

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD**

CP No. 46 of 2013

(TP No.102/HDB/2016)

Date of Order: 19.05.2017

Between:

1. Mr. Juluri Umamaheshwar
No.8-11-162, Ground Floor,
Konduru Vari Street, Warangal.
2. Mr. Ananthula Damoder
No.6-2-51/3, 1st Floor, Road No.2
Kakaji Colony, Hanamkonda, Warangal.
3. Mr. Ananthula Nagender
No.6-2-51/3, 1st Floor, Road No.2
Kakaji Colony, Hanamkonda, Warangal.
4. Mr. Ananthula Suresh
No.6-2-51/3, 1st Floor, Road No.2
Kakaji Colony, Hanamkonda, Warangal.
5. Mrs. Juluri Nirmala Devi
No.8-11-162, Ground Floor,
Konduru Vari Street, Warangal

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OF THE ORIGINAL**

.... Petitioners

Versus

1. Leena Agro Chemicals Private Limited
Pragathi Industrial Estate, Janpak,
Gorrekunta, Warangal.
2. Mr. Juluri Krishna Murthy
No.8-11-162, Ground Floor,
Konduru Vari Street, Warangal.
3. Mr. Thota Jagannadham
No.11-24-46, Road No.3, M.V. Colony,
Warangal.



4. Mr. Thota Shiva Prasad
No.12-1-95, Ward No.12,
Ramanapet
Warangal

5. Ms. Haritha Juluri
No.8-11-162, Ground Floor,
Konduru Vari Street, Warangal.

6. M/s P.A.P. Murthy & Associates
Company Secretaries,
Plot No.30, Indira Nagar,
Vijayanagar Colony, Hyderabad.

.... Respondents

Counsel for the Petitioners: Mr. S. Chidambaram, Practicing
Company Secretary

Counsel for the Respondents: Mr. V.S. Raju, Counsel for Respondents
No.1 to 5.

CORAM:

Hon'ble Mr. RAJESWARA RAO VITTANALA, MEMBER (JUDL)

Hon'ble Mr. RAVIKUMAR DURAISAMY, MEMBER (TECH)

ORDER

(As per Rajeswara Rao Vittanala, Member (Judicial))

1. The Company Petition bearing C.P.No.46/2013 was initially filed by Mr. Juluri Umamaheshwar and 4 others, under Section 111(4), 111A, 397/398 of the Companies Act, 1956, before the then Hon'ble Company Law Board at Chennai. On the constitution of the National Company Law Tribunal (NCLT), the case is transferred to this Bench of NCLT in July, 2016 as it falls under jurisdiction of this Bench. Hence, we have taken the case on the records of this Bench and thus deciding it.



2. The Company Petition is filed by inter-alia seeking to direct first respondent be ordered and directed to transfer shares belonging to Petitioners and consequently to register their names in the Register of Members of the Company; and restore shareholding pattern as existed in the year 2003 etc.
3. Leena Agro Chemicals Private Limited (R1 Company) was incorporated in the year 1975 under the provisions of the Companies Act, 1956 having its registered office at Pragathi Industrial Estate, Janpak, Gorrekunta, Warangal and the issued, subscribed and paid up share capital of Company is Rs.10,38,000/- divided into 346 equity shares of Rs.3,000/- each as at 31st March, 2003 and the entire share capital is held equally by Juluri Family and their relatives; Thota Family and their relatives of 173 equity shares of Rs.3,000/- each respectively. The 1st Petitioner and the 2nd Respondent are own brothers. So in order to settle the issue amicably among themselves, they have made several attempts but for one reasons or the other, those efforts could not succeed for several years. There are several disputes among themselves and those are not necessary to refer now as the issues in question are amicably settled between parties as mentioned below.
4. The case was listed before this Bench on several dates and head also. Both parties used to present before this Bench along with their Counsels during the course of arguments. Ultimately, the parties themselves have agreed to settle their issues among themselves and thus Tribunal directed them to submit their agreement settling their issued. Accordingly, a Family Settlement Agreement dated 24.04.2017, executed between Juluri Umamaheshwar (1st Petitioner/ first party) and Juluri Krishna Murthy (2nd Respondents/second party) is filed before this Tribunal and the same is taken on record of this Tribunal. The terms and conditions of the agreement are extracted below:



The following properties are distributed and transferred as detailed below:

- a. The Second party shall transfer only ground floor of the house property at Door No.8-11-162, Konduruvari Street, Warangal along with 50% undivided and unspecified share of rights in the total land admeasuring 205 Square yards (including right to 50% of the future development of the said property) registered in the name of party of the second part shall to the extent of ground floor out of the said total property transfer to party of the first part for his peaceful enjoyment forever. The cost of transfer and registration would be borne by the party of the first part being the beneficiary.
- b. House Plot No.64 admeasuring 300 Square yards in Survey No.965 and 978 situated at Shayampet Village, Hanmakonda, Warangal (presently subject matter of Civil Suit O.S.No.544 of 2012 befroe Principal Senior Civil Judge at Warangal) present held by the part of the first part will be transferred to the party of the second part with the expenses borne by second party and also record the compromise in the above suit with the expenses for withdrawal of suit to be borne by the first part, after which the party of the second part to have absolute rights and title on the afore said house plot No.64.
- c. With respect to shares in Leena Agro Chemicals Private Limited which is the subject matter of dispute in C.P.No.46 of 2013/T.P.No.102/HDB/2016, both the parties do hereby agree that the shareholding will be distributed in the following ratio:

Total No. of shares: 346 shares will be distributed in the following ratio to the parties and their families:-



- i) Party to the first part and his family members - 95 shares (27.5%)
- ii) Party to the second part and his family members - 78 shares (22.5%)
- iii) Mr. Thota Jagannadham (Respondents No.3 in C.P.No.46 of 2013) and his family members – 173 shares (50%)

Mr. Thota Jagannadham will be the Managing Director and party to the first part will be Executive Director and party of the second part will also be Executive Director of the Company, Mr. Thota Shiva Prasad (Respondent No.4) will continue as a director of the Company and Ms. J. Haritha will resign as director of the company. It is specifically agreed between the parties that immediately after the shares distributed as above, the Leena Agro Chemicals Private Limited will be converted into LLP and the above directors will become designated partners of LLP. It is clearly understood that post conversion of company into LLP, the land owned by LLP will be distributed in the ratio of partner's shares in the LLP (Company).



Parties will withdraw all the pending court cases against each other and carry out registrations as decided above in the same day. The respective expenses would be borne by transferee parties.

It agreed between the first and second party that their younger brother Mr. Juluri Shiva Kumar is due an amount o Rs.11.50 Lakhs with interest (Rs.6.50 Lakhs as per family settlement and Rs.5 Lakhs due to M/s Pavan Agro Agencies from M/s Nataraj Fertilizers Depot) to the party of the first part, the party of the second part will extend all the support and held in collection of Rs.11.50 Lakhs with interest in favour of party of the first part till the first party gets the amount from their younger brother Juluri Shiva Kumar.

After implementation of this compromise and settlement agreement, all joint family properties and all accounts are settled between the parties and their families, in future no party shall make any claims what so ever nature against each other.

5. We have heard Mr. S. Chidambaram, Counsel fro Petitioner along with J. Umamaheswar (1st Petitioner) and Shri V.S. Raju, Learned Counsel for Respondents No.1 to 5 along with J. Krishna Murthy (2nd Respondent) and carefully perused all the documents including the said agreement as available on record.
6. Both the parties, who are personally present today before us, have confirmed the said family agreement by declaring that the same is executed with their free will and consent, and it shall be binding on the parties. The Learned Counsels appearing for both parties have also confirmed the said family agreement.
7. In view of the above facts and circumstances of the case, we deem fit, just and proper to dispose of C.P.No.46 of 2013 with directions. Accordingly, we disposed of CP with the following directions:
 - a) The said Settlement Agreement dated 24.04.2017 is taken on record of this Tribunal;
 - b) The terms and conditions mentioned in the said Agreement shall bind on both the parties and they should be sincerely implemented by each party without any deviation;
 - c) As nature of compromise involve time consuming process, we hereby granted three months time from today to implement all terms and conditions of said agreement;



- d) We hereby directed both parties not to involve in further litigation with respect to subject matter of present Company Petition;
- e) Any deviation of terms and conditions of above Family Agreement by any of the parties would be deemed to constitute Contempt of Courts Act, 1972.
- f) No order as to costs.



Sd/-
RAVIKUMAR DURAISAMY
Member (T)

Sd/-
RAJESWARA RAO VITTANALA
Member (J)

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OF THE ORIGINAL**

V. Annapoorna
V. ANNA POORNA
Asst. DIRECTOR
NCLT, HYDERABAD - 68