

S.No.2

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
03-07-2024 AT 10:30 AM**

CP No. 7/241/HDB/2023
u/s. 241 of Companies Act, 2013

IN THE MATTER OF:

Mr Jonnalagadda Prakash
(Director of M/s Inquisitio India Private Limited)

...Petitioner

AND

M/s Inquisitio India Private Limited

...Respondent

C O R A M:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

O R D E R

Orders pronounced. In the result, **this company petition is dismissed. No costs.**

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-I, HYDERABAD**

CP No. 07/241/HDB/2023

Under section 241 read with Rules 59, 130
and 213 and other applicable rules of
Companies Act, 2013.

**IN THE MATTER OF M/S. INQUISITIO INDIA PRIVATE
LIMITED**

BETWEEN:

Jonnalagadda Prakash,
S/o. Late J.Anjaneyulu, aged about 65 years,
Director, Inquisitio India Pvt. Ltd.,
R/o. Flat No. 403, Vaishnavi Apartments, 4-7-13,
Ravindara Nagar, Nacharam, Hyderabad-500 076.
Email : prakashj1956@gmail.com, 9550009899

.....Petitioner

And

1. M/s. Inquisitio India Private Ltd.,
CIN No.U749999TG2017PTC116997
Office: 1-10-233/A, Flat No. 203, Asoka Apts,
Ashok Nagar, Hyderabad - 500 020
inquisitiohyd@gmail.com

2. Derreddy Swamy Reddy,
S/o. Late D.Ram Reddy, Aged about 61 years,
Director, Inquisitio India Pvt. Ltd
R/o SAI House, 1-1-18/189, TRT-161-164,
Jawahar Nagar, RTC Cross Roads, Hyderabad-500 020
Or at 1-10-233/A, Flat No, 203, Asoka Apts,
Ashok Nagar, Hyderabad-500 020 dswamyreddy@gmail.com

3. Regional Director, South East Region
3rd Floor, Corporate Bhawan, Bandlaguda, Nagole,
Tattiannaram village Hayat Nagar Mandal,
Ranga Reddy District, Hyderabad-500 068, Telangana
4. Registrar of Companies, Telangana
2nd Floor, Corporate Bhawan, Bandlaguda,
Nagole, Tattiarinaram village Hayat Nagar Mandal,
Ranga Reddy District, Hyderabad-500 068, Telangana

.....Respondents

DATE OF ORDER: 03.07.2024

Corum:

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)
Shri Charan Singh, Hon'ble Member (Technical)

Appearance:

For Petitioner : Mr.Amancharla V.Gopala Rao, Counsel
For Respondent No.2 : Mr.Mirza Moinullah Baig, Counsel

PER BENCH

ORDER

1. The main Company petition is filed by Petitioner who is Director of the Respondent No.1 company M/s. Inquisitio India Private Limited, under Section 241 of the Companies Act, 2013. The petitioner sought the following reliefs:

- a) *To order for rectification of Register of the Members of the Respondent No 1 Company by declaring the petitioner as one director/member company under the provision of section 3(1)(c) of the Companies Act, 2013, as defined under Section 2(62) "One Person Company with the petitioner as a member" by deleting the name of the respondent No.2 from the company, effective 31.03.2022.*
- b) *Declare that the actions of the Respondents No. 2 as illegal, oppressive and tantamount to mismanagement of the Company.*
- c) *To remove Respondent no. 2 as director of the Respondent No. 1 Company.*
- d) *to make good an amount of Rs:29.70 lakhs by the respondent 2 to the account, that has to be received dutifully, BY THE PETITIONER as per the practice in the previous years, RS: 18.00 LAKHS AS INCENTIVE, (FOR AN AMOUNT OF RS: 6 00 LAKHS INCOME TAX ALSO PAID), also RS.11.70 LAKHS FOR MANAGING THE COMPANY FROM LAST JANUARY 2022 TO TILL DATE RS:90,000, P.M.*
- e) *To direct the ROC, Respondent No.4 to initiate criminal proceedings against Respondent No. 2 under section 447 and 448 before the appropriate Special Court for fraud committed him.*
- f) *To pass any other consequential, incidental or other order(s) as this Hon'ble Tribunal may deem fit.*

2. The respondent No. 1 is a Company incorporated on 15 May 2017 under the Companies Act, 2013 pursuant to sub section (2) of Section 7 of the

Act 2013 and rule 18 of the Rules 2014, the Respondent No. 1 i.e., M/s.Inquisitio India, Private Limited, CIN No. U749999TG2017PTC116997 has authorized share capital of Rs. 1,00,000/- divided into 10,000 (Ten Thousand only) Equity Shares at Rs.10/- (Rupees Ten only) Face Value each. The main business of the company is to establish and run health portal, web sites, medical transcription centres, data processing centres and to offer wholesale, retail, e-commerce facilities, health constancy and other services to customers and others in connection with the business relating to medical products and sell the by- products, spares or accessories thereof, on retail as well as on wholesale basis.

3. The petitioner stated that he is holding 30% of the paid-up share capital of the Respondent No.1 Company and thereby fulfil the eligibility criteria for filing the present company Petition and the acts of oppression and mismanagement are continuing up to the date and Petition is within limitation.

Brief averments in the main petition are as follow:

4. It is averred that the Petitioner and the Respondent No.2 have incorporated the Respondent No.1 company on 15.05.2017 where petitioner is a promoter member director having 30% Equity Share capital and is acting as director of the said company and R2, other promoter member director having 70% of the Share Capital.
5. It is averred that Respondent No.2 started acting detrimental to the interest of the company and started utilizing the amounts for his

personal business usage, never accounting to company account of such drawings and expenditures, misusing his majority stake holding in the company. Thus, such payments and expenditures are absorbed in the balance sheet of respondent no. 1 company for years without disclosing the expenditure.

6. It is averred that Respondent No.1 company is having a current account in M/s. PNB at Gandhi Nagar Branch, at Hyderabad, vide account No 52661132000224 in the name of the company. The said account is interlinked with the petitioners Mobile No. 9550009899 for operation of Internet banking in the account and on every transaction, the petitioner will receive OTP (One Time Password) and on confirmation, the transaction is permitted either to transfer and/or remit amounts to the beneficiary.
7. It is averred that the Respondent No.2 has embezzled the funds of the company from the current account opened with its banker. The Respondent No.2 without knowledge of the Petitioner and without any resolution in the board had withdrawn substantial amounts for his personal use through self-drawn checks to his personal firm, M/s. Sai Securities services. The said amounts are enlisted with the Petition filed before this Hon'ble Tribunal which may be read as part and parcel of this Petition. The said with drawings of the company in a fraudulent manner are to oppress the minority shareholder that is the Petitioner herein. The Respondent No.2 Submitted forged letterhead to Punjab National Bank on 18.01.2022 in a manipulated manner to change the

registered mobile number which is maintained for the transactions of the company. The same is clear abuse of power and clearly attracts the provisions under Sec. 241 & 243 of the companies Act for oppression and mismanagement. The conduct of the Respondent No.2 is with an intention to siphon off the funds, embezzlement and to defraud the minority shareholder.

8. It is averred that Petitioner filed a complaint with the Ministry of Corporate Affairs on 13.01.2023, when he came to know that the bank in collusion with Respondent No.2 has changed the mobile number for transactions. Also, the Respondent No.2 obtained fresh cheque book, withdrawn huge and substantial amounts. The Petitioner has alerted and cautioned the bank about the fraudulent acts of Respondent No.2., but the respondent No.2 have withdrawn all the amounts leaving a balance of just Rs. 20,660,35/- from the current account for his personal use without any resolution or authority.
9. It is averred that many emails have been exchanged between the Petitioner and Respondent, but the Respondent failed in clarifying the transactions.
10. It is averred that as per sec 241 and 242, the Petitioner left with no remedy available to him to prevent the oppression and mismanagement, where the affairs of the company are being conducted in a manner prejudicial to the members and in the public interest. As stated supra, the Respondent No.1 company is engaged in the business of conducting search and verify the details of fraudulent borrowers who defaulted in

making payments to the public sector banks and such information is highly confidential and required to retain confidentiality to the utmost care.

11. It is averred that the Respondent No.2 without any agenda in General Body Meeting, issued notice dt.14.01.2023 under the provisions of sec 169 to pass to pass ordinary, resolution with a proposal to remove the Petitioner herein from the office of the director and to appoint his son D. Naveen Kumar Reddy wide DIN No. 05351399 as a director in the company to gain control and to alter in the constitution of the board of directors.
12. It is averred that the respondent No.2 did not choose to file returns till date in violation of the Act 2013 and rules made thereunder.
13. It is averred that as special notice issued by the Respondent to the Petitioner under section 115 of Companies Act 2013 by using his strength of his shareholding, calling for extra General Body Meeting with an agenda to remove the Petitioner from the director ship and consent of the member is being sought under section 169. The said notice is void ab initio as the reason the petitioner is holding 30% share capital and the Respondent No. 2 is holding 70% share and the issuance of notice by the majority of shareholders is clearly oppression and mismanagement The said act is only to gain control over the management.

14. The Petitioner also filed written submissions reiterating the similar averments as made in the Company Petition.
15. The Learned Counsel Mr.Mirza Moinullah Baig appeared for Respondent No.2 on 07.03.2023, 25.04.2023 and 23.05.2023 but did not file any counter and thereafter he is stopped appearing, hence the opportunity to file counter by Respondent No.2 was forfeited on 05.07.2023. The Petitioner did not take notice to Respondent No.1(M/s. Inquisitio India Private Limited), Respondent No.3(Regional Director, South East Region) and Respondent No.4(Registrar of Companies, Telangana). This Tribunal on 25.04.2023 dismissed claim against the Respondents No.1, 3 and 4.
16. After going through the records and hearing Learned Counsel for the Petitioner, the following point emerges for our consideration:

Whether the acts as alleged by the Petitioner constituted the acts of oppression and mismanagement? If so, whether the Petitioner have established the same and to what relief?

17. We have heard Learned Counsel Mr.Amancharla V.Gopala Rao for the Petitioner, perused the records and written submissions.

POINT:

Whether the acts as alleged by the Petitioner constituted the acts of oppression and mismanagement? If so, whether the Petitioner have established the same and to what relief?

SUBMISSIONS:

18. The Learned Counsel for the Petitioner submitted that Respondent No.2 is acting detriment to the interest of Respondent No.1 Company and utilising the Companies funds for his personal purposes. The Learned Counsel further submitted that Company's account in Punjab National Bank, is interlinked to the Petitioners mobile and through that account, without knowledge of the Petitioner and without any board resolution the Respondent No.2 has withdrawn substantial amount for his personal use.
19. The Learned Counsel further submitted that Respondent No.2 submitted the forged letter of Respondent No.1 Company to Punjab National Bank to change his mobile number as registered mobile number for transactions in the Companies account.
20. The Learned Counsel contended that Respondent No.2 also issued a notice dated 14.01.2023 to hold a General Body Meeting on 13.02.2023 to remove the Petitioner from the office of the director and to appoint his son D.Naveen Kumar Reddy as Director in the Company. The Learned Counsel submitted that in view of the above acts the Petitioner seek an order from this Tribunal for rectification of register of the members of Respondent No.1 Company by declaring the Petitioner as one director/ member company under the provision of Section 3(1)(c) of the Companies Act, 2013 and remove Respondent No.2 as director of Respondent No.1 Company. The Petitioner also seek relief to make good an amount of Rs.29.70 Lakhs by the Respondent No.2.

OUR OBSERVAIONS AND FINDINGS:

21. We have perused the record and find that Petitioner is having only 30% of the equity share capital of the Company whereas the Respondent No.2 has 70% of share capital. Keeping this fact in mind, the Petitioner's prayer to remove Respondent No.2 as director of the Company and order for rectification of register of the members of the Respondent No.1 Company and declare Respondent No.1 Company to be one person company, headed by Petitioner is not maintainable at all.
22. We observe from the records that after filing this Petition on 09.02.2023, the Petitioner approached this Tribunal for an interim relief against holding the Extra-ordinary General Meeting on 13.02.2023 wherein the principal agenda was to remove the Petitioner as director of the Company. Being satisfied with the Petitioner's submission the Tribunal passed the following direction.
- “In the event EGM scheduled on 13.02.2023 is held, pursuant to the notice dated 14.01.2023 and resolutions as mentioned in the notice if passed, such resolutions shall not be implemented till the disposal of this Company Petition.”*
23. In compliance to the above directions the EGM of Respondent No.1 was not held and Petitioners is still continuing as director of the Respondent No.1 Company.
24. On perusal of the Petition, we observe that the Petitioner has not enclosed any articles of association of the Company to check the rules

pertaining to conducting of meeting quorum of meeting and operation of bank account. The Petitioner has not filed any record/evidence showing misutilisation of Companies funds by Respondent No.2. The Petitioner has merely filed a statement of account of the Company but has not given any details of transactions which are alleged to be transactions done by Respondent No.2 for his personal gain.

25. In view of the above facts, we do not find any reason to hold that Respondent No.2 is involved in the acts of oppression and mismanagement. Further the prayer sought by the Petitioner are not in alignment with the pleadings and facts produced before us. We are unable understand how a prayer can be granted without sufficient reasons to change the constitution of the Company to one person company from a private limited company and give full control of the Company to the Petitioner who is merely a 30% shareholder of the Company.
26. In view of the above facts, we decide that the Petitioner has failed to produce before us any facts to treat the acts of Respondent no.2 as acts of oppression and mismanagement. Therefore, we decide that acts of Respondent No.2 cannot be considered as acts of oppression and mismanagement as alleged by Petitioner. The point is accordingly decided.

27. In view of the above backdrop, this Company Petition is dismissed, with no costs.

SD

Charan Singh
Member (Technical)

Chennu Bhargavi/Sridher

SD

Dr.Venkata Ramakrishna Badarinath Nandula
Member (Judicial)