

HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT JAMMU

WP(C) No. 2022/2025

Guninder Jeet Singh Wazir

.....Appellant(s)/Petitioner(s)

Through: Mr. K.S. Johal, Sr. Advocate with
Mr. Karman S Johal, Advocate

vs

Union of India and others

..... Respondent(s)

Through: Mr. Deewakar Sharma, Dy. AG
Mr. Ankur Sharma, Advocate with
Mr. Himani Khajuria, Advocate

CORAM: HON'BLE MR. JUSTICE SANJAY PARIHAR, JUDGE

ORDER
07.07.2026

1. The petitioner claims that he was one of the original Directors and shareholders of M/s Shreekatyani Metal Private Limited, subsequently renamed as **M/s Shreekatyani Green Fuels Private Limited** (hereinafter referred to as "the Company"), holding approximately 33% of the share capital, while the remaining shares were held by the private respondents. According to the petitioner, he was arbitrarily removed from the Directorship of the Company, and his shares were illegally transferred in favour of the private respondents without his knowledge or consent.
2. Aggrieved by the aforesaid acts, the petitioner lodged a criminal complaint before the Crime Branch, Jammu, on 25.07.2023 alleging fraudulent acts on the part of the private respondents. He also submitted a complaint dated 22.05.2025 before the Department of Industries and Commerce alleging that the private respondents, in collusion with the official respondents, had fraudulently removed him from the Directorship on the basis of a

purported Annual General Meeting of the year 2022, convened without serving any prior notice as mandated under the provisions of the Companies Act.

3. It is further alleged that the petitioner's Digital Signature Certificate (DSC) was misused for filing Form MGT-14 without his knowledge or consent and that, in connivance with the Company Secretary, the respondents falsely reflected the transfer of the petitioner's shares despite the absence of the mandatory Share Transfer Form (Form SH-4). The petitioner also alleges that the respondents acted in blatant violation of the Industrial Policy, 2021–2030, particularly Clauses 5.1.6 and 5.1.10, which require that the original shareholding of the Company should not undergo changes beyond the permissible limit of 49%. It is further contended that Clause 36 of the Lease Deed, which stipulated that the original Directors, including the petitioner, were to continue on the Board of Directors, has also been violated.
4. The petitioner further contends that despite receipt of his complaint, the Registrar of Companies (respondent No. 2) failed to initiate any inquiry into the affairs of the Company in accordance with law. It is alleged that respondent No. 2 failed to discharge its statutory obligations, while the official respondents also acted in breach of the Industrial Policy. Consequently, the petitioner has invoked the writ jurisdiction of this Court seeking, inter alia, a direction to respondent No. 2 to conduct an inquiry into the affairs of the Company and to investigate the alleged acts of fraud and statutory violations. According to the petitioner, the inaction on the part of the official respondents has caused grave prejudice to his rights,

leaving him with no efficacious alternative remedy except to approach this Court by way of the present writ petition.

5. This Court in terms of order dated 29.07.2025 had proceeded to direct respondent No. 4 to 6 to bring under immediate attachment and sealing of the industrial premises of Plot No. 24 leased out in favour of the company in whatever new name and nomenclature the same may have translated itself, and further not to allow any access of the directors thereto including the petitioner as well as of the private respondents.
6. This order of the Court was carried in appeal by the private respondents by way of LPA No.153/2025 raising the issue that the writ Court lack jurisdiction to entertain the petition and also informing the appellate Court that the petitioner herein had already resigned from the Company and transferred all his shares in favour of the private respondents, inasmuch as that the private respondents were fully complying with the mandate of industrial policy 2021-2030, which appeal came to be disposed by directing as under:

“08. Accordingly, for the present, the appeal is disposed of in terms of the position sketched out above as also the statement made by the learned counsel for the respective parties. The hearing of this petition before the writ Court is preponed from September 10, 2025 to August 08, 2025. Learned Single Judge is requested to take up the matter on adjourned date. We are sanguine that every possible endeavour shall be made to decide the matter finally or at least the pending application for interim relief at the earliest. Further, as agreed between the learned counsel for the parties, to avert any further complication, till the petition or the application for interim relief is finally decided by the Writ Court, no third-party rights/interest shall be created.”

7. Thereafter, the matter came up for consideration before this Court. During the pendency of the writ petition, the petitioner filed an application seeking permission to place on record the status report in connection with FIR No. 58/2025 registered at Police Station Crime Branch, Jammu

against respondent Nos. 8, 9 and 10 at the behest of petitioner for the commission of offences punishable under Sections 420 and 120-B of the Indian Penal Code. The said application was allowed and the status report was taken on record.

8. Upon completion of pleadings, LC appearing for the private respondents, on 29.06.2026, raised a preliminary objection with regard to the maintainability of the writ petition. It was submitted that the issue of maintainability had been raised from the very inception of the proceedings and had also been specifically urged before the Division Bench in the Letters Patent Appeal. While disposing of the said appeal, the Division Bench, in paragraph 4 of its order, observed that, **“in the circumstances of the case, it would be expedient to request the learned Single Judge to consider and decide the matter at the earliest, particularly since the objections filed by the appellants to the writ petition as well as the reply to the application seeking interim relief had already been placed on record.”**

9. Learned counsel for the respondents has vehemently argued that the petitioner has sought two-fold reliefs: firstly, a direction for conducting an enquiry into the affairs of the company; and secondly, initiation of action against the respondents for their alleged non-compliance with the Industrial Policy. According to him, the petitioner had earlier resorted to lodging an FIR alleging various acts of omission and commission, and the present writ petition has been filed on the very same set of facts. It is contended that the petitioner has alleged that he suffered loss and inconvenience on account of his clandestine removal from the directorship

of the company and that, by playing fraud, his shares were transferred, thereby depriving him of his interest in the affairs of the company. At the same time, the petitioner has also asserted that the allotment of the land was conditional in nature and did not confer ownership unless the entire premium had been paid and a lease deed executed. He has further claimed that he had contributed towards the premium along with the other shareholders for the allotment of the plot in question.

10. Learned counsel for the respondents has further submitted that the complaint filed by the petitioner before the Chief Judicial Magistrate, Jammu, on 09.07.2025 under Section 175(3) of the BNSS, 2023 culminated in a direction for registration of an FIR. Consequently, FIR No. 58/2025 under Sections 420 and 120-B of the IPC was registered at Police Station Crime Branch, Jammu. It is submitted that, upon investigation, the allegations of cheating levelled by the complainant were found to be unsupported by any evidence. The investigating agency found that neither any fraud nor any deception existed from the inception of the incorporation of the company for establishing a malt business, nor in the subsequent change of its object to setting up an Ethanol Manufacturing Unit, or in the events that followed thereafter. Accordingly, the allegations made by the complainant were found to be devoid of merit and unsupported by documentary evidence.

11. In fact, the incorporation of M/s Shree Katayani Metal Private Limited **and** M/s Shree Dakshayani Metal Private Limited was conceived pursuant to a mutual understanding between the complainant and the alleged accused. There was no fraudulent or dishonest intention at the inception of

the transaction, nor was there any element of cheating or mala fide intent. The complainant continues to be a Director and shareholder of M/s Shree Dakshayani Metal Private Limited, which has also been allotted land by the Industrial Corporation. Taking note of these facts, the Crime Branch closed the complaint as "not admitted."

12. Placing reliance on **2026 INSC 42**, the counsel for the respondents submitted that a person alleging fraud in the affairs of a company has an efficacious statutory remedy under **Section 213 of the Companies Act, 2013**, by filing an appropriate application before the National Company Law Tribunal (NCLT), subject to satisfying the eligibility requirements prescribed under the Act. It was contended that the Companies Act provides a complete and self-contained mechanism for redressal of the grievances of a director or shareholder, who may approach the competent authority under the Act by bringing to its notice any alleged malpractice or violation of the provisions of law committed by the company's office bearers.
13. Learned counsel further submitted that recourse to the extraordinary writ jurisdiction is wholly unwarranted. According to him, the petitioner had voluntarily relinquished his position and is now seeking a writ of mandamus for restoration of his shareholding and directorship in the company, which relief cannot be granted in the exercise of writ jurisdiction. It was further contended that the entire investment in the company has been made by respondents Nos. 8 and 9. Although the petitioner initially served as a Director, he was expected to contribute capital proportionate to his shareholding. However, except for a sum of

₹33,000, which was subsequently refunded to him upon his voluntary resignation from M/s Shree Katayani Metal Private Limited, he failed to make any such contribution.

14. It was further submitted that the **Indian Renewable Energy Development Agency Limited (IREDA)** has sanctioned financial assistance of ₹213 crore in favour of M/s Shree Katayani Metal Private Limited, and a Letter of Intent has also been issued in favour of the company by the Oil Marketing Companies. It was argued that, after voluntarily resigning from the directorship and relinquishing his shareholding, the petitioner filed a series of complaints, none of which yielded the desired result. The present writ petition, therefore, has been filed solely with the intention of obstructing the functioning of the respondent company. It was further contended that the petitioner has misused the judicial process with an oblique motive and, consequently, is not entitled to any equitable relief from this Court.
15. *Per contra*, learned counsel for the petitioner vehemently contended that the petitioner seeks a writ of mandamus on account of the admitted breach of the Industrial Policy by the respondents. It was submitted that any change in the constitution of the company requires the prior approval of the Director, Industries, as the Industrial Policy mandates that, in the event of any change in the shareholding pattern, the original shareholders must continue to hold at least 51% of the shareholding in the same legal entity. According to the petitioner, the private respondents have blatantly violated the said requirement by reducing the shareholding of the original promoters below the prescribed threshold, in contravention of Clause 5.1.6

of the Industrial Policy. It was further submitted that the documents evidencing the transfer of shares in favour of outsiders already form part of the record.

16. Learned counsel further submitted that, in terms of Clause 5.1.11 of the Industrial Policy, if the leasehold rights are transferred or the constitution of the allottee company is altered before the industrial unit is brought into production, such transfer is void and the allotted land is liable to be resumed upon cancellation of the allotment.
17. It was further contended that Clause 36 of the Lease Deed dated 23.08.2022 expressly stipulates that the original Directors of the lessee company shall not alter the constitution of the company except with the prior written consent of the lessor, namely **SIDCO**, which had allotted the industrial plot to the company. It was argued that, since there has been a clear violation of the Industrial Policy as well as the terms and conditions of the Lease Deed, the statutory authorities are under a corresponding obligation to enforce the consequences of such breach, including cancellation of the registration of the manufacturing unit and resumption of the allotted public land measuring **100 kanals** situated at the prime industrial location of Logate Industrial Estate, Kathua. It was further submitted that the Industrial Policy framed by the Government of Jammu and Kashmir is required to be implemented uniformly and fairly, without compelling an aggrieved party to repeatedly approach the authorities for enforcement. Learned counsel distinguished the judgment relied upon by the respondents by contending that the relief sought in the present petition is not confined to an inquiry into the affairs of the company under the

Companies Act but also seeks enforcement of the provisions of the Industrial Policy and prevention of the alleged misuse of public land and benefits arising from the respondents' collusive conduct. It was, therefore, argued that a writ of mandamus is maintainable at the instance of a citizen alleging failure on the part of the statutory authorities to discharge their statutory obligations.

18. Having heard both counsels, there is no denial to the admitted factual position that a private company in the name of **SHREE KATYANI METAL PRIVATE LIMITED** (hereinafter in short “SMPL”) came to be incorporated in terms of Certificate of Incorporation dated 09.07.2021 issued by the Registrar of Companies, Ministry of Corporate Affairs, Government of India, Central Registration Centre in terms of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014. Registered office of SMPL being residential address of the petitioner which being 18-A, Sector 7, Trikuta Nagar, Jammu. The constituent directors of SMPL are three directors and they being the petitioner, the respondent No. 9-Nidhi Gupta and the respondent No. 10-Nittin Maheshwari with equal share holding of 330 equity shares each counting 1,000 shares in total.
19. As a company-SMPL ventures itself to respond to an Industrial Policy 2021-2030 floated by the Government of UT of J&K for the purpose of encouraging setting up of industrial activity in the UT of Jammu & Kashmir which led to a proposal generated from the end of SMPL for seeking lease of industrial plot of land for the purpose of setting up of an industrial unit for manufacturing of ETHANOL/ENA (Extra Neutral

Alcohol) and other allied/intermediate products. Thus, vide an allotment letter No. SICOP/MD/2022/1630-38 dated 15.02.2022 approval for granting lease of 100 kanals of land comprised in the Industrial Estate SICOP, Sahar Logate, Kathua J&K (UT) resulted in execution and registration of a Lease Deed dated 23.08.2022 categorically bearing reference to the petitioner as well as to the respondents Nos. 8 & 9 with addition of one Sh. Nishit Khandelwal as directors of the lessee SMPL.

20. On behalf of SMPL, the signatory to the lease deed was the respondent No. 8-Nitin Gupta as being authorized signatory who incidentally is husband of the respondent No. 9-Nidhi Gupta, one of the three original directors of SMPL. While the recommendation for grant of lease of industrial plot in favour of the SMPL had come to be generated on 15.02.2022, by the month of May, 2022 one of three original directors, namely, Nitin Maheshwari, holder of 330 equity shares is said to have resigned resulting in induction of one Nishit Khandelwal in place of outgoing director. Even Nitin Maheshwari is said to have then resigned from the post of directorship w.e.f. 28.05.2022 meaning thereby post recommendation in February, 2022 for grant of lease of 100 kanals of industrial plot but before execution of lease deed in favour of SMPL when the case for seeking lease of industrial plot in favour of SMPL was put in process with representation of three directors constituting SMPL and they being the petitioner, respondent No. 8-Nitin Gupta & respondent No. 9-Nidhi Gupta only. The purported induction of Nishit Khandelwal is said to have taken place in terms of Board of Directors' resolution of SMPL signed by the respondent No. 9-Nidhi Gupta and joined by the respondent

No. 8-Nitin Gupta identifying himself to be the director in terms of resolution dated 28.05.2022 again post February, 2022 sanction for grant of lease of industrial plot of 100 kanals in favour of SMPL.

21. During the pendency of the proceedings, the respondents placed on record the Final Police Report (Ikhtami) submitted by the Economic Offences Wing, Crime Branch, Jammu, in connection with **FIR No. 58/2025**. According to the findings recorded therein, the investigating agency concluded that directorship of a company does not, by itself, confer ownership of the company's assets, whereas shareholding determines the economic interest of a shareholder. It was observed that the petitioner held only **330 shares**, having a face value of **Rs. 33,000/-**, and that the corresponding amount had already been credited to the petitioner's account in the year 2022. The investigating agency further concluded that, as on 22.03.2022, the company had neither any operational business nor any assets. It was also observed that the allotment of land was merely conditional and did not confer ownership upon the company unless the entire premium was paid and the lease deed was duly executed.
22. During the course of investigation, it was further found that the entire premium for the allotted land had been paid by the other shareholders and not by the petitioner. Learned counsel for the respondents also invited the attention of the Court to the opinion recorded by the Investigating Officer, wherein it has been opined that the allegations of cheating levelled by the complainant are devoid of substance, as no evidence of fraud or deception was found from the inception of the company, either at the time of its incorporation for carrying on the business of metal trading or thereafter

upon the change in its objects to ethanol manufacturing, or in the subsequent course of events. When confronted with the aforesaid aspects, learned counsel for the petitioner argued that the Final Police Report has no bearing on the controversy involved in the present proceedings and that the findings recorded therein are open to challenge by the petitioner before the appropriate forum in accordance with law.

23. Having heard learned counsel for the parties, there is no dispute that the petitioner essentially claims that, being a Director of the company, he was clandestinely removed from the directorship on account of the alleged fraud perpetrated by the private respondents. During the course of arguments, learned counsel for the respondents drew the attention of the Court to the fact that the transfer of shares had taken place on **22.03.2022** and that the consideration towards the transferred shares had been credited to the petitioner's account, which fact has not been denied by the petitioner. It was further submitted that **Form MGT-14**, bearing the digital signature of the petitioner, is also available on record. Learned counsel for the petitioner, however, disputed the authenticity of the said documents, contending that respondent Nos. 8 and 9, in connivance with their authorised representatives, had manipulated the records and fraudulently misused the petitioner's digital signatures. It was also submitted on behalf of the respondents that petitioner's authorised representative, Mr. Vicky Pangotra, was examined by the Crime Branch and that the alleged email trail relied upon by the respondents, purporting to establish that the petitioner's resignation and transfer of shares were effected with his approval and consent. Be that as it may, the correctness

and evidentiary value of the Final Police Report submitted by the Crime Branch are matters that fall for consideration before the competent forum. Nevertheless, while examining the maintainability of the present writ petition, this Court cannot altogether ignore or brush aside the existence and contents of the said report.

24. In **AIR 1997 SC 2189 Sri Ramdas Motor Transport Ltd. & Ors. v. Tadi Adhi Narayana Reddy & Ors.** the Supreme Court was dealing with a dispute raised by 61 shareholders, including certain employees, of a private limited company, who alleged oppression of minority shareholders and mismanagement of the affairs of the company by its Directors. The shareholders had sought various reliefs, including restraint orders against the officers of the company, on the ground that they had indulged in acts of mismanagement. The dispute was already pending before the Company Law Board, which had passed certain interim directions. During the pendency of those proceedings, the shareholders invoked the writ jurisdiction of the High Court under Article 226 of the Constitution of India, seeking an investigation into the affairs of the company and consequential action against its Chairman and Managing Director. Upon examining the scheme of the Companies Act, the Hon'ble Supreme Court observed that no effort had been made by the shareholders to have the affairs of the company investigated in the manner contemplated under the provisions of the Companies Act. The Court, therefore, held as under:

“Some of the shareholders of the first appellant-company have, in fact, filed petitions under Section 397 and 398 of the Companies Act before the Company Law Board in which they have asked for similar reliefs including the appointment of an interim administrator. The acts of mismanagement and only ground alleged in the writ petition for moving the High Court under Article 226 is that the Company Law Board is not moving in the matter under an excuse that the Company Law Board has not yet made an order, a shareholder cannot be allowed to bypass the express provisions of the Companies Act and move the High Court under Article 226. A shareholder has a very effective remedies under the Companies Act for prevention of oppression and mismanagement. When such remedies are available, the High Court should not readily entertain a petition under Article 226.

Learned Single Judge before whom the present writ petition came up for hearing very rightly held that the Companies Act provides a forum to consider the grievances made out by the First respondent in the writ petition. When such a forum, statutorily constituted, exists, it is but appropriate that resort to Article 226 should be discouraged. There is an efficacious alternative remedy available under the statute. In fact, under the Companies Act, a more satisfactory solution is available. The Single Judge was right in pointing out that some of the shareholders have initiated proceedings before the Company Law Board. The only grievance of the petitioner in the writ petition is that no orders have been passed thereon. The Single Judge has rightly held that such a grievance cannot constitute a ground for invoking the jurisdiction of the High Court under Article 226. He, therefore, dismissed the writ petition.

In appeal, however, the Division Bench of the Andhra Pradesh High Court presided over by the Chief Justice, entertained the appeal on the ground that the petition raised many serious issues as to falsification of the accounts of a public limited company. It said that the acts of the company would jeopardize public interest. Therefore, the petition involved wider “public interest” and should be entertained. In the result the Division Bench issued a direction to the Central Government to make its own verification of the allegations in the writ petition. In other words, the Division Bench of the High Court directed an investigation into the affairs of the company, bypassing the detailed provisions with inbuilt safeguards under the Companies Act, designed especially for this purpose. The only ground for intervention appears to be “public interest”. We fail to see what public interest is involved in disputes of the kind referred to in the writ petition. They basically deal with mismanagement of the affairs of the company and oppression of the minority shareholders. The company is only a deemed public limited company. Its shareholding is very closely held. The only other factor referred to in the writ petition to invoke the doctrine of so-called public interest, is the fact that the company had borrowed moneys from public institutions. This is no ground for not availing of the statutory remedies provided under the Companies Act before the appropriate statutory forums which are designed for this very purpose. We are distressed to find that the well-reasoned judgment of the Single Judge was interfered with in a casual manner. The impugned judgment rests on fragile foundations and reads more like an ipse dixit.”

25. When confronted with the aforesaid proposition, the counsel for the petitioner submitted that, even assuming, for the sake of argument, that the dispute regarding the affairs of the company is required to be examined by the authorities under the Companies Act, the present writ petition cannot be held to be not maintainable insofar as it seeks relief against the official respondents. According to the petitioner, respondent Nos. 8 and 9 have acted in violation of the Industrial Policy by effecting a change in the constitution and management of the industrial unit without obtaining the prior approval of the Director, Industries and Commerce (respondent No. 3), as mandated under **Clause 5.1.10** of the applicable Industrial Policy. It was contended that no such permission had ever been obtained and that the stand taken by official respondent Nos. 3 to 6 clearly demonstrates their failure to enforce the provisions of the Industrial Policy, thereby substantiating the petitioner's grievance.
26. Learned counsel for the respondents, on the other hand, vehemently contended that even the aforesaid issue is ancillary to, and intrinsically connected with, the affairs and management of the company, which falls within the exclusive domain of the authorities constituted under the Companies Act. Drawing the attention of the Court to the jurisdiction of the **National Company Law Tribunal (NCLT)**, it was argued that any person aggrieved by the affairs or management of a company has an efficacious statutory remedy, including the right to invoke the jurisdiction of the NCLT by filing an appropriate application under **Section 213 of the Companies Act, 2013**. It was further submitted that, under **Section 211** of the Companies Act, the Central Government has established the **Serious**

Fraud Investigation Office (SFIO) to investigate cases involving fraud relating to the affairs of companies, including investigations directed in public interest. Learned counsel, therefore, contended that the grievance raised by the petitioner essentially pertains to his private rights arising out of the internal affairs of the company and that, after lodging an FIR against the respondents, he instituted the present writ petition without awaiting the outcome of the investigation, with the sole object of harassing the private respondents.

27. A plain reading of the writ petition reveals that the petitioner is essentially aggrieved by the alleged fraudulent transfer of his shares and his unlawful removal from the directorship of the company. He claims to have brought these facts to the notice of the Registrar of Companies, but alleges that no action has been taken. The substance of the relief sought, therefore, is an investigation into the affairs of the company. Section 213 of the Companies Act, 2013 empowers the National Company Law Tribunal, upon an application made by any person and upon being satisfied that circumstances exist suggesting that the business of the company is being conducted with intent to defraud its creditors, members or any other person, or for a fraudulent or unlawful purpose, or that the persons concerned in the formation or management of the company have been guilty of fraud, misfeasance or other misconduct towards the company or its members, or that the members have not been furnished with all material information relating to the affairs of the company, to direct an investigation into the affairs of the company.

28. Upon affording a reasonable opportunity of hearing to the parties concerned, the Tribunal may order that the affairs of the company be investigated by one or more Inspectors appointed by the Central Government. Once such an order is passed, the Central Government is under a statutory obligation to cause an investigation into the affairs of the company in accordance with the directions issued by the Tribunal. The proviso to Section 213 further provides that where the business of the company has been carried on with intent to defraud its creditors or members, or where any person concerned in the formation or management of the company is found guilty of fraud, every officer of the company who is in default shall be liable to be punished in accordance with Section 447 of the Companies Act. Section 447 defines "fraud" in relation to the affairs of a company to include any act, omission, concealment of fact or abuse of position committed by any person with intent to deceive, to gain undue advantage, or to injure the interests of the company, its shareholders or creditors, resulting in wrongful gain or wrongful loss.
29. Section 448 of the Companies Act further provides that any person who knowingly makes a false statement in any return, report, certificate, financial statement, prospectus or other document required under the Act shall be liable for punishment in accordance with law. It is also relevant to note that, pursuant to the Companies (Amendment) Act, 2015, the provisions of Section 213 became operational with effect from 01.06.2016, thereby enabling the National Company Law Tribunal to direct investigation into the affairs of a company. The legislative intent behind the constitution of the Tribunal and the Appellate Tribunal was to

ensure expeditious adjudication of disputes arising under the Companies Act through specialized forums.

30. Learned counsel for the petitioner placed reliance upon **AIR 2005 SC 3202**, wherein the Hon'ble Supreme Court held that a writ of mandamus may, in appropriate cases, be issued even against a private body which is not "State" within the meaning of Article 12 of the Constitution, provided such body performs a public duty or discharges a public function. The Supreme Court further held that the High Court, in exercise of its jurisdiction under Article 226 of the Constitution, may judicially review actions of such bodies. However, the Court simultaneously emphasized that the exercise of writ jurisdiction necessarily requires the existence of a public law element and cannot ordinarily be invoked for enforcement of purely private contractual or personal rights.
31. The facts of the present case stand on an entirely different footing. The petitioner's grievance essentially arises from his alleged unlawful removal from the directorship of the company and the purported fraudulent transfer of his shares by the private respondents. The relief sought is, therefore, directed towards enforcement of private rights arising out of the internal affairs and management of the company. The petitioner has efficacious statutory remedies available under the Companies Act. Merely because he alleges inaction on the part of the official respondents does not convert what is essentially a private corporate dispute into one involving a public law element warranting exercise of writ jurisdiction.
32. It is well settled that the existence of an alternative remedy does not operate as an absolute bar to the exercise of jurisdiction under Article 226

of the Constitution. Nevertheless, where an equally efficacious statutory remedy exists and the dispute pertains to questions of fact involving private rights, the High Court would ordinarily decline to exercise its extraordinary writ jurisdiction. In the present case, the petitioner alleges that he was fraudulently removed from the directorship, disputes the validity of the transfer of shares, asserts that his consent cannot be inferred merely from Form MGT-14, and contends that the alleged use of his digital signatures does not establish free and informed consent. He further disputes the authenticity of the documents relied upon by the respondents. These are disputed questions of fact requiring appreciation of evidence and investigation, which cannot appropriately be adjudicated in proceedings under Article 226 of the Constitution.

33. The petitioner further contends that he never executed **Form SH-4** and that no such duly executed instrument of transfer is available. This, too, is a matter requiring examination by the competent authorities under the Companies Act. Learned counsel argued that the Registrar of Companies possesses powers under Sections 206, 207, 208, 209, 210 and 212 of the Companies Act to conduct inspection, inquiry or investigation and, having failed to exercise such powers, the petitioner was left with no remedy except to invoke the writ jurisdiction of this Court. Even if such contention is accepted, the petitioner nevertheless has an efficacious remedy under Section 213 before the National Company Law Tribunal, which is competent to examine allegations relating to the affairs of the company and, where circumstances so warrant, direct investigation into allegations of fraud committed by the officers of the company, as

recognised in *Sri Ramdas Motor Transport Ltd. & Ors. v. Tadi Adhinarayana Reddy & Ors. (supra)*.

34. In the aforesaid decision, the Supreme Court observed that even where proceedings under the company law were already pending, recourse to the writ jurisdiction was not warranted in respect of grievances arising out of the internal affairs of the company. The Court held that such disputes do not ordinarily involve a public law element justifying exercise of jurisdiction under Article 226 when an effective statutory remedy is available. It was further observed that an investigation into the affairs of a company is a serious matter capable of causing substantial prejudice to its business and reputation and, therefore, ought not to be directed lightly or without sufficient material gathered in the manner prescribed under the Companies Act. Applying the aforesaid principles to the facts of the present case, this Court finds that the petitioner seeks enforcement of essentially private rights, for which complete and efficacious remedies are available under the Companies Act. Even the allegation regarding inaction on the part of the official respondents in relation to the lease conditions is intrinsically connected with the alleged alteration in the constitution and management of the company, which is a matter capable of examination by the competent authorities under the Companies Act and does not, by itself, warrant invocation of writ jurisdiction.

35. Once the Companies Act provides a comprehensive statutory mechanism, specialised adjudicatory forums and equally efficacious remedies for redressal of grievances relating to the affairs and management of a company, no writ of mandamus can ordinarily be issued requiring this

Court to adjudicate what is essentially a dispute concerning shareholding, directorship and corporate management. The contention that the National Company Law Tribunal cannot grant complete relief is without merit. Even the alleged violation of the Industrial Policy, if ultimately found to have any bearing upon the allotment or continuance of the lease in favour of the company, would necessarily be dependent upon determination of the underlying corporate dispute, which falls within the jurisdiction of the authorities constituted under the Companies Act.

36. For the foregoing reasons, this Court finds merit in the preliminary objection raised by the private respondents regarding the maintainability of the writ petition. In view of the equally efficacious statutory remedy available to the petitioner under the Companies Act, 2013, the writ petition is held to be not maintainable. Accordingly, the writ petition is ***dismissed***, while reserving liberty to the petitioner to avail such remedies as may be available to him before the competent authorities under the Companies Act.
37. Consequently, interim directions, if any, shall stand vacated.

(Sanjay Parihar)
Judge

Jammu
07.07.2026
Rahul Sharma

Whether the order is speaking:	Yes
Whether the order is reportable:	Yes