

MOOT COURT CASE

Brief background

Arjun and Naresh are son of Shri Durgadas. Shri Durgadas has promoted a Company, viz. Durga Oil Trading Company Pvt Ltd. in the year 2005. The subscribers to the Memorandum of Association of this company were Shri Durgadas, Arjun, Naresh and Late Kamlesh. All of them agreed to contribute the capital of the Company equally, i.e. 25% of the Capital. Total capital at the time of incorporation was 10000 Equity Shares of Rs. 10 each. Since, it is a family run company, the whole of capital was brought in by Mr. Durgadas.

The Current Shareholding pattern of the Company is as follows:

Name of the Shareholder	No of Shares held. (Rs. 10 each)
Durgadas	80,000
Naresh	15,000
Arjun	5,000
Total issued capital as on Today	1,00,000

In the year 2006 Kamlesh died in a road accident. He was unmarried at the time of his death. Arjun and Naresh are both married and have 2 kids respectively. All the three current shareholders live separately.

The Company owns two plants at Pune and Ahmedabad respectively. The company processes two different qualities of Oil at these two plants. The plant located at Ahmedabad is more profitable as compared to plant located at Ahmedabad. Ahmedabad Plant is located at heart of the city and land if sold may earn around triple the value of the Company.

Mr. Naresh is in charge of Ahmedabad plant and Mr. Durgadas and Mr. Arjun, being an elder son, stays nearby and looks after Pune plant.

Durgadas has signed two Gift Deeds in favour of both the sons i.e. Arjun and Naresh in the year 2011 gifting 30,000 shares to each of them. Both the gift deed were made on a stamp paper of Rs. 100. However, all these Gift Deeds were never given effect to in the Board Meeting.

Naresh, Arjun, Late Kamlesh and Durgadas were the first Directors of the Company. Naresh resigned as Director of the Company in the year 2011 as he planned to move out of the Company. However, he never severed ties with the Company and were involved into day to day operations of the Ahmedabad Plant. He was reinducted as an Additional Director in July 2013 but was not regularised as Director in the AGM held in 2013. He signed Financial Statement as Director of the Company for the year 2014 and 2015. He also signed Income Tax return of the Company for these years.

Somewhere in March 2017, Mr. Arjun suddenly felt neglected by his father and elder brother. He also believed that his father and elder brother have withdrawn huge amount of money as remuneration to them as Director of the Company and nothing was paid to him for the year 2016 and year 2017.

Mr. Arjun has filed a petition under Section 241 of the Companies Act on May 30, 2017. On the mentioning day i.e. June 2, 2017, the PCS representing Mr. Durgadas and Naresh vehemently opposed the petition on the ground that petitioner is holding 5% shares is not eligible to file the petition. Durgadas and Naresh also filed Maintainability application on June 9, 2017. Which is coming up for hearing on July 11, 2017 alongwith the main petition.

On the morning of July 10, 2017, Durgadas died of massive cardiac arrest. The case is coming up for final arguments on July 17, 2017.

Petitioners: Need to draft Petition and reply to maintainability application.

Respondents: Need to draft reply to main petition and Maintainability Application.

Both the sides also have to present their arguments.