropriate to direct the Respondent No. 1 Company to buy out the shares of the Petitioner on a fair value of the Respondent Company as on 31.3.2022 to be determined by a reputed valuer on pre-right issue shareholding and the value so determined shall be further adjusted by an interest factor of 8% p.a. till 31.12.2025 so as to account for the compensation to the Petitioner for the period, he was kept out of money. The Respondent No. 1 shall pay the amount so determined within 3 months from the dated of this order. Alternatively, the Respondent No. 2 to 5 shall be at liberty to pay the amount so determined to the Petitioner for purchase of his shares in their name or in their nominee(s) name. The Respondent Company shall file appropriate application before this Tribunal by 15th April, 2026 for taking compliance on record."

15. On the basis of the aforesaid conclusions drawn, the Company Petition was allowed, and CA No. 265 of 2022, which was filed by the Petitioner for urgent listing, was disposed of. The Company Appeal was preferred before this Tribunal on 22.02.2026, wherein notices were issued and an interim Order was passed, to the effect that the deadline given of 15.04.2026 would stand extended.

16. While the matter remained pending, the parties filed I.A. No. 6310 of 2026 under the joint signatures of the Appellant, contending thereof that as the shareholding of the Appellant No. 1 in the Company was 6.4% of equity shares. Because the challenge under Sections 241 and 242 of the Companies Act, 2013, as raised in the Company Petition was restricted to a rights issue undertaken by the Company on 15.03.2022, the parties had placed on record the consent terms agreed between them. Wherein they prayed that the Company Appeal may be disposed of, observing thereof that the Application may be allowed and the consent terms dated 31.08.2026 may be taken on record.

17. Heard learned counsel for the parties. I.A. No. 6310 of 2026 which is accompanied by respective affidavits of the parties supporting the contents of the terms of settlement as referred to in the application and made as a part of it, which has been submitted under the joint signatures of the parties to the Appeal. The said consent terms would be treated as part and parcel of the decision being rendered by us in the instant Company Appeal.

18. On the basis of the settlement, and in view of the terms contained in the settlement/consent terms, the Order dated 12.01.2026 passed by the NCLT, Bench – I, so far as it relates to holding the amendment of the Articles of Association, as well as the rights issue, as constituting acts of oppression to the Respondent, is set aside and is quashed by consent. Accordingly, the parties agree that they will adhere to the conditions of the settlement dated 31.08.2026.

19. Owing to the quashing of the Order by consent, the parties would be strictly bound by the terms of the consent letter in relation to the aspects covered therein, as contained in Para No. 3 of the said consent letter. Owing to the consent arrived at between the parties, the impugned Order dated 12.01.2026 passed in Company Petition No. 162 of 2022 would stand quashed, and inter se rights, liabilities, and the conduct of the parties to the Appeal would be governed by the terms and conditions contained in the consent letter dated 31.08.2026, to which the Respondents have also agreed.

20. Accordingly, owing to the above, the Company Appeal would stand allowed. The impugned order on 12.01.2026 as rendered in Company Petition No. 162 of 2022 is quashed. All pending interlocutory application would stand closed.

[Justice Sharad Kumar Sharma]
Member (Judicial)

[Arun Baroka]
Member (Technical)

[Indevar Pandey]
Member (Technical)

NEW DELHI

25th *September, 2026*

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