

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL HYDERABAD BENCH AT HYDERABAD

CP NO.66/2006

(TP NO.14/HDB/2016

CORRIGENDUM

In the order dated 31.3.2017 in C.P.No.66/2016 (TP No.14/HDB/2016), the cause title of Respondent No.4 Shri D.Shirish was not figured, whereas the name of D.Sankeertha was figured twice at Respondent No.5 and 6. Therefore following corrigendum is issued:

CORRIGENDUM-I

"The name of Sri Dundoo Shirish should be read under Respondent No.4. The name of Kum. Dundoo Sankeertha figured under Respondent No.5 stands deleted. "

The name of Dundoo Somalakshmi Tayaramma shall be read under Respondent No.5"

CORRIGENDUM-II

" In Para 29 (3) of the order, the name of Sri P.Subrahmanyam should be read as M.Subramanyam."

CORRIGENDUM-III

"In para 29(3) of the order, the name of Shri R.Choudary, IRS, should be read as P.A.Choudary"

CORRIGENDUM-IV

"In Para 29, sub paras 12 and 13 should be added as under:

"12. With the above directions, the C.P.No.66/2006 (TP No.14/HDB/2016) is disposed of.

13. The new Board of Directors are directed to carry out the above directions as expeditiously as possible."

Revised order incorporating the above corrections is issued separately.

BY ORDER

V. Annapurna
ASSISTANT DIRECTOR

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

CP No.66/2006

(TP No.14/HDB/2016)

Date of Order: 31.03.2017

Between:

1. Shri T. Nand Kishore Singh
Thakur Residency, Flat No.101,
1st Floor, 6-1-12 (New) Padmarao Nagar
108 (Old) Walker Town, Secunderabad – 500 026.
2. Smt. Tulja Bai
Rajipet, Hospetd Post Office, Town& District
Karnataka State.
3. Shri T. Mahaveer Singh
“Shyam Talkies”, Main Road,
Nanded, Post Office, Town & District
Maharashtra State.
4. Shri T. Om Prakash Singh (Since died)
5. Smt. Usha Dayal Singh
“Thakur Villa”, Ground Floor Portion,
Plot No.55, Paigah Colony, Behind Anand Cinema,
Sardar Patel Road, Secunderabad – 500 003.
6. Shri D. Manohar Singh (since died)
7. Shri N. Maheshwar Singh
Plot No.47, Brooke Bond Colony,
West Marredpally, Secunderabad – 500 025.
8. Shri Tarun Singh Chauhan
S/o Late Shri D.Manohar Singh
9. Smt. Tara Manohar Singh
“Anjaiah Garden”, House No.3-9-121
West Marredpally, Secunderabad – 500 025.



**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**

10. Smt. Preeti Jeyanth
“Anjaiah Garden”, House No.3-9-121
West Marredpally, Secunderabad – 500 025.
 11. Smt. Payal Dronam Raju
“Anjaiah Garden”, House No.3-9-121
West Marredpally, Secunderabad – 500 025.
 12. Smt. Jaya Lakshmi
“Thakur Residency”, Flat No.206, 2nd Floor,
2nd Floor, 6-1-12 (New) Padmarao Nagar
108 (Old) Walker Town, Secunderabad – 500 026.
 13. Kum. T. Purvi Chauhan
“Thakur Residency”, Flat No.206, 2nd Floor,
2nd Floor, 6-1-12 (New) Padmarao Nagar
108 (Old) Walker Town, Secunderabad – 500 026.
 14. Kum. T. Kushi Chauhan
“Thakur Residency”, Flat No.206, 2nd Floor,
2nd Floor, 6-1-12 (New) Padmarao Nagar
108 (Old) Walker Town,
Secunderabad – 500 026.
- Petitioners

And

1. M/s Aryan Industries Private Limited
Having its Registered Office at
No.154, Sappers Line,
Balamrai, Secunderabad-500 003 A.P.
2. Registrar of Companies
“Kendriya Sadan”, Sultan Bazaar,
Hyderabad – 500 029.
3. Regional Director (Southern Region),
Department of Corporate Affairs,
Ministry of Finance, “Corporate Bhawan”,
UTI Building, No.29, Rajaji Salai,
Chennai – 600 001.
4. Shri Dundoo Shirish,
154, Sappers Line, Balamrai,
Secunderabad – 500 009.
5. Smt. Dundoo Somalakshmi Tayaramma,
154, Sappers Line, Balamrai,
Secunderabad – 500 009.



6. Kum. Dundoo Sankeertha
154, Sappers Line, Balamrai,
Secunderabad – 500 009.
7. Shri Mohanty Raj Mohan
House No.,4-10-6, Agraharam, Eluru – 534 001
West Godavari District, Andhra Pradesh
8. Shri Macherla Krishna Rao
Plot No.94, A.P. Text Book Press ECH Society Limited
Karkhana Road, Secunderabad – 500 009.
9. Shri D. Pavan Kumar Singh
Plot No.47, HACP-ECH Society Limited,
Karkhana Road, Secunderabad – 500 003.
10. Shri Dundoo Rameshwar Rao
“Dundoo Nilayam”, 6-1-20 Padmarao Nagar (New)
108-A Walker Town (Old), Secunderabad – 500 026.
11. Smt. Dundoo Nalini
“Dundoo Nilayam”, 6-1-20 Padmarao Nagar (New)
108-A Walker Town (Old), Secunderabad – 500 026.
12. Shri Dundoo Preetam
“Dundoo Nilayam”, 6-1-20 Padmarao Nagar (New)
108-A Walker Town (Old), Secunderabad – 500 026.
13. Shri Dundoo Vijay Kumar (since died)
14. Smt. Dundoo Aruna Kumari
‘Ananda Nilayam’ Flat No.306,
3rd Floor, Behind @ Fresh, Dr. Annadorai Chowdary Road,
Ameerpet, Hyderabad – 560 016.
15. Shri Dundoo Vikas
‘Ananda Nilayam’ Flat No.306,
3rd Floor, Behind @ Fresh, Dr. Annadorai Chowdary Road,
Ameerpet, Hyderabad – 560 016.
16. Shri Dundoo Akhil
‘Ananda Nilayam’ Flat No.306,
3rd Floor, Behind @ Fresh, Dr. Annadorai Chowdary Road,
Ameerpet, Hyderabad – 560 016.



17. Smt. Ventrapragada Vijayalakshmi
3055, Brooke Field Drive,
Bew Burgh, Indiana – 47630. USA
18. Smt. Goli Sowbhagyalakshmi
House No.8-1-207, Shivaji Nagar,
Secunderabad – 500 003.
19. Smt. Dundoo Padmavathi
Bungalow No.214, Gymkhana Road,
Secunderabad – 500 009.
20. Smt. P.M. Narasamma
Bungalow No.214, Gymkhana Road,
Secunderabad – 500 009.
21. Shri Boorgu Uma Maheswara Rao
22. Smt. Arundhati Allatoor
302, Red Crest Lane, Ville Ville,
NJ 08870 USA.
23. Smt. Gayatri Tuniguntala
7911, Salta Verde Point
Katy TX 95938 USA
24. Smt. Sukanya Nalamasu
2339, Bentley Drive,
Sam Jose CA 65938 USA
25. Smt. Superna Legisetty
12, Longfellow Drive,
Kettering, UK N 16-9XD
26. Smt. Sharada Balasubramanian
1243, 2nd Cross, 19th Main, 2nd Phase
J.P. Naghar, Bengaluru – 560 078.
27. Smt. Sunitha Jajee
1243, 2nd Cross, 19th Main, 2nd Phase
J.P. Naghar, Bengaluru – 560 078.
28. Shri Boorgu Naresh
Bombay Halwa Shop, Begumpet,
Hyderabad 0 500 016.
29. Shri Boorgu Mahesh
Bombay Halwa Shop, Begumpet,
Hyderabad 0 500 016.



30. Smt. Pavithra Gumidella
Bombay Halwa Shop, Begumpet,
Hyderabad 0 500 016.

31. Shri Boorgu Sukesh
Bombay Halwa Shop, Begumpet,
Hyderabad 0 500 016.

32. Sri Dundoo Saavan Kumar
S/o Late Sri Dundoo Madan Mohan
Age about 32 years, R/o Bunglow No. 214
Gymkhana Road
Secunderabad -500 009

... Respondents

Counsel for the Petitioners

... Mr.Brij Raj Singh

Counsel for the Respondent No.1

... Mr. R. Shankaranarayanan

Counsel for the Respondent No.4

... Mr. Y. Ratnakar

Counsel for the Respondents No.19 & 20

... Mr. V.B. Raju

Counsel for the Respondents No.21 to 31

... Mr. Y. Suryanarayana

Authorised Representative for the
Respondent No.6

... Mr. S. Chidambaram, PCS

CORAM:

HON'BLE Mr. RAJESWARA RAO VITTANALA, MEMBER (JUDICIAL)

HON'BLE Mr. RAVIKUMAR DURAISAMY, MEMBER (TECHNICAL)



ORDER

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

1. The present Company Petition bearing No.66/2006 (hereinafter referred to as Company Petition) was initially filed by Shri T. Nand Kishore Singh & 13 others, before the then Hon'ble Company Law Board, Chennai. The case adjourned several times before the then CLB i.e. on 23.11.2006; 19.12.2006; 06.02.2007; 15.03.2007; 03.05.2007; 04.07.2007; 30.07.2007; 24.08.2007; 28.09.2007; 09.10.2007; 12.12.2007; 18.02.2008; 02.04.2008; 30.04.2008;

30.06.2008; 29.07.2008; 21.10.2008; 18.11.2008; 07.01.2009; 24.02.2009; 20.04.2009; 24.06.2009; 29.07.2009; 21.10.2009; 01.02.2010; 05.03.2010; 26.03.2010; 16.06.2010; 09.08.2010; 13.10.2010; 19.10.2010; 02.11.2010; 10.01.2011; 23.02.2011; 01.06.2011; 11.08.2011; 16.12.2011; 05.01.2012; 24.01.2012; 21.06.2012; 05.09.2012; 17.10.2012; 06.02.2013; 17.04.2013; 26.09.2013; 21.11.2013; 22.01.2014; 11.03.2014; 11.06.2014; 09.07.2014; 09.09.2014; 11.09.2014; 13.10.2014; 09.12.2014; 05.03.2015; 09.07.2015; 20.08.2015; 14.10.2015; 29.10.2015; 07.01.2016; 10.02.2016 and 15.03.2016.

On the constitution of NCLT Bench at Hyderabad, the case stands transferred to this Bench in the month of July, 2016. Accordingly, the case was listed before this Bench on various dates viz. on 20.07.2016; 01.08.2016; 09.08.2016; 01.09.2016; 27.09.2016; 07.10.2016; 23.11.2016 and finally on 14.12.2016. The case was adjourned on those dates, due to the adjournments sought by various Counsels representing the case, on one pretext or the other. Ultimately, they have argued their case.

2. The Company Petition was filed under Sections 235, 237, 397 and 398 read with Schedule XI of the Companies Act, 1956 by Shri T. Nand Kishore Singh and 13 others against M/s Aryan Industries Private Limited and 30 others by alleging several acts of oppression and mismanagement and by inter-alia seeking the following directions:-



- i) To appoint "Inspectors" to investigate into the acts done or continued to be done by persons claimed or claiming to be "Directors" of the 1st Respondent Company, with regard to (a) filing of Form No.32; (b) filing of Form No.18; (c) Transfer of 2340 shares in favour of (Late) Shri Dundoo Srinivas; (d) Consequential Transmission of 2340 shares in favour of Shri Dundoo Shirish, the 4th Respondent and (e) Removal of Soap Unit etc.
- ii) Restoration of "Soap Unit" and electrical installations and re-fixing of machineries by 4th to 8th Respondents enabling 1st Respondent to commence production;

- iii) To Order "forfeiture" of 2340 shares of 1st Respondent Company as transfer and subsequent transmission was ultra-vires the Articles of Association; and
- iv) To "lift or pierce" the "corporate veil" of the 1st Respondent Company and declare that, the partnership M/s Sri Venkateshwara Oil Mills, is the only legal entity, applying the principles laid down in Mr. A.Saloman Vs. M/s A.Saloman & Co. Ltd(1897) All England Law Reporter.

3. The brief Contentions/allegations/assertions as set out in the Company petition as well as discerned from the material papers filed by the parties, which are relevant to issue in question, are as follows:

- a) The predecessors of petitioners formed a partnership firm on 27.08.1943, under the name and style of M/s Sri Venkateshwara Oil Mills along with predecessors of the respondents 4th to 6th and 9th to 15th Respondents, and the same was reconstituted on 28.07.1952. It went into production of Groundnut oil, soaps etc., and the same is not dissolved as on this date. The partnership firm, with its own funds has purchased land with buildings by virtue of registered deed bearing No.2273 of 1353 Fasli (1944) Gregorian Era 12th Day of June 1944 (in Urdu).
- b) The said partnership firm floated Aryan Industries Pvt Ltd, (Which is referred to as R 1 Company herein after) which was incorporated on 29th June, 1951 , under the then Indian Companies Act, 1913.The main objects of the Company was to establish oil miss; to manufacture allo kinds of ils, insecticides phenyle etc and to do business in those items. Five individuals founded the company, they are M/s Dundoo Pentaiah, Dundoo Balakrishna Murthy, Faridoon S.Chenoy, E.H.Chinoy and D.Narayana Singh. Each of these promoters were initially allotted one share of the face value of Rs. 100/ The permanent Directors of the Company are M/s Faridoon S.Chenoy, Dundoo Pentaiah, E.H.Chinoy Dundoo Balakrishna Murthy and they shall hold the office until they die or resign. The



Articles of Association of the Company specified that the Company is to be a private limited Company and its numbers for the time being should not exceed 50, and rights of transfer of shares were also restricted.

- c) The R1 Company never went into production, and the factum of creating Corporate Identity was to mobilize loans from the Andhra Pradesh State Financial Corporation Limited and the Company became more or less defunct from 1963. In order to clear SFC loans, the Company leased out its plant and machineries with land and buildings to M/s Thungabhadra Industries Limited, which was later, went into liquidation, and the said property has been released to the R1 Company, through the Office of the Official Liquidator, Hyderabad.
- d) The petitioners state that they have a stake of more than 20% in the equity of the 1st Respondent Company. The Petitioners No.1 to 4 are having interest in 400 shares of their father and predecessor (Late) Shri B. Thakur Singh, under Share Certificates No.75 to 78 dated 13.09.1952, in pursuance of Will, bearing Document No.45/1979 dated 04.07.1979. Shri B. Thakur Singh expired on 01.08.1980. Further, another registered Will, bearing Document No.12 of 1984 dated 28.03.1984 executed by Smt. B. Lakshmi Bai wife of (late) B. Thakur Singh.
- e) The 5th petitioner got 300 shares of the Company as joint shareholder along with their deceased father (Late) Shri D. Ram Singh and her mother Smt. D. Keasr Bai, under Share Certificates No.68, 87, 88 and 70, in pursuance of letter of Sub-division Dated 14.04.1977, issued by the 1st Respondent Company.
- f) The 6th Petitioner got 125 shares as claiming under the adoptive father (Late) Shri D. Ram Singh, under Share Certificates No.71 to 74, of the 1st Respondent Company, which are changed on 03.01.1994 as Share Certificates No.91 and 92.



- g) The 7th Petitioner is having 1/4th shares in undivided 425 shares which stood in the name of his deceased father (Late) Shri D. Narayan Singh as Karta (HUF), registered Partition Deed No.143 of 1953, dated 19.03.1952. Registered Partition Deed bearing document No.864 of 1973, dated 23.05.1973 showing partition and speaking about 425 undivided shares.
- h) The stake of the 1st Petitioner to 7th Petitioner stood at 1037 shares, which is more than 20% of the equity shares of the 1st Respondent Company.
- i) The petitioner No.1 to 4 stated to have made an application to the R1 Company for transmission of shares vide their letter dated 09.09.1982 by Registered Post with Ack. due and proof also filed as Annexure A 24. However, it is stated there was no reply from the Company even after submitting the requisite documents death certificates etc. It is alleged that transfer and transmissions of shares takes place for the benefit of R4 and R5. Which is in contravention of Articles of Association of R1 Company. The particulars with regard to the Director and Managing Director also not correct and claiming people as Directors without any authorisation. The 4th and 5th respondents have forged the signature of their deceased father i.e. Shri Dundoo Srinivas and Form No.32 anti-dated as 07.06.1998 filed with the ROC.
- j) The R4 to R6 illegally managing the affairs of the Company by taking away all its records to their houses without following any procedure laid down under the Law and they have also changed the Registered Office of the Company.
- k) During the tenure of (Late) Dundoo Srinivas as Director, there was an illegal transfer of 2,340 shares without exercising the rights of pre-emption and claimed that the R4 and R5 are not entitled for a transmission of shares. Shri Dundoo Srinivas has obtained the shares without any consideration.
- l) The R4 has illegally inducted the R6 to R8 as Directors, though they are strangers to the Company.



- m) It is alleged that there was no single employee and no production activity in the Company for more than half a century and its licensee M/s Thungabhadra Industries (TIL) (under liquidation) gave rents and the Company is virtually a defunct unit.
- n) The petitioners alleged that the Respondent No. 4 and 5 have filed O.S.Nos.64/2002 and 529/2005 on the file of 3rd Civil Senior Civil Judge, Secunderabad to prevent other Directors as acting as Director. The Respondent No. 10 & 13 along with their mother Smt. Dundoo Rajeswari filed an Arbitration O.P.No.1150/2005 on the file of 3rd Additional Chief Judge, City Civil Court, Hyderabad. There is an injunction order dated 29.12.2005 in I.A.No.1168/2005 in the said O.P.No.1150/2005. They also made a complaint to the local Police to handover the possession of the land and buildings of the R1 Company, which were under M/s Thungabhadra Industries Limited, to receiver and to clear all outstanding arrears and to preserve plant and machinery.
- o) The petitioners stated that oppression, mis-management, lapses etc. are continuing from the date of incorporation, and are continuing till this date, and they have stated they came to know about institution of several cases about inter se dispute instituted by 4th respondent and others viz., OS No. 64 of 2002; OS No. 529 of 2005 and OP No. 1150 of 2005 only recently. Moreover, they have not been arrayed as respondents in those cases. Hence, they claim that the present petition is within limitation.
- p) In view of the above circumstances, the petitioners sought the relief as prayed for.



4. A counter dated 14.01.2007 was filed by Respondent No. 4 on his behalf and also on behalf of Respondent No.9. Various contentions rose in their reply, in brief, are as follows:-

- i) He states that he was the Director of the Company and hold majority shares in the Company along with his mother. The Respondent No. 6

(Ms. Sankirtha) is his sister. His father (Late) Dundoo Srinivas died in the year 1999. The present shareholding of the Company as stand in the Register of Members in the Company are as follows:-

S.No.	Name of the Shareholder	Number of shares
1	Shri D. Shirish (R4)	2290
2	Smt. D.S.L. Thayaramma (R5)	50
3	Late Yadgas F.S. Chenoy (Not made a party)	55
4	Late D. Pentaiah (Not made a party)	350
5	Late D. Narayan Singh (not made a party)	225
6	Pawn Singh (R9)	200
7	Late D. Madanmohan (not made a party)	300
8	Late D.Venkateswara Rao (not made a party)	300
9	Late S. Raghavan (not made a party)	350
10	Mrs. Usha Dayal Singh (P5)	150
11	Smt. Kesar Bai & Usha Dayal Singh	150
12	Late Thakur Singh (not made a party)	400
13	Manohar Singh (P6)	125
14	Late Ami Edi Chenoy (not made a party)	55
	Total	5000

ii) It is further stated that Late Thakur Singh possesses 400 equity shares (8%) out of 5000 shares of the Company. Shri Thakur Singh died in the year 1980. Shri T. Nanda Kishore Singh, the 1st petitioner of the present CP is his son, but he did not made any request to the Company for transmission of the shares of his father in his name. The legal heirs of late Thakur Singh has filed a partition suit bearing O.S.No.119/1998 before the Additional Chief Judge, City Civil Court, and Secunderabad. The petitioner No.1 herein was also party to the above suit, and ownership of the shares of said Thakur Singh is one of the subject matter is the suit.

iii) Smt. Tulja Bai (the 2nd petitioner herein) has addressed a letter to the Respondents No.1 and 3 by stating that her father-in-law Shri Thakur Singh has invested money to purchase 400 shares of the Company, and claimed that she is one of the legal heirs along with the 1st petitioner herein, Mahavir Singh (Petitioner No.3) and Omprakash



Singh (Petitioner No.4). She also stated that other legal heirs of Thakur Singh viz., Pawan Singh (R9) and Satyavathi approached her to put forth their claim in respect of the above shares. So there are several claimants claiming the shares of Thakur Singh and the issue is pending before Civil Courts.

- iv) It is stated that Smt. Tulja Bai (daughter-in-law of Thakur Singh) (2nd Petitioner) is not a shareholder of the Company. Likewise, the Petitioner No.3 and 4, who are sons of Late Thakur Singh are also not holding any shares in the R1 Company.
- v) It is stated that the Smt. Usha Dayal Singh (Petitioner No.5) holds 150 shares in the R1 Company and Manohar Singh (Petitioner No.6) holds 125 shares in the Company, and these two petitioners admits they have attended the board meetings and they are aware of the affairs of the Company.
- vi) It is stated that Maheswar Singh (Petitioner No.7) not a shareholder of the Company, though, his father Shri (Late) Narayan Singh holds 425 shares in the R1 Company; he never made any application to the R1 Company for transmission of shares of his father in his name.
- vii) Therefore, the Respondents submit that the petitioners do not have minimum requisite shares to maintain the present Company petition U/s 397/398 of the Companies Act, 1956.
- viii) (Late) Shri Ram Singh was holding 425 shares and out of these shares, 300 shares were transmitted in favour of Smt. Usha Dayal Singh (Petitioner No.5) and 125 shares were transmitted in favour of Manohar Singh (Petitioner No.6). Likewise, 420 shares of (Late) Narayan Singh were also transmitted in the name of his grandson viz. Pawan Singh. So it is stated that wherever there is no dispute, shares of the members of the 1st Respondent Company, who were no more, are transmitted in favour of the claimants.
- ix) It is stated that 1st Respondent Company was formed for carrying on the business and marked any book adjustments, and it is a private limited company from day one and the Memorandum of Association 22.04.1981 shows the same. The 1st Respondent Company get into



production from the year 1951-1952 onwards and carried its activities till 1962-63. As the 1st Respondent Company encountered difficulties in running the business, the plant and machinery and assets of the company were given on licence to M/s Thungabhadra Industries Private Limited. Subsequently, Thungabhadra Industries Limited Private Limited itself has become defunct and properties were returned to the R1 Company. It is further stated that the 1st Respondent Company was nothing to do with Shri Venkateswara Oil Mills.

- x) The Company was under the control and management of (Late) Shri D. Srinivas from the year 1982 till his death on 28.06.1999. After the death of Shri Srinivas, the Respondent No.4 was looking after the affairs of the R1 Company like his father, and he is not a Managing Director as contended by the petitioners. Shri D. Srinivas signed Form No.32 on 07.06.1999, which relates to appointment of Respondent Nos.4 and 5 as Directors of the Company. However, after the demise of Shri Srinivas, it is noticed that the said Form No.32 was not submitted with the Registrar of Companies, thus the Form No.32 submitted on 25.08.1999 with late fee. So the appointment of Respondents 4 & 5 as Directors of Company is valid. The shares of D. Srinivas were transmitted in the name of Dundoo Sirish (Respondent No.4 – 2290 shares) and Smt. S. Thayaramma (Respondent No.5 – 50 shares) on 10.01.2000 and the same was approved at the Board Meeting held on 10.01.2000. Shri Late D. Srinivas obtained 2040 shares by way of purchase/sale from the previous shareholders viz. D. Balakrishna Murthy, G.Y. Shenoy etc. and others and the remaining shares of 300 by way of transmission from Shri D. Balakrishna Murthy, which was also approved in the Board Meeting held on 07.03.1983. It is further stated that the above transfers made in the name of Shri Srinivas, were done in accordance with Articles of Association with due approval of the Board of the Company, and all the shareholders of the Company are also well aware of these transactions, and in any case, the petitioners are no way



connected with the above transactions, in any case, they cannot claim any rights with regard to the shares held by Srinivas.

- xi) Therefore, it is submitted that the Tribunal does not have any jurisdiction to entertain the Company Petition mainly on the ground that the petitioners are not holding the minimum requisite percentage of shares/number as prescribed under Companies Act, 1956, several suits are pending and even the alleged acts of oppression and mismanagement doesn't fall under that category so as to warrant interference of this Tribunal. It is also barred by laches and limitations. Therefore, it is prayed that Tribunal should dismiss the CP with costs.

5. A Counter Reply dated 09.10.2007 was filed by Respondents No.10, 11 & 12. They have inter-alia stated that the Respondent No. 4 kept all the records of the Company his personal custody and also that of Venkateswara Oil Mills. Later on, a suit bearing O.S.No.64/2002 was filed before III Senior Civil Judge, City Civil Court, Secunderabad, and also obtained ex-parte injunction restraining Respondent No. 10 & 13 from acting as Directors alleging that they are strangers to the Company. However, the Court finally referred the dispute between them to the Arbitrator. The petitioners are agitating in respect of Aryan Industries Limited, which does not exist. They further stated that the parties of the present case have filed several cases, which are stated below:

- (a) O.S.No.58/1992 before the III Additional Judge, City Civil Court, Secunderabad. However, this case was ultimately dismissed on 23.01.2006.
- (b) O.S.No.529/2005 before the City Civil Court. An IA 1430 of 2005 filed in the above suit seeking reference to an Arbitration was allowed, and parties to the suit were directed to refer the matter to Arbitration.
- (c) O.S.No.1150/2005 filed before Civil Court seeking interim measures to safeguard the property of the Company, under Section 9 of the Arbitration and Conciliation Act and the Hon'ble Court has granted



prohibitory injunction against R4 and R5 from dealing with the properties of the Company. An application for the appointment of an Arbitrator vide Arbitration Application No. 7 of 2007 was filed by Respondent No.10 and 13 and Dundoo Rajeswari and the same was allowed vide order dated 3rd March, 2009 by appointing Hon'ble Justice M.H.S.Ansari, a former judge of Andhra Pradesh High Court. However, it is known that the issue in question could not be resolved even by this Arbitration and remains to be resolved.

They have further contended that even though shares have not been formally transferred in their names, they are entitled to succeed to shares held by their late predecessors in the Company. They have also reiterated that Company has become defunct since 1962, as the Company stopped production, and there were no employees in the Company's pay roll since then. Hence, they sought the case to be dismissed.

6. Respondents No. 21 to 31 have filed a common counter dated 21.10.2010. They have stated that Respondents No.22 to 27 are married daughters of Late Shri Dundoo Venkateshwara Rao and Respondent 28 to 31 are LRs of his deceased daughter Smt. B. Renuka. They have contended that they are no allegations levelled against them in the petition, moreover, the averments in the petition are facts as per their knowledge and thus Company petition can be allowed.

7. Dundoo Saavan Kumar has filed CA No. 21 of 2016 by seeking a direction to implead him as 32nd Respondent on record as legal representatives of the deceased 19th Respondent as 32nd respondent, in the main Company Petition to defend his interest.

He submits that 19th defendant Smt. Dundoo Padmavathi died on 20-07-2016 and Death Certificate dated 09-08-2016, Under Reg No. 135/KAR/2016, has been issued by Secunderabad Cantonment Board, She has adopted him and Smt. Dundoo Narsamma as Son and daughter respectively. Mrs. Narsamma was already impleaded as Respondent No 20 to the CP. He was adopted. Vide adoption Deed dated 09-01-1987,



under Doct. No 23 of 1987, in Book 4, registered in the O/o SRO, Secunderabad.

8. Shri Y.Suryanarayana , the learned counsel for Respondent No. 21 to 31 in Company petitioner has filed CA No. 76 of 16 by seeking a directions for transposition of applicants (Respondent No. 21 to 31) as petitioner No. 15 to 25 in Company petition and consequently direct to amend cause title of Company petition.
9. We have heard Shri R. Shankaranarayanan the learned Senior Counsel for the Respondent No.1, Sri Y. Ratnakar, learned Counsel for the Respondent No.4, Shri V.B.Raju, learned Counsel for the Respondents No.19 & 20, Mr. Y. Suryanarayana the learned Counsel for the Respondents No.21 to 31 and Mr. S. Chidambaram, PCS, Authorised Representative for the Respondent No.6. We have also carefully perused all the pleadings of all parties along with supporting material and relevant law as relied upon by parties.
10. All the learned counsels have again reiterated their respective pleadings raised as briefly mentioned above, and also submitted their written gist of arguments. As the issue relates to more than half century old, and the Company itself defunct for more than a century and only issue remain among parties was admittedly an immovable property admeasuring 20,850 sq.yards in a prime locality, we have suggested parties to accept share holding pattern as available in office records, which are taken cognizance by Sole Arbitrator, and then claim respective succession to shares of deceased share holders. We have also suggested to them to file their respective affidavits by successors of original share holders, who are deceased basing on records available on records as mentioned above. All the parties across bench have tentatively agreed to file their respective affidavits to resolve issue in question, and thus we have reserved matter, and waited so much time. However, all petitioners



have taken a U turn and requested the Tribunal to adjudicate issue as per law.

After the case is transferred to this Tribunal, we have heard case on several dates, and tried our level best to settle issue amicable instead of adjudicating an issue, which is of more than a Century old. As stated supra, there are lot of disputes even among successors of deceased share holders of Company and even the Company was unable to effect transmission of shares of deceased share holders. So we have no option except to decide issue in accordance with law in order to put an end affairs complained of.

11. By perusal of entire case as stated supra, following main issues arise for consideration in the case:

- i) Whether petitioners hold minimum 10 % of shares of Company in their names;
- ii) Whether petition is barred by laches and limitation;
- iii) Whether petitioners have established alleged acts of oppression and mismanagement as mentioned in Company petition;
- iv) If so, what is relief they are entitled for

12. As stated above, ARYAN INDUSTRIES LIMITED (R 1 Company) was incorporated on 29th June, 1951 under Indian Company Act 1913, as a Private Limited Companies and authorised consisting of IG Rupees 5,00,000/- (Five Lakhs) divided into 5,000 (Five thousand) shares of Rupees 100/- each. The Right of transfer of shares was restricted under Article 13 of Company which deals with transfer and transmission of shares. A member, who wanted to transfer his shares, shall give notice in writing to the Board of Director of his Intension and the board is empowered to agree for such proposal.

Article 14 deals with appointment of trust which reads as under:

“The Company shall not except as ordered by a court of competent jurisdiction or as by statute required be bound by or be compelled in any



way to recognise, even where having notice thereof, any trust or any other right in respect of a share than an absolute right in case of transmission thereof as are conferred by articles 21 to 23 of Table A.”

The first Directors of Company are FARIDOON S. CHENOYDUNDOO PENTIAHE. H. CHINOY DUNDOO BALAKRISHNA MURTI. And they shall hold office, if any, or continue as Permanent Directors until they die or Resign.

Article 37 of Articles of Association deals WINDING UP procedure, which reads as under

“If the Company shall be sound up whether voluntarily or otherwise the liquidator may with the sanction of an extra-ordinary resolution, divide among the contributories in specie or kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidator with like sanction shall think fit.

13. Article 40 of Articles of Association of Company, which is most relevant to issue in question, deals with **ARBITRATION of differences between parties , ...which reads as under:**

“ Whenever any difference arises between the Company on the one part and any of its members or their executors, administrators or assigns on the other hand touching the true interpretation or construction or the understandings or conclusions of these presents or of the status or touching anything within or thereafter done, executed, omitted or suffered in pursuance of these presents or of the status or touching any breach or alleged breach or otherwise relating to the premises or to these presents or to anything affecting the Company or to any of the affairs the Company every such difference will be referred to the decision of an arbitrator to be appointed by the parties in difference and if they cannot agree upon a single arbitrator, to the decision of two arbitrators of whom one shall be appointed by each parties in difference or an umpire to be appointed by the two

arbitrators. The cost incidental to any such reference and award shall be in the discretion of the arbitrator or arbitrators or umpire respectively who may determine the amount thereof or direct the same to be determined as between attorney and client or otherwise and may award by whom and to whom and in the manner the same shall be borne and paid.

The submission to arbitration shall be subject as to the mode and consequence of reference and any other respects to the provisions of the Indian Arbitration Act 1940 or any of legislatures passed in substitution therefore or any modification thereof and for the time being in force.”

14. As Arbitration clause in Articles of Association of the Company as stated supra, Dundoo Rameshwara Rao, S/o. Late D. Venkateshwara Rao, Dundoo Vijay Kumar, S/o. Late Venkateshwara Rao, Dundoo Vikas S/o D Vijay Kumar, Dundoo Akhil S/o Late D Vijay Kumar, Smt. Aruna Kumari w/o Late D. Vijay kumar have filed Arbitration application No: 7 of 2007 before the High Court of Judicature, Andhra Pradesh at Hyderabad U/s 11(5) & (8) of the Arbitration & Conciliation Act, 1996 by praying Hon'ble High Court to appoint sole Arbitrator. The Hon'ble High Court was pleased to allow said application by an order dated 3rd March, 2009, by appointing Justice MHS Ansari a former Judge of A.P. High court to be sole arbitrator for resolution of the entire dispute between the parties. Subsequently Justice CVN Shastri, a former Judge, was appointed in place of Justice MHS Ansari by an order dated 18th April, 2009. Accordingly, all the parties have submitted a memo of compromise dated 23rd October, 2010, before the Arbitrator. In terms of said compromise, the learned Arbitrator passed an award dated 1st Nov, 2010 under section 30(2) read with section 31 of the arbitration and cancelation Act, 1996.



15. Main Terms of said compromise are as follows:-

- i) The parties agree that land admeasuring about 20,850 sq.yds., bearing M.No.108 (Old) and 6-1-15, 6-1-23 to 6-1-26 (new), Bhoiguda, Secunderabad, is the absolute property of Aryan Industries (P) Limited (Respondent No.1). The said property has been purchased on 12.01.1955 under registered sale deed dated 12.01.1955 bearing Registration No.70 of 1955 and is in the possession of the company since the year 1955 as its absolute owner. All parties agree that no other person or any other entity is entitled to any right or any interest in this property other than the company.
- ii) The total share capital of the company is Rs.5, 00,000 divided into 5,000 shares of Rs.100 each and the following constitutes the present shareholding of the company as per the company records.

Name	Number of shares	Amount (Rs.)
1. Dundoo Shirish	2270	2,27,000
2. Smt. Dundoo Somalakshmi Tayaramma	50	5,000
3. Dundoo Rameswara Rao	510	51,000
4. Dundoo Vikas & dundoo Akhil	510	51,000
5. Dundoo Madan Mohan Rao	300	30,000
6. Thakur Singh	400	40,000
7. Narayan Singh	225	22,500
8. Ram Singh & Mrs. Usha	150	15,000
9. Smt. D. Kesar Bai & Mrs. Usha	150	15,000
10. Manohar Singh	125	12,500
11. Pavan Kumar Singh	200	20,000
12. Smt. Amy Edi Chenoy	55	5,500
13. Yadgar F.S. Chenoy & Smt. Gulbanoo Y. Chenoy	55	5,500
	5000	5, 00,000



- iii) The parties agree that the above shareholding as on date constitutes the correct shareholding of the Company and is in accordance with the Register of Members.

- iv) All transfers of shares/transmission of shares, as recorded in the Register of Members maintained by the Company, are genuine and correct and represent the true holding of shareholding of the Company from time to time.
- v) The parties agree that the following is composition of directors as on date:

Name	Designation
1. Dundoo Shirish	Whole Time Director & Permanent Director
2. Dundoo Soma Lakshmi Tayaramma	Director
3. Dundoo Sankirtha	Director
4. Dundo Rameswara Rao	Permanent Director
5. Dundoo Vikas	Director

- vi) All parties agree that they shall in future divide the Company's immovable property in specie in accordance with their proportionate shareholding and after compliance of all statutory formalities for the said purpose.
- vii) All the parties to the arbitration proceedings including in particular the Respondent No.1 Company viz. Aryan Industries (P) Ltd., shall be bound by the terms of the above compromise and none of the parties shall be entitled to act in any manner inconsistent with the above terms or to create any loss, cost, expense or any jeopardy to the rights of the remaining parties to this compromise.



16. However, the said award dated 1-11-2010 was questioned before civil court by filing two cases. viz a) Before the Motor Accidents Claims Tribunal-Cum-I ADDL, Chief Judge; City Civil Court; Secunderabad by filing A.O.P. No 624 of 2012, by Smt. Goli Sowbhagyalakshmi Smt. Ventragada Vijayalakshmi and Smt. Dundoo Padmavathi and same was allowed by an order dated 1st June, 2016. b) Another O.P No 1049 of 2011 was also filed before XXIV Additional Chief Judge, City Civil Courts, at Hyderabad filed by Smt. Arundhathi Allahtoor & 10 others.

Ultimately, both cases were allowed by setting aside said Award and remitted back to Arbitrator to consider issue fresh by giving opportunity to petitioners of these two cases.

These cases were allowed mainly on the ground that petitioners in these cases were not heard by learned Arbitrator, before passing award even though the Hon'ble High court has allowed their intervenor/impleading petitions bearing AA MP Nos. 79, 496 & 587 of 2008 were allowed in Arbitration Application No. 7 of 2007.

17. The parties have informed to Bench that pursuant to above orders of Civil Court, no further proceedings are pending now either before Sole Arbitrator or any other court. So all learned Counsels along with parties, who appear in person, prayed the Tribunal to adjudicate the issue.

18. As stated supra, petitioners are admittedly not holding minimum 10 % of shares in the Company. However, their contention is that they are entitled to succeed shares of their forefathers/relatives etc in the Company. Law is more or less settled on the issue of succession of shares by heirs. Successors can maintain a petition U/s 397/398 under Companies Act, 1956. However, question to be considered here is that succession itself is in serious dispute among several successors leading to filing of several civil disputes as stated supra. So the Company itself was not able to effect transmission of shares.

The law on the subject is as follows:-

(a) The Hon'ble Supreme Court of India in "Wide Agencies Private Limited Vs Margarat T. Desor" in AIR 1990 SC 737 – The Hon'ble Supreme Court in this case inter-alia held as follows:-

"(26) Admittedly in the present case, the legal representatives have been more than anxious to get their names put on the register of members in place of deceased member, who was the Managing Director and Chairman of the company and had the controlling interest. It would, therefore, be wrong to insist their names must be first put on the register before they can move an application

under Ss. 397 and 398 of the Act. This would frustrate the very purpose of the necessity of action. It was contended on behalf of the appellant before the High Court that if legal representatives who were only potential members or persons likely to come on the register of members, are permitted to file an application under Ss. 397 and 398 of the Act, it would create havoc, as then persons having blank transfer forms signed by members, and as such having a financial interest, could also claim to move an application under Ss. 397 and 398 of the Act. The High Court held that this is a fallacy, that in the case of persons having blank transfer forms, signed by members, it is the members themselves who are shown on the register of members and they are different from the persons with the blank transfer forms whereas in the case of legal representatives it is the deceased member who is shown on the register and the legal representatives are in effect exercising his right. A right has devolved on them through the death of the member whose name is still on the register. In our opinion, therefore, the High Court was pre-eminently right in holding that the legal representatives of deceased member whose name is still on the register of members are entitled to petition under Ss. 397 and 398 of the Act. In the view we have taken, it is not necessary to consider the contention whether as on the date of petition, they were not members. In that view of the matter, it is not necessary for us to consider the decision of this Court in **Rajahmundry Electric Supply Corpn. Ltd. V. A. Nageshwara Rao, AIR 1956 SC 213**. In view of the observations of this Court in **Life Insurance Corporation of India v. Escorts Limited, AIR 1986 SC 1370** it is not necessary, in our opinion, to consider the contention as made on behalf of the appellant before the High Court that the permission of the Reserve Bank of India had been erroneously obtained and consequently amounts to no permission. In the present context, we are of the opinion that the High Court was right in the view it took on the first aspect of the matter”.



In the above case, it was held that legal representatives of the deceased members, whose name is still on the register of members, are entitled to file a petition under Section 397/398 of the Act. In the instant case, as stated supra, there is no consensus among several successors of deceased members of the Company and people have approached various judicial forums. So the Tribunal cannot venture into their disputes of succession but at the same time, The Tribunal cannot abdicate its role as competent judicial form to adjudicate the issue as property in question belongs to the Company, which is still on rolls as on today.

19. In the above circumstances, we are unable to accept the contentions of petitioners that they are eligible to file present petitioner on principle of succession. As stated supra, we have also extended opportunity to settle their succession among themselves, and to file unanimous affidavits by each family of successors of deceased members of the Company, in order to avoid further civil disputes as several claimants are sufficiently senior in age. Having failed to avail opportunity extended by the Tribunal, they cannot seek any indulgence of Tribunal to entertain this petition. The petition is also barred by laches and limitation. By reading of various contentions/allegations made by parties, we are of the strong opinion that Company itself should be wind up, and it would not prejudice interest of either petitioners or respondents. However, we cannot order wind up of Company since present petition is not for wind up of Company.



We have also perused the Register of Members; all the names of the petitioners are not registered due to various disputes. Only the Petitioner No.5 and 6 are holding 500, 125 shares respectively. Other Petitioners names were not found in the Register of Members.

20. When the main petition itself is not maintainable, various judgements relied upon by the learned counsel for petitioner in support of acts of oppression and mismanagement are not relevant to these issues.

21. Even the case is not maintainable and also barred by laches and limitation, the Tribunal can still pass an equitable order in order to render justice and to put an end affairs complained of a Company. As stated supra, only issue remains is valuable property stand in case of Company and parties are fighting for same, and it has to be resolved one way or the other by the Tribunal by exercising its inherent powers conferred on it by the Act.
22. Law on issue of equitable relief is well settled in various decisions rendered by various Courts and some of decisions are briefly discussed below:

Harikumar Rajah Vs. Sovereign Dairy Industries Limited (1998) 4 CLJ 252 – held that the Court having vast powers under Sections 397 and 398 is vested with the power to make “such order as it thinks fit” to bring to an end the matters complained of. Section 402 of the Act specified some of the powers which can be exercised by the Court on application under Section 397 and 398 of the Act.

Needle Industries (India) Limited and others Vs. Needle Industries Newey (India) Holdings Limited and others (MANU) SC (0050) 1981 – held that the Court is empowered to grant relief, to do substantial; justice between the parties even when no case of oppression is made out by the aggrieved shareholders.

Yashovardhan Suboo Vs. Groz-Bedert Saboo Limited and others (1995) Vol. 83 CC 371 – held that even if a case of oppression is not established, the CLB is powered to give relief to do substantial justice between the parties. The Court as held in Synchron Machine Tools Private Limited and other Vs. V.M. Suresh Rao (1994) Vol.79 CC 868 has vast discretion in moulding the relief, even in a case where, technically, the petitioner fails to make out a case of oppression or mis-management. The power of



the Court is essentially an equitable power, to be exercised in the interest of the shareholders and the Company.

23. In the light of above decisions of various courts, we are inclined to consider the issue in question in order to resolve issue.

24. As stated supra, the Articles of Association of Company has provided an Arbitration clause to resolve all disputes among the parties. And a competent High court has already appointed Sole Arbitrator and submitted an award also detailed above. Hence, we accept the award dated 1st November, 2010. We have also heard all parties to issue, including the petitioners, who have filed said OP No. 1049 of 11 and AOP No. 624 of 12.

25. We have perused original Register of members of Company and thus we hereby accept following table of shareholders for purpose of distributing proceedings of public auction of property :-

Name	Number of shares	Amount (Rs.)
1. Dundoo Shirish	2270	2,27,000
2. Smt. Dundoo Somalakshmi Tayaramma	50	5,000
3. Dundoo Rameswara Rao	510	51,000
4. Dundoo Vikas & dundoo Akhil	510	51,000
5. Dundoo Madan Mohan Rao	300	30,000
6. Thakur Singh	400	40,000
7. Narayan Singh	225	22,500
8. Ram Singh & Mrs. Usha	150	15,000
9. Smt. D. Kesar Bai & Mrs. Usha	150	15,000
10. Manohar Singh	125	12,500
11. Pavan Kumar Singh	200	20,000
12. Smt. Amy Edi Chenoy	55	5,500
13. Yadgar F.S. Chenoy & Smt. Gulbanoo Y. Chenoy	55	5,500
	5000	5, 00,000



26. The Respondent No. 4 has also filed extracts Minutes of of Board meetings of existing Board of Directors held on 23.12.2016 & 28.02.17 held at its Registered Office at 154, Sappers Lines, Secunderabad. The proceedings records the following five Board of Directors:

“ Dundoo Shirish, DMrs. D.Soma Lakshmi Tayaramma, D. Rameshwar Rao, D. Vikas and Ms. D..Sankirtha

The Board has reviewed the development of various cases filed before courts, Tribunal and no other business transacted.

27. As stated supra, only property in question in the case and lies in prime locality, and it is idle for decades together and keeping it idle in prime locality itself is against public policy. It is also not in dispute that the Company is a defunct one from the year 1960 or so and absolutely there is no chance of revival of the Company. So appropriate alternative remedy to issue is to public auction of property in question and apportion it among shareholders and successors basing on above share holders list, and thereafter, the Company itself can be dissolved/ wind up as per its Articles of Association as stated supra. As stated above, the Tribunal can pass appropriate orders in order to put an end to the affairs complained of.



28. There are so many allegations of acts of oppression and mismanagement in the affairs of Company against the existing Board of Directors and also specific allegations of discrimination against the refusal of transmission of shares of petitioners. At this distinct point of time, it is not possible to go into the details of the alleged violations especially when the Company itself is not functioning for the decades together as stated above. Hence, we thought it fit to dissolve the Existing Board of Directors in the interest of justice and for transparency in resolving issue in question.

29. In the light of above discussion of case, we are of the considered opinion that though Company petition itself is not maintainable and also barred by laches and limitation , We pass the following directions , in exercise of powers conferred on CLB/Tribunal U/s 402 of Companies Act 1956, R/w Section 242 of Companies Act 2013, and in the light of law as mentioned above, with a view to bring an end the matters complained of:

1. We do hereby declare and accept the shareholding of Aryan Industries Pvt. Ltd consisting of the following Members

Name	Number of shares	Amount (Rs.)
1. Dundoo Shirish	2270	2,27,000
2. Smt. Dundoo Somalakshmi Tayaramma	50	5,000
3. Dundoo Rameswara Rao	510	51,000
4. Dundoo Vikas & Dundoo Akhil	510	51,000
5. Dundoo Madan Mohan Rao	300	30,000
6. Thakur Singh	400	40,000
7. Narayan Singh	225	22,500
8. Ram Singh & Mrs. Usha	150	15,000
9. Smt. D. Kesar Bai & Mrs. Usha	150	15,000
10. Manohar Singh	125	12,500
11. Pavan Kumar Singh	200	20,000
12. Smt. Amy Edi Chenoy	55	5,500
13. Yadgar F.S. Chenoy & Smt. Gulbanoo Y. Chenoy	55	5,500
	5000	5, 00,000

2. We do hereby declare that the property registered vide sale deed dated 12.01.1955 bearing Registration No. 70 of 1955 admeasuring 20850 Sq. yards bearing Municipal No. 108(Old) and 6-1-15, 6-1-23 to 6-1-26(New) Bhoiguda Secunderabad, which is in possession of Company since 1955, is the absolute property of the 1st Respondent Company:
3. We do hereby supersede the existing Board of Directors and appoint the following persons as Chairman and Directors



of Aryan Industries namely Shri P.A.Choudary, IRS, Chief Commissioner of Income Tax (Retd) Srinagar Colony Hyderabad Mob 9440824455, as Chairman and following persons are Directors namely 1) Sri K.Suryanarayna, Advocate, 171, Ritesh Premier Towers, Ground Floor, Vasavinagar, Opp. Karkana Police Station, Secunderabad-500 009; 2) Sri P.Dinakara Rao, Chief General Manager (Retd), State Bank of Hyderabad, Begumpet, Hyderabad, Mob.9849376477; 3) Shri M.Subrahmanyam, Executive Director (Retd), Hyderabad Stock Exchange and Practising Company Secretary, Hyderabad, Mob. 9849652290 and 4) Sri A.Viswanadha Rao, Chartered Accountant, Narayanaguda, Hyderabad, Mobile No. 66887734.

4. The above Board of Directors are directed to take possession of the said property, and take appropriate steps for 'public auction' including 'e-auction' of the said property, and distribute its proceeds in following manner to claimants basing on the said shareholding pattern shown at para 29(1) above:
- a) Firstly to all un-disputed claimants as per the above shareholding pattern;
 - b) Secondly to successors in proportion to their shareholding, on being produced supporting documents and affidavits/orders of successions etc , and after being satisfied about their bonafide claim;
 - c) And keep the remaining amount in Bank Account to apportion it later on being shown sufficient proof about their succession to above shareholders of said list;
 - d) The Board of Directors are entitled for reimbursement of expenses, and their remuneration/fees incurred to carry out public auction from the previous Board of Directors, who are directed to bear expenses;



5. All expenses and remuneration/fee of the Board of Directors are to be borne by the existing Board of Directors and they are entitled for reimbursement from final proceeds of public auction of the property from new Board of Directors;
6. The Board of Directors are entitled for fee as follows:
 - i) Chairman of Board is entitled for Rs. 50,000/- for each Board Meeting
 - ii) Directors are entitled for Rs. 40,000/- for each Board Meeting
7. The Board of Directors are entitled to take any professional services required to carry out public auction;
8. All the parties to the issue are directed to extend full co-operation to the newly constituted Board of Directors in discharging their duties assigned by the Tribunal;
9. The Board of Directors are entitled to seek any clarification(s) from the Tribunal by filing appropriate Company Applications;
10. We hereby dismiss all pending Company Applications including recently filed CA No. 76 of 2016 filed by B.Uma Maheswara Rao and 10 others and also vacate all interim orders if any passed and still in force.
11. The Registry is directed to communicate the copy of this order to the Chairman and Directors mentioned above.
12. With the above directions, the C.P.No.66/2006 (TP No.14/HDB/2016) is disposed of.
13. The new Board of Directors are directed to carry out the above directions as expeditiously as possible.
No order as to costs.

Sd/-

RAVIKUMAR DURASAMY

Member (T)

Sd/-

RAJESWARA RAO VITTANALA

Member (J)

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



CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL