

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL,  
NEW DELHI**

(Arising out of Order dated 27<sup>th</sup> June, 2017 passed by the National Company Law Tribunal, Hyderabad Bench, Hyderabad in CP No. 9/241/HDB/2016.)

**Company Appeal (AT) No. 238 of 2017**

**IN THE MATTER OF:**

**Mr. M. Venkat Rao**

S/o Mr. Janardhan Rao  
Flat No. 122, Daisy Block,  
Serene County, Telecom Nagar,  
Gachibowli,  
Hyderabad- 500 046

**...Appellant**

**Vs**

- 1. M/s Emjay Industries Private Ltd.**  
2<sup>nd</sup> Floor Unit # 210, Amrutha Villa  
Raj Bhavan Road, Somajiguda  
Hyderabad – 500 082
- 2. Mr. M. Janardhan Rao,**  
S/o Late Mr. Anjaiah  
10-2-4, east Marredpally,  
Secunderabad-500 026
- 3. Mr. M. Raj Shekar**  
S/o Mr. Janardhan Rao  
Flat No. 133, Srila Heights,  
St. Johns Road, East Marredpally,  
Secunderabad-500 026
- 4. Oriental Bank of Commerce**  
9-1-129/1, Oxford Plaza Building  
Sarojini Devi Road Branch  
Secunderabad- 500 003.
- 5. City Union Bank Limited**  
3-6-365, Sama Towers, Liberty X Road,  
Himayatnagar,  
Hyderabad- 500 029

- 6. M/s Venkateshwara Ready Mix Concrete,**  
Plot No. A1 and A2 part, IDA, Uppal,  
R.R. District,  
Hyderabad- 500 039
- 7. Mr. Mallipeddi Kaushik Reddy,**  
S/o Mr. M. Madhusudhan Reddy,  
2-21118/1/A/1, Tilakanagar X Roads,  
Hyderabad- 500 044.
- 8. Mrs. Mallipeddi Sukrutha Devi**  
W/o Mr. M. Rakesh Reddy  
2-21118/1/A/1, Tilakanagar X Roads,  
Hyderabad- 500 044
- 9. Mr. Vaka Prasanna Anji Reddy**  
S/o Mr. V. Yanadi reddy  
2-2-21 to 23, Flat No. 101, Indu Residency,  
D.D. Colony, Bagh Amberpet,  
Hyderabad- 500 013
- 10. Mrs. Vaka Swarna Latha,**  
W/o Mr. V. Prasanna Anji Reddy,  
2-2-21 to 23, Flat No. 101, Indu Residency,  
D.D. Colony, Bagh Amberpet,  
Hyderabad- 500 004
- 11. Telangana State Industrial Infrastructure  
Corp. Lt. (TSIIC)**  
6<sup>TH</sup> Floor, Parisrama Bhavan,  
Fateh Maidan, Basheerbagh,  
Hyderabad- 500 004.
- 12. Mr. M. Srinivas Rao**  
S/o Janardhan Rao  
10-2-4, East Marredpally,  
Secunderabad- 500 026
- 13. Mr. R.K. Reddy (Partner)**  
Pavani RMC, Plot No. A1, A2, IDA Uppal,  
R.R. District, Hyderabad – 500 039

**Also at**

Sy. No. 657/1 & 658/1,

Dundigal Village,  
(Near Gandhi Maisamma X Road)  
Quthbullapur Mdl.  
R.R. District- 501 505

**14. Mr. C.V. Ratna Dhaveji,  
Ratnam Dhaveji & Co.,**  
Chartered Accountants,  
A-6, 2-2-11/5, DD Colony,  
O U Road,  
Hyderabad- 500 007

**...Respondents**

**Present:**

**For Appellant:- Shri Alok Dhir, Ms. Varsha Banerjee, Mr. Milan Singh  
Negi, Mr. Kunal Godhwani, Advocates.**

**For Respondents:- Shri Virender Ganda, Senior Advocate assisted by Shri  
Vipul Ganda, Shri Tarun Mehta, Ms. Shelly Khanna  
and Shri Mayank Srivastava, Advocates for  
Respondent Nos. 1 to 3.**

**Mr. S.V. Vanshi Krishna, Dr. S.V. Rama Krishna  
Advocate for Respondent Nos. 7 to 10**

## **J U D G E M E N T**

**A.I.S. Cheema, J:**

This appeal has been filed by the original Petitioner. C.P. No. 9/241 /HDB/2016 was filed by him against 26 respondents. The Company Petition was dismissed by the National Company Law Tribunal, Hyderabad Bench, Hyderabad (hereinafter referred to as "NCLT") vide judgment dated 27<sup>th</sup> June, 2017.

2. However, the original Petitioner has filed this appeal selecting 14 of the Respondents as Respondents in the appeal. We will refer to the parties as they were arrayed before NCLT and in Impugned Order.

3. The claim of the Petitioner and the case which was put up by him before the NCLT can be stated to be as under:

- a) The dispute relates to Respondent No. 1 M/s Emjay Industries Private Limited which was incorporated for business of biscuits, is situated at Hyderabad. The Petitioner gave details of the authorised share capital and that there are only 4 shareholders. The Respondent No. 2 is Director holding 19.7% shares, Respondent No. 3 is Director holding 31% shares. The original Respondent No. 21 is holding 18.29% shares. The Respondent No. 2 is the father and Respondent Nos. 3 & 21 are brothers of the Petitioner. The Petitioner gave particulars as to how respondent No. 2 with his brother had established the Company.
- b) The Petitioner gave details in the petition raising grievances against Respondent No. 4- M/s Oriental Bank of Commerce and claimed that Original Respondents No. 7 to 10 were purchasers of impugned sale of land to the extent of 5898 Sq. Yards on 17.02.2014. He claimed that Respondent Nos. 2 & 3 conspired with these Respondents for them to purchase property of the Company. Respondent Nos. 12 to 20 were arrayed to claim that they have been paid money out of the proceeds dated 17.02.2014. Other Respondents, Officers of the Bank-Respondent No. 4 were added claiming that they had disobeyed the orders of Company Law Board.

- c) According to Petitioner, the Company purchased land to the extent of 20 Crores at Uppal Industries Development Area from the Hon'ble High Court of Bombay as per orders dated 23.04.1980. The biscuit factory was, however, shut down due to unprecedented labour unrest and problems. In the meanwhile, the Company sold land to the extent of 7 Acres to settle disputes.
- d) The Petitioner claimed that part of the land of the Company was illegally given on lease to M/s Venkateswara Reddy Mix Concrete- Respondent No. 6 by lease dated 06.08.2011. The Petitioner gave particulars that consideration was Rs. 2,70,000/-per month rent. He claimed that this rent was less looking to market rental value. Security Deposit of Rs 16,20,000/- was received in July 2011. Petitioner claimed that Respondent Nos. 2 & 3 syphoned money of the lease deposit and deposed the same in Current Account with Respondent No. 4 without authorisation of the Board.
- e) According to the Petitioner, he had approached Respondent No. 2 for financial support for wedding of his daughter and the Board authorised him to negotiate sale and execute sale deed to the extent of 5900 Sq. Yards of Company property. According to him he was authorised to utilise Rs. 75 lacs as advance. He gave details of execution of two sale deeds for total consideration of Rs. 7,43,18,500/-. According to him he received advance of Rs. 75 lacs by two cheques. He executed Sale Deed and possession was handed over to the Purchaser. The Petitioner claimed that on

05.07.2013 he wanted to deposit pay orders in the account of Company but he was informed that the Respondents have frozen the accounts.

- f) The Petitioner alleged various acts of 'oppression and mismanagement' and also claimed that the moneys were diverted by Respondents No. 2 & 3 to personal account and he gave details of creditors who had not been paid.

4. Against such case put up and arguments made by Petitioner before the NCLT, contesting Respondents no. 1 to 3 (hereinafter referred to as "Respondents") filed counter and put up defence as under:

- a) The account with Respondent No. 5-Bank was frozen to limited extent to deposit transactions as Petitioner had syphoned of Rs. 75 lacs.
- b) Board Resolution dated 25.04.2013 only authorised the Petitioner to sell the land which was already identified, to M/s Mahavir Auto Diagnostics Private Limited. The claim of the Petitioner that the Board Resolution was fabricated is denied by these Respondents. According to these Respondents, the land to be sold to M/s Mahavir Auto Diagnostics Private Limited had been identified and the same resolution authorised Respondents to sell land adjacent to the portion proposed to be sold to M/s Mahavir Auto Diagnostics Private Limited.

- c) The Petitioner was signatory to Annual returns for Financial Year 2002-2003, 2009-2010 and was aware of all transactions. The claim that money had been syphoned is denied by the Respondents. The amount received from Respondent No. 6 towards lease and sale from Respondents No. 7 to 10 have been properly utilised. Rather the Petitioner has syphoned Rs. 75 lacs from the sale transaction he did and did not deposit the money till 29.04.2014 after Company Law Board directed him to deposit.
- d) Respondents have given details as to how dues of Respondent No. 15 were settled. The Petitioner was Managing Director of Respondent No. 15. During 2007 to 2011, Rs. 12.55 Crores were transferred from the account of Respondent No. 1 which was with Respondent No. 4- Bank to Respondent No. 15 for operations of Respondent No. 15. Particulars are given as to how the Petitioner also transferred money to Respondent No. 15.
- e) Respondents claimed that lease rentals received from Respondent No. 6 have been accounted for and Petition was knowing about it but did not raise issues earlier.

5. Original Respondent No. 4 – Bank opposed the petition claiming that it had acted within the rules. It claimed that the Petitioner more or less claimed

embezzlements without giving particulars. It claimed that it was unnecessarily dragged in litigation.

6. Respondent Nos. 7 & 8 claimed in NCLT that they were strangers to the company and that Respondents who were bonafide purchasers could not be dragged in the litigation. Respondent No. 7 & 8 gave particulars as to how relying on Board Resolution dated 25.04.2013, transaction took place and Respondent Nos. 7 to 10 became legal owners of piece of land from the Sale Deeds. These Respondents claim that the Petitioner with oblique motive to settle scores which he had with his father and brother has filed the petition.

7. Original Respondent No. 9 & 10 also resisted the petition and claimed to be bonafide purchasers.

8. It appears that the Petitioner earlier filed Company Petition No. 84/2013 before Company Law Board. Later on, as several further developments took place, it appears that the Petitioner withdrew the said petition with liberty to file fresh comprehensive petition and thus the present petition came to be filed.

9. We have seen the Company Petition and the prayers made by the Petitioner. NCLT, inter alia, took note of the following prayers which Petitioner was making:

...

*“a) to restrain the Respondents No. 2 & 3 or their men or agents etc., in transferring/transmitting/alienating/encumbering assets of the 1<sup>st</sup>*



*Respondent Company to any person without the consent of the Petitioner in writing and after following due process of Law;*

*b) to restrain them from removing him from the Board of First Respondent Company as long as he holds shares in the Company; to cancel sale deeds bearing Nos. 2785 and 2786 both dated 17.02.2014 executed by the Respondent No. 1 Company under the hand of the 3<sup>rd</sup> Respondent on 17.02.2014 and registered on 19.02.2014;*

*c) to direct the Respondents 2 and 3 not to interfere in the affairs of the 1<sup>st</sup> Respondent company in view of the oppression and mismanagement of affairs of the 1<sup>st</sup> Respondent Company and siphoning of the funds of the Respondent No. 1 Company by respondent No. 2 and 3 etc.”*

...

10. NCLT took note of the various disputes which were raised and framed following points for consideration:

*“17. In the light of above proposition of law and facts, the following are main points arise for consideration by the Tribunal:-*

*a) Whether Respondents No. 2 & 3 have clandestinely entered into lease dated 6/8/11 with M. Venkateshwara Reddy (Respondent No. 6) by letting out a land of the Company to an extent of 2.66 acres equivalent 12,875 sq. yds. for a consideration Rs. 2,70,000/- per month for a period of 7 years and the consideration was much below the prevailing rental value and they have siphoned off a security deposit of Rs. 16,24,000/- during the month of July 2011,*

- b) *Whether any board meetings were held and documents filed are fabricated by Respondents No. 2 & 3 as alleged by the petitioner.*
- c) *Whether Respondent No. 3 in collaboration with R.2 had clandestinely hired an office without a proper board resolution. The building situated under the guise of Administrative office at Nagarjuina circle, Punjagutta on a monthly rent of Rs. 60,000/- even though the company was having a registered office with a monthly rent of Rs. 13,000/-,*
- d) *Whether Board resolution dated 25.4.2013 is a genuine or fabricated as alleged by the petitioner and whether petitioner was permitted to utilize Rs. 75 lakhs out of sale proceeds of a portion of immovable property to an extent of 5,900 sq. yds survey no. A-I IDA Uppal as per the said Resolution,*
- e) *Whether funds of Company have been siphoned off by Respondent No. 2 & 3 as alleged by the petitioner,*
- f) *Whether petitioner is authorized by the Board to utilize Rs. 75 Lakhs and he has properly accounted for Company's Accounts of sale proceeds of piece of land sold to M/s Mahavir Diagnostics Pvt. Ltd,*
- g) *Whether petitioner approached this Tribunal with clean hands and on bonafide grievance(s) to seek equitable relief and*
- h) *If so, what is the relief the petitioner is entitled for. “*

By impugned reasoned order the NCLT dismissed the Petition. Hence the appeal.

11. We have heard learned Counsel for the contesting parties. Learned Counsel for Petition was heard:

- a) Counsel for the Appellant referred to Lease Deed dated 06.08.2011 claiming that the lease was given below the prevailing rental value. It is argued that deposit/advance was received from 21.07.2011 and it was siphoned off by Respondent No. 3. The learned counsel found fault with the observations of the NCLT in paragraph-22 relying on resolution dated 25.04.2013 for legal sanctity to lease of 2011. According to him, by subsequent resolution, earlier Act could not be given sanctity. It was also argued that Respondent No. 6 has sub-let to Respondent No. 13 illegally. Learned Counsel submitted that the Petitioner/Appellant had raised objections to the leasing out.
- b) Learned Counsel for the Appellant submitted that the Board Meeting dated 25.04.2013, as is being relied on by Respondents to claim that Respondent No. 3 was also authorised to sell the land, is fabricated according to the learned Counsel. According to the learned Counsel, only because Petitioner attended the meeting does not mean that the resolution, as drawn later on, were admitted by him. Mere attending the meeting cannot be construed to confirm all the resolutions as passed in the meeting.
- c) Learned Counsel for Appellant/Petitioner claimed that NCLT wrongly relied on Memorandum of Understanding (hereinafter referred as 'MOU') dated 07.05.2012. It is argued that the Respondents could not rely on the said MOU as the properties sold

by the Respondents fell within his share in the MOU. The Board Meeting dated 25.04.2013 could not be said to be in pursuance to the MOU. According to the learned Counsel, the Sale Deed dated 17.2.2014 executed by Respondents and money received were not in accordance with the provision of law. It is claimed that the Sale Proceeds were diverted to personal account of Respondent No. 2. The sale of land of 5898 Sq. Yards was done between 12.03.2013 to 17.02.2014 when matter was dragging before CLB. According to the learned Counsel, the land could not have been transferred without resolution of shareholders. Learned Counsel claimed that the affidavit filed by Respondents in NCLT giving details of expenses were acknowledged and NCLT could not summarily ignore the same claiming that it was matter of verification of accounts and not 'oppression and mismanagement'. Balance sheet of various years was filed only on 30.12.2014. Learned Counsel justified the utilisation of Rs. 75 lacs by the Petitioner for marriage of his daughter. According to him, the Appellant had given loan of Rs. 70,45,000/- to the Company and it can be adjusted by the Company towards Rs. 75 lacs advance utilised by the Petitioner. According to the learned Counsel, the land sold by Respondent Nos. 2 & 3 was without special resolution. The Board Meetings produced by Respondents dated 25.04.2013 were never passed. Thus, according to the learned Counsel, the appeal should be allowed and contesting Respondents should be held guilty of 'oppression & mismanagement' of the Company affairs.

12. Against this, the learned Counsel for the contesting Respondents submitted as under:

- a) The Appellant-Petitioner has selectively filed the appeal against 14 Respondents while the original Company Petition had 26 Respondents. He deliberately did not join original Respondent No. 15 where he was Managing Director and contesting Respondents settled lot of his liabilities which he had incurred in Respondent No. 15 Company. It is argued that Criminal cases were filed against Petitioner and to help him out with regard to mess created by Petitioner in Respondent No. 15 Company contesting Respondents permitted funds of Respondent No. 1 Company to be used. Petitioner started raising disputes only after the dues relating to Respondent No. 15 were settled, selling property of Respondent No. 1 Company to the extent of 7 Acres of land. Learned Counsel referred the Board Meeting dated 25.04.2013. According to him, the Appellant had not shown any evidence that the document, as relied on by the Respondents, to be Board Meeting Resolution was not true with regard to the proceeding.
- b) The lease with Respondent No. 6 was registered on 06.08.2011 and the Petitioner was aware of the same even before it was registered. This can be seen from his letter dated 01.08.2011 (Page no. 904-906 of the Appeal) and letter dated 24.10.2011 (page 186-188 of the Appeal). It has been argued that leasing out the property to Respondent No. 6 was prudent decision taken after deliberation as

the property of the Company was lying idle and there were no business transactions. It is stated that Respondent Nos. 2 & 3 constituted the quorum and could take decisions even if Petitioner opposed and there was no reason for them not to follow the procedures. Learned Counsel claimed that the Petitioner had sent notices dated 02.09.2013 and 25.09.2013 in which he never raised dispute regarding the lease. The learned Counsel stated that the Petitioner sent legal notice dated 19.09.2013 in which he did not dispute the grant of lease but disputed only regarding non-payment and irregular payment of lease rent. Thus by conduct he accepted the validity of lease and cannot now raise disputes.

- c) Learned Counsel for contesting Respondents claimed that in view of the Board Resolution dated 25.04.2013, the Respondent No. 3 sold 5898 Sq. Yards of the land and possession was handed over to Respondent Nos. 7 to 10. It being Private Limited Company, permission of shareholders was not required to be taken.
- d) Learned Counsel for contesting Respondents referred to affidavit dated 12.08.2014 (Page No. 2717-2798 of the Appeal) to say as to how the sale proceeds were utilised. It has been argued that the audited balance sheet of the Company from 2008 to 2012 was approved in AGM of respective years were challenged by the Appellant not regarding their contents but he objected to only procedural aspects. The same were filed on 30.12.2014 to take benefit of Company Law Settlement Scheme which offered reduction in fee and immunity from prosecution. It has been argued that the

Petitioner did not come with clean hands and the petition was rightly dismissed by NCLT.

13. We find from Record and going through Impugned Order that grievances being raised by Appellant have been duly considered by NCLT. By a detailed judgment NCLT considered various points which were raised and came to right findings. NCLT discussed Memorandum of Understanding dated 07.05.2012 between the contesting parties in which they had decided as to how immovable property of the Company would be dealt with. NCLT found that the Petitioner was signatory to the Memorandum of Understanding. NCLT also considered the Board Meeting Resolution dated 25.04.2013 and as to how the Petitioner was referring to Board Resolution claiming it to be correct only for portion which was in his favour and denying that any further resolution was there. NCLT, considering the complete Board Resolution, as pointed out by the Respondents found that the Resolution permitted the Petitioner to sell a part of the land whereas other part was to be sold by Respondent No. 3 and the sale proceeds were required to be accounted for. NCLT found the Board Resolution dated 25.04.2013 to be in accordance with law. It did not accept the claim of Petitioner that he had been authorised to utilise Rs. 75 lacs from the sale he was to execute. Other issues being raised by the Petitioner with regard to money were found to be matters relating to verification of accounts and the Tribunal held it could not scrutinize the same. According to NCLT it was not empowered to settle day to day administrative affairs of the Company. The NCLT held referring to Section 291 of the Companies Act, 1956 and Section 195 of the Old Act that minutes of the

proceedings are to be accepted and meeting is deemed to have been called and held as recorded until contrary is proved. NCLT found that Petitioner failed to show any substantial evidence that Board meeting resolution dated 25.4.2013, as was recorded, was fabricated except making baseless allegations. It was found that the Petitioner had attended the said meeting and thus he could not dispute resolution passed. The NCLT observed that Petitioner did not dispute the resolution with respect to sale of land by him but the same resolution he is disputing with regard to other aspects. The NCLT found that Respondent Nos. 2 & 3 satisfied quorum necessary for transaction of any business empowered by Articles of Association. For such reason, it did not find the claim of Petitioner sustainable. The NCLT found that the Petitioner had approached the Tribunal not with clean hands. The Company had only four shareholders and there was no business operation since April, 1996. Thus no oblique interest was involved. The NCLT found all the contentions and allegations raised by the Petitioner to be untenable and liable to be rejected. Consequently, NCLT proceeded to dismiss the petition with costs and other directions.

14. We have also gone through Memorandum of Understanding dated 07.05.2012 (Page 2603-2605 of Appeal). It was a Memorandum of Understanding drafted for the Petitioners and Respondent Nos. 2 & 3. Space was kept for Respondent No. 21 to sign. However, Respondent No. 21 does not appear to have signed. The document shows that in this Private Limited Company where there are only 4 shareholders and all in the family, how these contesting parties handled property of the Company. It appears to be more



like of family affair. The Petitioner and Respondent Nos. 2 & 3 referred to the Company properties and how they will use respective portion of the land as indicated in the Annexure.

15. The Respondents are relying on detailed Minutes of Meeting dated 25.04.2013. One copy of the Minutes as at Page 2606-2609 of the Appeal Paper Book. It has six items. The Petitioner however wants to rely only on a portion of the resolution. Copy of the same is at Annexure-A11 of the Appeal (Page 192). According to the Petitioner the resolutions passed on 25.04.2013 were only as appearing in this document. This relates to the resolution of the Board permitting the Petitioner to sell 5900 Sq. Yards of the Company land to M/s Mahavir Auto Diagnostics Private Limited. This is part of Item No. 4 of the Minutes of Meeting which are being relied on by the contesting Respondents. We find that the arguments being raised on behalf of the Petitioner to claim that only the part that he is pointing out was approved in the meeting, have no substance. On the face of Annexure A-11, the title itself shows that it is “extract” and not some complete document. It appears that the Petitioner took such ‘extract’ from Respondent No. 2 and since then been trying to make up capital out of it. Such conduct of the Petition has been rightly criticised by the NCLT as approaching not with clean hand.

16. Going through the minutes of Meeting dated 25.04.2013, as relied on by the Respondents (Page 2606 of Appeal Paper Book), it is clear that the Board had further passed Resolution Item No. 5 permitting the Respondent No. 3 to deal with the company property. It is apparent that the Company, which is not having business for decades, now was using property which it

had. The act of the Petitioner in raising disputes in spite of such Board Resolution led to other Respondents even filing Police Complaint against the Petitioner and contesting Respondents.

17. The Board Resolution dated 25.04.2013 in Item No. 6 authorised Respondent No. 2 to make profitable use of the land which was lying idle. Learned Counsel for Appellant criticised the judgment of NCLT in paragraph-22 where the NCLT observed that it had perused the documents relating to execution of lease in favour of the Respondent No. 6 and that it was properly executed with due authorisation of the Board of Directors as per Resolution dated 25.04.2013. There is an error of observation by NCLT as the lease was executed earlier in 2011. However, the learned Counsel for the contesting Respondents pointed out page 904 of the Appeal Paper Book letter dated 01.08.2011 to say that the Petitioner did not object to the grant of lease and objected only to Respondent No. 3 depositing the amount received in the lease transaction to his personal account. It has been argued that the Security Deposit had been deposited on 22.07.2011 and such letter dated 01.08.2011 never objected to the lease which was being granted.

18. Learned Counsel for Respondents referred to Vol III- Pg. 839 A Bank statement to submit that even earlier between 2006 to 2011 there were cash withdrawals for affairs of the Company but it was not objected as Petitioner admitted in Reply submitted (Convenience Compilation by Respondent – Pg. 6) that serious disputes arose only from 2011. Thus it is argued allegations by Petitioner made of syphoning of money earlier was withdrawn.

19. There is no evidence to support Petitioner that he was entitled to use Company money of Rs. 75 Lakhs for marriage of his daughter. The Resolution dated 25.04.2013 does not say so. Learned Counsel for Respondents rightly argued that Petitioner was changing stands on this count as, somewhere he claims he was authorized to use the money as 'advance', somewhere he seeks "adjustment" towards dues of 'Jewan Foods' while somewhere sought adjustment against dividend and yet somewhere that it was 'loan' he took. The Petitioner clearly misused Company Money giving lame excuses and deposited it only in 2013 when directed by C.L.B. Petitioner is thus not with clean hands and is not entitled to reliefs being claimed. Respondents claim that due to such conduct of Petitioner they were required to ask Bank not to allow withdrawals to Petitioner. It cannot be termed as 'oppression'.

20. Considering arguments of both sides and record, we find substance in the submissions made by the learned Counsel for the contesting Respondents. Looking to the manner the Company Petitioner affairs were being conducted and the conduct of the Petitioner in selectively picking up disputes of the affairs of the Company Petition cannot be allowed to be entertained so as to put in difficulties other Respondents dealing with the Company. We have carefully gone through various records referred by NCLT in relation to the claims made by the Petitioner and we find that NCLT has rightly concluded that the Petitioner approached NCLT without clean hands and did not deserve reliefs as claimed by him.

21. Considering various submissions made by learned Counsel for the Appellant, we do not find substance in them so as to upset well reasoned

Impugned Judgment. We do not find any reason to interfere with the impugned judgment and order.

22. Consequently, the appeal is dismissed. The Appellant shall pay costs of Rs. 1 lakh each to Respondent Nos. 2 & 3. Appellant will pay costs of another Rs. 1 lakh to be divided and paid to Respondent No. 7 to 10. The costs will be deposited in NCLT Hyderabad.

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

[Balvinder Singh]  
Member(Technical)

New Delhi  
Dated: 7<sup>th</sup> February, 2018

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