

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL**  
**NEW DELHI**  
**COMPANY APPEAL(AT) NO.17 OF 2019**

**IN THE MATTER OF:**

1. Mr.M.N. Pratap Reddy  
Flat No.205, 2<sup>nd</sup> floor,  
Vishwaprkruthi Haveli,  
Snehanagar Colony,  
Above Reliance Fresh,  
Amruthahalli Main Road,  
Bengaluru 560024.
2. Mr. M. Kiran Kumar Reddy,  
Flat No.03, Sri Krishna  
Gardania Apartment,  
No.559, RMV 2<sup>nd</sup> Stage,  
Sanjay Nagar Post,  
Bengaluru 560094

Vs

Appellant

1. Lakshmi Narasima Mining Co (P) Ltd  
Regd Office: 83, Ground Floor,  
6<sup>th</sup> Cross, A G's Layout,  
New BEL Road,  
Bengaluru 560054.
2. Mr.R. Swarup Reddy,  
No.9, Ranjith Road,  
Suryanagar Kotturpuram  
Chennai 600095.
3. Mr. Yathin Reddy,  
No.9, Ranjith Road,  
Suryanagar Kotturpuram  
Chennai 600095.
4. Mr. Jansi Reddy,  
No.9, Ranjith Road,  
Suryanagar Kotturpuram  
Chennai 600095.
5. M/s Brahmayya & Co  
Khivraj Mansion  
10/2 Kasturba Road,  
Bengaluru 560001

Respondents

**For Appellant:-** Mr. P.K. Mittal, Advocate and MR. GV Rao, CA.None  
**For Respondents:** - Mr. Jayant Mehta, Ms Sayaree Basu Malik, Ms anu Shrivastava, Ms Vailshali Kalera and Mr. Madhur Mahajan, Advocates for R3 and R4.

**ORAL JUDGEMENT**  
**(26<sup>th</sup> February, 2019)**

**Per: A.I.S. Cheema, J:** This Appeal is filed by original Petitioner against Orders passed in IA 30/2016 which was filed by original Respondents 3 and 4. The present Appeal is against the Impugned Order dated 20<sup>th</sup> December, 2018 of National Company Law Tribunal, Bengaluru Bench, Bengaluru ('NCLT', in short) passed in IA 30/2016 in CP 59/2014 (TP 66/2016). The IA was filed inter alia seeking Order for holding Annual General Meeting of the Company and to direct the Respondents to transfer all the books of accounts, records, etc. to the registered office and for lifting restrictions on holding of the meetings of the Board of Directors.

2. When as per the Impugned Order, steps were initiated for holding the AGM on 18<sup>th</sup> January, 2019, present Appeal was filed seeking to restrain holding of the same with other prayers like expediting disposal of the Company Petition and asking for copy of Audit Report issued by M/s. Brahmayya & Co. and to restrain parties from shifting, altering or modifying shareholding, etc. The matter came up before the learned Single Judge of this Tribunal on 18<sup>th</sup> January, 2019 when although Notice was issued, it was observed that the Respondents may go ahead with the proposed AGM, but the same shall be subject to the outcome of this Appeal and the decision taken at the AGM shall not be implemented till next date of hearing.

3. Now the matter is before us on stage of admission hearing.
4. Heard counsel for appellant. The learned counsel for the appellant is making various grievances to say how the AGM directed by NCLT has been conducted. It is being claimed that IA No. 30/2016 was earlier dismissed by NCLT and later on it has been again taken up and the impugned order has been passed to hold the AGM for which the appellant feeling aggrieved filed this appeal. Learned counsel for appellant is raising various other issues which are agitated before NCLT in company petition.
5. The counsel for the appellant states that in the impugned order the NCLT has directed M/s Brahmaya & Co to hand over records and final report of the company to R1 company. He submits that the NCLT should have directed giving copy of the report also to the appellant, the original petitioner.

Regarding this it is for the appellant to move NCLT itself.

6. According to the learned counsel the present impugned order passed amounts to not complying with the earlier order of this Tribunal passed in Company Appeal (AT) No.86/2018. Learned counsel points out the copy of the order at Annexure XVII (Page 390). This tribunal at that time had expressed as under:-

***“Taking into consideration the facts and circumstances of the case, while we do not express any specific opinion with regard to the impugned order dated 19<sup>th</sup> January, 2018, which may otherwise affect the merit of the claim and counter claim made by the parties, we allow the appellants to withdraw this appeal with directions to the parties not to ask for unnecessary adjournments in both the Company Petitions as one of the company petition is pending since***

**2016 and in terms of Section 422 of the Companies Act, 2013, the Tribunal is required to dispose of the matter preferably within three months. The Tribunal is expected to hear both the company petitions together, as the parties are common and relates to the same very company. It is expected that the Company Petitions will be disposed of on an early date preferably within three months.”**

7. The appeal was accordingly disposed of as withdrawn and the matter was sent back.

8. Now the NCLT has in the impugned order observed and directed in para 9 and 10 as under:-`

**“9. The case is pending disposal before the Tribunal since 2014 and the Tribunal cannot stall normal/statutory affairs of the Company unless it finds any prejudice is being caused to the party/parties to permit it. Moreover, it is mandatory for the Board of directors of a Company to carry out its statutory obligations, failing which, they are also liable penal/financial actions as stated supra. Therefore, it is just and proper to permit the Respondent No.1 Company to conduct its pending Annual General Meetings, duly following prescribed procedure to conduct AGMS by directing the Auditor and all the petitioners (including Ms Nandana Reddy) to return all the records of the Company to Respondent No.1 Company. Since the parties are not interested/cooperating with the Tribunal to finally decide the cases by filing several I.As/CAs, and the Tribunal cannot permit the Company to violate statutory compliances for a long time, it is just and proper for the Tribunal to see normal functions of the**

***Company should take place in accordance with law pending finalization of the case.***

***10. In the result, IA No.30 of 2016 in C.P. No.59 of 2014 (T.P.No.66 of 2016) is disposed of with the following directions:***

***i) M/s Brahmayya & Co (the Auditor appointed in the case) is directed to hand over all Records and final report of the Company to the Respondent No.1 company within 10 days after receipt of the fee:***

***ii) All the three petitioners are also directed to handover all the records of the Company keeping with them, to the Respondent No.1 Company, within two weeks from the date of receipt of copy of this order;***

***iii) The Respondent No.1 company is permitted to conduct its pending Annual General Meetings duly following procedure prescribed under the law and take appropriate decision in accordance with law.***

***iv) The Company is directed to give proper notice to all concerned including the petitioners of the CP for conducting of AGM.***

***v) The decisions to be taken during the above meetings would be subject to the final decision taken in the case by the Tribunal.”***

9. Learned counsel for the appellant is making various grievances as mentioned in the Appeal but we are not going into the particulars of the same, considering the orders as referred above, portions of which we have reproduced. It appears to us that between the parties they have serious grievances against

each other and the company petitions are getting delayed, for non-cooperation by parties.

10. We find nothing wrong if the NCLT has observed that it is mandatory for the Board of Directors to carry out statutory obligations and that to facilitate AGM, orders are required to be passed. We do not think that anything is wrong in it. AGM has already been held, copy of which is at Annexure 4 of the Counter Affidavit filed by Respondent No.3 and 4. The impugned order itself stated that the decisions to be taken would be subject to the final decision to be taken in the case before the Tribunal.

11. We do not find any reason to entertain this appeal. The admission of the appeal is declined. Parties to bear their own costs.

(Justice A.I.S.Cheema)  
Member (Judicial)

(Mr. Balvinder Singh)  
Member (Technical)

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