IN THE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(*Through Hybrid Mode*)

Item No.2
IA(Companies Act)/38/2025, IA(Companies Act)/39/2025 in TCP/123/241/AMR/2019

IN THE MATTER OF:

Vemulapalli Sai Prameela & (04) Others … Petitioners

Versus

Vijaya Sai Poultries Pvt Ltd & (03) others … Respondents

Under Section: 59, 241 & 244 of Companies Act, 2013
Rules: 11, 53 of NCLT Rules, 2016

Order delivered on 30.07.2026

CORAM:

SHRI KISHORE VEMULAPALLI, HON'BLE MEMBER (JUDICIAL)
SHRI UMESH KUMAR SHUKLA, HON'BLE MEMBER (TECHNICAL)

PRESENT:

In CP & IAs

For the Petitioners/Applicants	: Mr. Venkat Sailendra, Adv.& Ms. Sarvani Desiraju, Adv.
For the Respondents	: Dr. U.K. Chaudary, Sr. Adv. along with Ms. Manisha Chaudary, Adv.

ORDER

IA(Companies Act)/39/2025:

This Application has been filed by the Applicant/ Petitioner vide Diary No.1889 dated 19.09.2025 seeking to implead/ bring on record Ms. Andhavarapu Sarvani as the Legal Heir (LR) of the deceased Petitioner No.1, Smt. Vemulapalli Sai Prameela, in the main Company Petition, namely TCP/123/241/AMR/2019, as Petitioner No.6.

2. The Counsel for the Applicant submitted that the main Company Petition is pending adjudication. It is submitted that, during the course of the proceedings, this Tribunal had allowed IA No.20 of 2018 for appointment of a forensic audit vide order dated 19.09.2019. Aggrieved thereby, the Respondents preferred Company Appeal (AT) No.296 of 2019 before the Hon'ble NCLAT, which was allowed by judgment dated 27.05.2021. Thereafter, the Petitioners approached the Hon'ble Supreme Court by way of Civil Appeal No.5742 of 2021, wherein the matter was disposed of with liberty to the Petitioners to file a fresh application before this Tribunal. During the pendency of the proceedings, Petitioner No.1, Smt. Vemulapalli Sai Prameela, expired on 01.11.2022, leaving behind her legal heir, Ms. Andhavarapu Sarvani. It is submitted that a copy of the Death Certificate dated 23.11.2022, issued by the Registrar (Births and Deaths), Guntur Municipal Corporation, has been filed in support thereof. It is further submitted that the proposed Legal Representative was already brought on record in I.A. No.187503 of 2023 in Civil Appeal No.5742 of 2021 before the Hon'ble Supreme Court vide consent order dated 10.09.2024, and is therefore a necessary and proper party to the present proceedings.

3. The Counsel further submitted that the deceased Petitioner No.1 had executed a registered Will dated 03.03.2017, whereby she bequeathed her estate, including her shareholding in the first Respondent Company. It is submitted that, under the terms of the said Will, the entire shareholding of the deceased Petitioner No.1 in the first Respondent Company is to devolve upon Petitioner No.2/Applicant. It is,

however, contended that since the proposed Legal Representative, Ms. Andhavarapu Sarvani, has already been impleaded in the connected proceedings before the Hon'ble Supreme Court vide consent order dated 10.09.2024, arising out of the same dispute, she is a necessary and proper party to the present proceedings. Accordingly, in view of the demise of Petitioner No.1 and for the purpose of effective adjudication of the main Company Petition, the Applicant seeks to bring Ms. Andhavarapu Sarvani on record as the Legal Representative of the deceased Petitioner No.1.

4. The Sr. Counsel appearing for Respondents No.1 to 4 opposed the Application and submitted that the same is not maintainable either on facts or in law. It is contended that the Application seeking impleadment of the proposed Legal Representative has been filed after an inordinate and unexplained delay of about two years and nine months from the date of death of Petitioner No.1, contrary to Rule 53(2) of the National Company Law Tribunal Rules, 2016. It is further submitted that no application for condonation of delay or for setting aside the alleged abatement has been filed and, therefore, the present Application is liable to be dismissed as barred by limitation. The Respondents also contend that the orders passed by the Hon'ble Supreme Court in the connected proceedings do not extend or save the limitation prescribed under the NCLT Rules for filing the present impleadment application.

5. The Sr. Counsel further submitted that the Application suffers from various procedural defects, including an incorrect memo of parties and

the absence of any valid authorization in favour of the Applicant to represent the other Petitioners. It is also contended that the registered Will dated 03.03.2017, on which reliance has been placed by the Applicant, is presently the subject matter of challenge before the competent Civil Court in O.S. No.69 of 2023 and its operation has been stayed. Accordingly, it is argued that the said Will cannot be relied upon for substitution of the proposed Legal Representative and that the present Application is liable to be rejected as being legally untenable and not maintainable.

6. The Sr. Counsel appearing for Respondents No. 1 to 4 opposes the Application on the following grounds: (a) Limitation: The Application has been filed after a delay of about two years and nine months from the date of death of Petitioner No. 1, contrary to Rule 53(2) of the National Company Law Tribunal Rules, 2016, which prescribes ninety days for a legal representative to apply to be brought on record. No separate application for condonation of delay has been filed, and it is contended that the orders of the Hon'ble Supreme Court in the connected proceedings do not extend or save limitation under the NCLT Rules. Reliance is placed on ***Balwant Singh (Dead) v. Jagdish Singh & Ors., (2010) 8 SCC 685, and Maniben Devraj Shah v. Municipal Corporation of Brihan Mumbai, (2012) 5 SCC 157***, for the proposition that condonation of delay in bringing legal representatives on record is not to be granted as a matter of course, and requires a bona fide, case-specific explanation. (b) Procedural defects: The Application discloses an incorrect memo of parties and no valid authorization in favour of the

Applicant to represent the other Petitioners. (c) Sub judice Will: The registered Will dated 03.03.2017, relied upon by the Applicant, is presently under challenge before the Civil Court in O.S. No. 69 of 2023, and its operation stands stayed. It is contended that the Will cannot presently be relied upon in support of the Application. (d) Defective verification: The verification affidavit does not conform to Rule 34(4) of the NCLT Rules, 2016, and the deponent has incorrectly claimed to represent Petitioner Nos. 3, 4 and 5 as their authorized representative without placing any authorization on record. Reliance is placed the judgments of Hon'ble Supreme Court in the matter of ***A.K.K. Nabmiar vs. Union of India & Anr. In Civil Appeal No.1406 of 1969***; ***State of Madhya Pradesh vs. Ramumar Choudhary*** *in* ***Special Leave Petition (C) Dairy No.48636/2024***; ***Balwant Singh (Dead) vs. Jagdish Singh & Ors, in Civil Appeal No.1166 of 2006***; ***Maniben Devraj Shah vs. Municipal Corporation of Brihan, Mumbai, in Civil Appeals Nos.2970-71 of 2012; Sitaram Ramcharan Etc., vs. M. N. Nagarshana & Others in Civil Appeals Nos. 9 to 28 of 1957; and Perumon Bhagvathy Devaswom vs. Bhargavi Amma (Dead) by LRs & Ors., in Civil Appeal No.4440 of 2008; and the Order of NCLT, Chandigarh in the matter of Abdul Hamid Khan vs. Ghulam Hassan Mir & Ors., in CP No.49A/CHD/J&K/2022 and the Order of Company Law Board, New Delhi in CP No.75(ND)/2012***.

7. In reply, the Counsel for the Applicant further submits that the demise of Petitioner No.1 was duly brought to the notice of this Tribunal and was recorded in the order dated 15.11.2022, which fact was also

acknowledged by the Senior Counsel appearing for the Respondents. It is further submitted that the matter continued to remain pending before the Hon'ble Supreme Court till 22.10.2024, and thereafter, owing to the non-appearance of both sides, the main Company Petition came to be dismissed by this Tribunal and was subsequently restored. It is submitted that, following restoration of the main Company Petition, the Applicant filed the present Application for bringing the Legal Representative of the deceased Petitioner No.1 on record, along with another Application seeking appointment of a forensic auditor. It is therefore contended that the delay in filing the present Application was neither intentional nor deliberate. The learned Counsel further submits that the proposed Legal Representative had already been brought on record in the connected proceedings before the Hon'ble Supreme Court with the consent of the Counsel appearing for the Respondents and, therefore, the identity and status of the proposed Legal Representative are not in dispute. With regard to the objection relating to the verification affidavit, it is submitted that the present Application is supported by the sworn affidavit of the Applicant, who is Petitioner No.2 in the main Company Petition, and that no separate affidavit or authorization from the other Petitioners is necessary for consideration of the present Application. It is further submitted that any defect in the form or verification of the affidavit is, in any event, a curable procedural irregularity and cannot, by itself, defeat the Application.

8. On the objection founded on O.S. No. 69 of 2023, the learned Counsel for the Applicant submits that the ad-interim injunction granted

by the competent Civil Court vide order dated 13.04.2023 in respect of the registered Will dated 03.03.2017 was initially operative up to 20.04.2023 and was thereafter extended up to 11.04.2024, but was not extended thereafter. It is further submitted that the Applicant has placed on record certified copies of the subsequent orders dated 04.01.2024 to 29.07.2024 passed by the competent Civil Court in relation to the aforesaid injunction. Reliance is placed upon the said orders to contend that there is no subsisting order restraining or staying the operation of the registered Will. It is, therefore, submitted that the pendency of the civil suit does not constitute any subsisting impediment to placing reliance upon the registered Will and does not affect the maintainability of the present Application.

9. We have heard the Counsel appearing for the Applicant and the Senior Counsel appearing for the Respondents and have carefully perused the material placed on record. Rule 53(1) of the National Company Law Tribunal Rules, 2016 provides that a proceeding shall not abate merely by reason of the death of a party and may be continued by or against the legal representative. Under Rule 53(2), the legal representative may apply to be brought on record within ninety days from the date of death. Rule 53(3) provides that where no such application is made within the prescribed period, the proceedings shall abate, however, the proviso thereto empowers the Tribunal, for good and sufficient reasons shown, to allow substitution of the legal representative at any time before disposal of the petition on merits. Thus, the question that arises for consideration is whether, in the facts and circumstances of the

present case, sufficient cause has been shown for permitting the proposed Legal Representative to be brought on record notwithstanding the delay.

10. The principles governing condonation of delay in bringing legal representatives on record are well settled. In *Perumon Bhagvathy Devaswom v. Bhargavi Amma (Dead*) (Supra), the Hon'ble Supreme Court held that the expression "sufficient cause" is required to be understood and applied in a reasonable, pragmatic and practical manner having regard to the facts and circumstances of each case, particularly where the delay is not attributable to deliberate inaction, want of bona fides or dilatory tactics. The Hon'ble Supreme Court has also held in *Maniben Devraj Shah v. Municipal Corporation of Brihan Mumbai (Supra)*, that although a liberal approach may be adopted in considering delay, such discretion cannot be exercised mechanically and the explanation must disclose sufficient cause. Likewise, in *Balwant Singh (Dead) v. Jagdish Singh & Ors*., *(Supra)*, the Hon'ble Supreme Court emphasised that delay cannot be condoned in the absence of a bona fide and satisfactory explanation. Thus, the delay has to be examined on the basis of the cumulative facts and circumstances of the case.

11. In the present case, the delay cannot be viewed as deliberate or as a case of complete inaction. The demise of Petitioner No.1 on 01.11.2022 was brought to the notice of this Tribunal and was recorded in the order dated 15.11.2022, and the same was also acknowledged by the Senior Counsel appearing for the Respondents. Thereafter, the matter remained

pending before the Hon'ble Supreme Court in the connected proceedings until 22.10.2024. The proposed Legal Representative was, in the meantime, brought on record in the said proceedings before the Hon'ble Supreme Court vide order dated 10.09.2024, with the consent of the Counsel appearing for the Respondents. Subsequently, the main Company Petition came to be dismissed by this Tribunal vide order dated 29.05.2025 on account of non-prosecution and was thereafter restored vide order dated 24.08.2025, following which the present Application came to be filed. Thus, the Applicant has placed on record circumstances explaining the pendency of the matter before the Hon'ble Supreme Court and the subsequent procedural developments before this Tribunal. The present Application is essentially formal in nature, seeking to bring on record a Legal Representative whose identity and status are not in dispute and to carry out the consequential amendment in the cause title for effective adjudication of the pending Company Petition. The Respondents have also not demonstrated any specific prejudice that would be caused to them by such impleadment. Having regard to the aforesaid cumulative circumstances, the prior consented impleadment before the Hon'ble Supreme Court, the fact that the demise of Petitioner No.1 was already brought to the notice of this Tribunal, the subsequent proceedings before the Hon'ble Supreme Court and this Tribunal, the formal nature of the present Application, and the absence of any demonstrated prejudice to the Respondents, this Tribunal is satisfied that good and sufficient reasons have been shown within the meaning of the proviso to Rule 53(3) of the NCLT, Rules 2016. Accordingly, the delay in filing the present Application is condoned.

12. The objection relating to the verification affidavit under Rule 34(4) of the NCLT Rules, 2016 also does not merit acceptance. The proposed Legal Representative had already been brought on record in the connected proceedings before the Hon'ble Supreme Court vide order dated 10.09.2024, with the consent of both sides. The present Application is essentially formal in nature, being confined to bringing the said Legal Representative on record in the pending Company Petition and making the consequential amendment in the cause title for effective adjudication of the matter. The identity and status of the proposed Legal Representative are not in dispute, and no prejudice would be caused to the Respondents by such impleadment. On the contrary, non-impleadment of the Legal Representative may prejudice the proper and effective adjudication of the pending proceedings. In the interest of justice and natural justice, this Tribunal considers the sworn affidavit filed by the Applicant sufficient for consideration of the present Application. Any defect in the form or verification of the affidavit, including the manner in which the Applicant has described his authority in relation to the other Petitioners, is procedural and curable in nature and does not go to the root of the present Application.

13. The objection founded on the pendency of O.S. No.69 of 2023 challenging the registered Will dated 03.03.2017 also does not warrant rejection of the present Application. The present Application is not for

adjudication upon the validity, genuineness or enforceability of the said Will. The limited issue before this Tribunal is whether the proposed Legal Representative of the deceased Petitioner No.1 should be brought on record for continuation and effective adjudication of the pending Company Petition. The rights of the parties arising out of or in relation to the said Will shall abide by the orders of the competent Civil Court and are not being adjudicated in the present Application. In the absence of any subsisting order restraining reliance upon the Will, as submitted by the Applicant, the pendency of the civil proceedings by itself does not constitute a ground to reject the present Application. The objection relating to the memo of parties is also procedural in nature and does not warrant dismissal of the Application.

14. In view of the foregoing discussion, this Tribunal is satisfied that good and sufficient reasons have been shown for permitting the proposed Legal Representative to be brought on record. Accordingly, IA (Companies Act)/39/2025 is allowed. Ms. Andhavarapu Sarvani is permitted to be brought on record as the Legal Representative of deceased Petitioner No.1, Smt. Vemulapalli Sai Prameela, and shall be shown as Petitioner No.6 in TCP/123/241/AMR/2019. The Applicant shall carry out the consequential amendment in the cause title within two weeks from the date of receipt of this order.

15. **Accordingly, IA (Companies Act)/39/2025 is allowed and stand disposed of.**

TCP/123/241/AMR/2019:

16. This Petition vide diary No.2686 dated 03.08.2017 was filed before the NCLT, Hyderabad Bench under Sections 59, 241 and 244 of the Companies Act, 2013 by the Petitioners with the following prayers:

(1) That a Judgment & Order be passed by this Hon'ble Tribunal adjudging that the various acts of omissions and commissions committed by the 2nd , 3rd and 4th Respondents herein qua the affairs and administration of the 1st Respondent company including the illegal conversion of equity shares constitute oppression of the minority shareholders as well as mismanagement of the affairs of the 1st Respondent Company.

(2) That a judgment & order be passed by this Hon'ble Tribunal directing removal of the 2nd and 4th Respondents from the office of Director, Managing Director and any other post in the 1st Respondent Company as well as permanently disqualifying them from holding any such post in the 1 Respondent Company.

(3) That an order be passed by this Hon'ble Tribunal directing the 2nd, 3rd and 4th Respondents to restitute the entire monies diverted by them from the 1st Respondent Company back to the 1st Respondent Company as well as ordering restitution of the entire schedule properties back to the 1st Respondent Company.

(4) That a judgment and order be passed by this Hon'ble Tribunal directing rectification of the Register of members of the 1st Respondent Company by directing transfer of the said equity shares from the 2nd, 3rd, and 4th Respondents of the face value of Rs. 100/- back to the 2nd, 3rd, 4th and 5th Petitioners herein as under:

i) 2nd Petitioner = 14,270 shares

ii) 3rd Petitioner = 590 shares

iii) 4th Petitioner = 6,350 shares

iv) 5th Petitioner = 1,940 shares

(5) That a judgment and order be passed by this Hon'ble Tribunal awarding exemplary costs of Rs.50,00,000/- upon the 2nd, 3rd and 4th Respondents herein for having committed the aforesaid acts of omissions and commissions which constitute oppression of the minority shareholders as well as gross misappropriation of the funds and properties of the 1st Respondent Company which constitutes gross mismanagement.

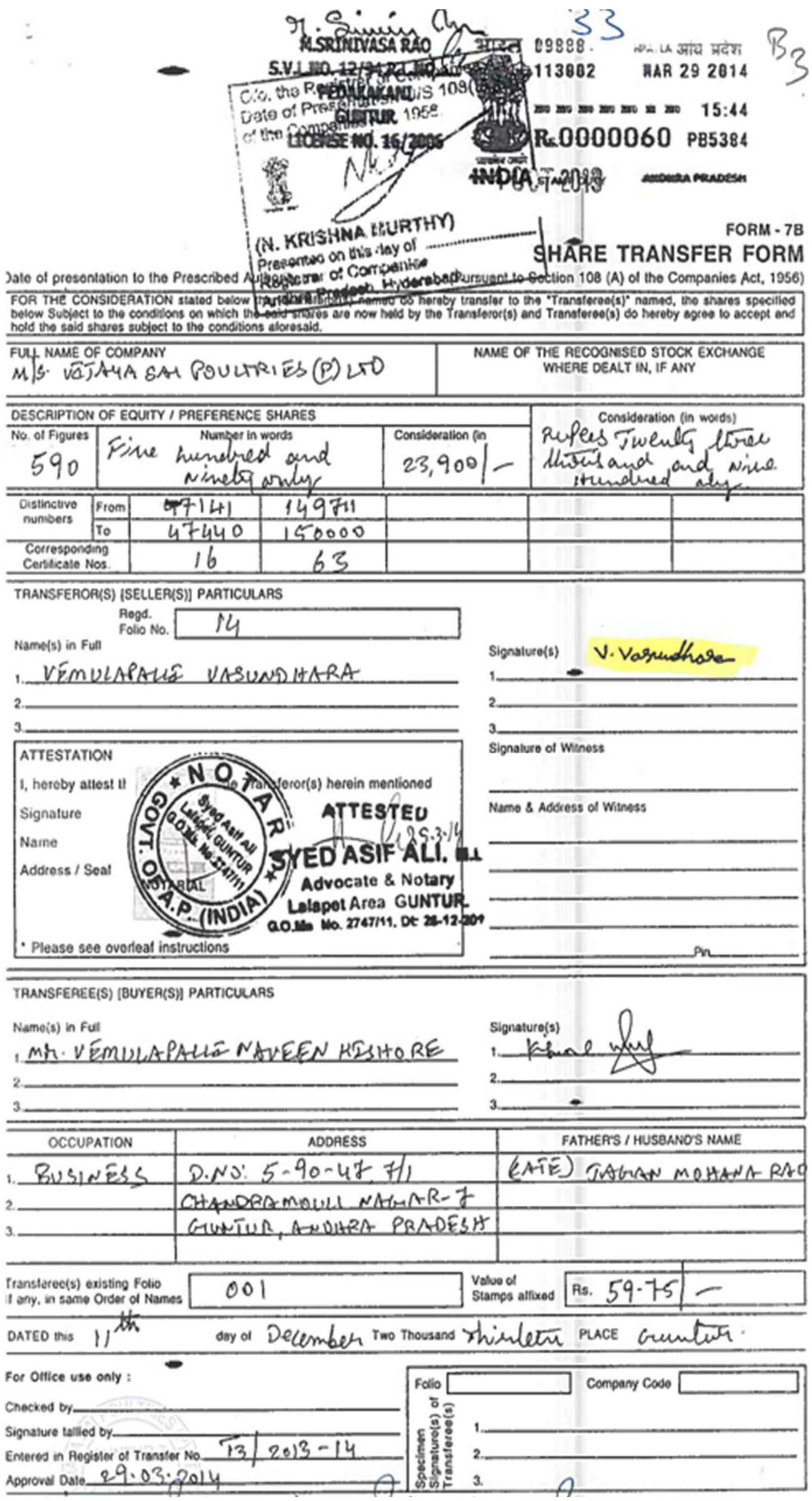
(6) Such further or other orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case.

17. The Sr. Counsel for the Respondents contended that Petitioner Nos. 2 to 5 had voluntarily executed the Share Transfer Forms, handed over the original share certificates and received the sale consideration, and therefore have no subsisting right or locus to challenge the transfers. Reliance was placed on the Share Transfer Forms at Annexure B-1

(Pages 24–31), B-3 (Pages 33–38), B-4 (Pages 39–44) and B-5 (Pages 45–50) of the Counter, and the Bank Statement at Annexure B-2 (Page 32) evidencing payment of Rs.4,50,000/- to Petitioner No.2. It was further submitted that the consideration payable to Petitioner Nos.3 to 5 was paid in cash, though no separate cash receipts were obtained, and that the Petitioners have suppressed the execution of the transfer deeds and receipt of consideration. It was further contended that, as on the date of filing of the Petition, Petitioner Nos.2 to 5 were no longer shareholders and, therefore, lacked locus to invoke Sections 241 and 242 of the Companies Act, 2013. It was submitted that the Petitioners must first establish their claim for rectification under Section 59 and satisfy the requirements of Section 244, failing which the reliefs under Sections 241 and 242 are not maintainable.

18. The Counsel for the Petitioners submitted that the alleged transfer of shares in favour of Respondent No.2 on 11.12.2013 (Petitioner No.3), 06.03.2014 (Petitioner No.4), 07.03.2014 (Petitioner No.5) and 29.03.2014 (Petitioner No.2) are fraudulent, fabricated and unsupported by genuine consent of the Petitioners. He further contended that material discrepancies in the dates cast serious doubt on their genuineness. It was pointed out that the dates of execution in the forms at Pages 33–38 and 39–44 are shown as 11.12.2013 and 06.03.2014, respectively, whereas the Notarial attestation and Board approval bear the common date of 29.03.2014. It was submitted that the said discrepancies, coupled with the Petitioners' denial of execution and receipt of consideration, establish a prima facie case of fraud and fabrication, warranting forensic

examination of the original transfer deeds. The relevant extracts of the said Share Transfer Forms are reproduced below:


33

B3

N. SRINIVASA RAO
S.V.L. NO. 12/94
PEDANANDI
GUNTUR
LICENSE NO. 16/2006

INDIA

113002 MAR 29 2014
15:44
Rs.0000060 PB5384
ANDHRA PRADESH

C/o. the Registrar u/s 108
Date of Presentation 1956
of the Company

(N. KRISHNA MURTHY)
Presented on this day of
Registrar of Companies
Andhra Pradesh, Hyderabad

FORM - 7B
SHARE TRANSFER FORM

Date of presentation to the Prescribed Authority Pursuant to Section 108 (A) of the Companies Act, 1956)

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named, the shares specified below Subject to the conditions on which the said shares are now held by the Transferor(s) and Transferee(s) do hereby agree to accept and hold the said shares subject to the conditions aforesaid.

FULL NAME OF COMPANY	NAME OF THE RECOGNISED STOCK EXCHANGE WHERE DEALT IN, IF ANY
M/S. VIJAYA SAI POULTRIES (P) LTD	

DESCRIPTION OF EQUITY / PREFERENCE SHARES

No. of Figures	Number in words	Consideration (in figures)	Consideration (in words)
590	Five hundred and ninety only	23,900/-	Rupees Twenty three thousand and nine hundred only

Distinctive numbers	From	47141	149711				
	To	47440	150000				
Corresponding Certificate Nos.		16	63				

TRANSFEROR(S) (SELLER(S)) PARTICULARS

Regd. Folio No. 14

Name(s) in Full
1. VEMULAPALLI VASUNDHARA
2.
3.

Signature(s)
1. V. Vasundhara
2.
3.

ATTESTATION
I, hereby attest the signature of the Transferor(s) herein mentioned
Signature
Name
Address / Seal

NOTARY GOVT. OF A.P. (INDIA)
ATTESTED 29.3.14
SYED ASIF ALI. B.L
Advocate & Notary
Lalapet Area GUNTUR.
G.O.Ms. No. 2747/11, Dt: 28-12-2011

* Please see overleaf instructions

Signature of Witness

Name & Address of Witness

Pin

TRANSFEREE(S) (BUYER(S)) PARTICULARS

Name(s) in Full
1. MR. VEMULAPALLI NAVEEN KISHORE
2.
3.

Signature(s)
1.
2.
3.

OCCUPATION	ADDRESS	FATHER'S / HUSBAND'S NAME
1. BUSINESS	D.NO: 5-90-47 7/1 CHANDRAMOULI NAGAR-7 GUNTUR, ANDHRA PRADESH	(LATE) JAGAN MOHANA RAO
2.		
3.		

Transferee(s) existing Folio if any, in same Order of Names: 001

Value of Stamps affixed: Rs. 59-75/-

DATED this 11th day of December Two Thousand thirteen PLACE Guntur

For Office use only :
Checked by
Signature tallied by
Entered in Register of Transfer No. 13/2013-14
Approval Date 29.03.2014

Folio | Company Code

Specimen Signature(s) of Transferee(s)
1.
2.
3.

39

M. SRINIVASA RAO
S.V.L.NO. 12/94, R.L.NO.
PEDAKAKANI
GUNTUR
LICENSE NO. 16/2005

O/o Registrar of Companies A.P.
Registrar of Companies
Andhra Pradesh, Hyderabad.

153002 MAR 29 2014 17:13
INDIA Rs.0000160 PB5384
STAMP DUTY ANDHRA PRADESH

B4

Date of presentation to the prescribed authority

FORM 7 - B
SHARE TRANSFER FORM
(Pursuant to Section 108 (1A) of the Companies Act 1956)

FOR THE CONSIDERATION stated below the 'Transferor(s)' named do hereby transfer to the 'Transferee(s)' named, the shares specified below subject to the conditions on which the said shares are now held by the Transferor (s) and Transferee (s) do hereby agree to accept and hold the said shares subject to the conditions aforesaid.

FULL NAME OF THE COMPANY	NAME OF THE RECOGNISED STOCK EXCHANGE, WHERE DEALT IN, IF ANY
M/S. VIJAYA SAI POULTRIES (P) LTD	

DESCRIPTION OF EQUITY / PREFERENCE SHARES

No. in figures	Number in words	Consideration (in figures)	Consideration (in words)
6350	Six thousand three Hundred and Fifty only	63,500/-	Rupees sixty three thousand five hundred only

Distinctive numbers	From	80551	143701			
	To	86050	144550			
Corresponding Certificate Nos.		11	42			

TRANSFEROR(S) / SELLER (S) / PARTICULARS
Regd Folio No. 009

Signature (s)

Name (s) in full
1. CH. DHANALAKSHMI — 1. Ch. ధనలక్ష్మి
2. — 2.
3. — 3.

ATTESTATION
I hereby attest the signature of the Transferor (s) herein mentioned
Signature
Name
Address / Seal
* Please see overleaf

NOTARY GOVT. OF A.P. (INDIA)
ATTESTED
29.3.14
SYED ASIF ALI, B.L.
Advocate & Notary
Lalapet Area GUNTUR.
G.O.Ms No. 2747/11, Dt 26-12-2011.

Signature of Witness
Name & Address of Witness
(PIN)

TRANSFEREE(S) / BUYER(S) / PARTICULARS

Signature (s)

Name (s) in full
1. VEMULAPALLI NAVEEN KISHORE — 1. Kishore
2. — 2.
3. — 3.

	OCCUPATION	ADDRESS	FATHER'S/HUSBAND'S NAME
1.	BUSINESS	D.No 5-90-47, 7/1	(LATE) JAGAN MOHANA RAO
2.		CHANDRAMOULI NAGAR, GUNTUR-522007	
3.		EMAIL :	

Transferee (s) existing Folio (s) If any, in same Order of Names: 001

Value of stamps affixed: Rs. 158.75/-

DATED this 06th day of March Two Thousand Fourteen PLACE Guntur

for Office use only
Checked by
Signature tallied by
Entered in Register of Transfer No 74/2013-14
Approval Date 29.03.2014

Folio — Company Code
Specimen Signature(s) of Transferee (s)
1.
2.
3.

19. It is further submitted by the Counsel for the Petitioners that FIR No.138/2017 dated 03.05.2017 had already been lodged against the Respondents in relation to the alleged forged signatures and transfer documents.

20. Having considered the rival submissions and the material on record, the circumstances warrant independent forensic examination from the Central Forensic Science Laboratory (CFSL) for verification of the signatures appearing thereon.

21. At this stage, the Sr. Counsel appearing for the Respondents objected to the proposed course of action and contended that this Tribunal has no jurisdiction under the Companies Act, 2013 or the National Company Law Tribunal Rules, 2016 to refer disputed documents to the CFSL for examination. It was further contended that there exists no statutory provision empowering this Tribunal to direct such forensic examination and that, in his experience, he had never come across any such procedure being adopted by the Tribunal.

22. Per contra, the Counsel for the Petitioners submitted that Rule 43(3) of the National Company Law Tribunal Rules, 2016 expressly empowers the Tribunal to order forensic examination where allegations of forgery or fabrication of statutory records are raised in proceedings relating to oppression and mismanagement. It was submitted that Rule 43(3) specifically provides that where any party preferring or contesting a petition raises an issue of forgery or fabrication of statutory records, such party may move an appropriate application for forensic examination and the Bench, for reasons to be recorded, may either allow the application and refer the disputed records to the CFSL for expert opinion at the cost of the party alleging such fabrication or dismiss the application. It was,

therefore, contended that the present case squarely falls within the ambit of the said Rule. The extracts of the Rule 43(3) is reproduced below:

> "*Where any party preferring or contesting a petition of oppression and mismanagement raises the issue of forgery or fabrication of any statutory records, then it shall be at liberty to move an appropriate application for forensic examination and the Bench hearing the matter may, for reasons to be recorded, either allow the application and send the disputed records for opinion of Central Forensic Science Laboratory at the cost of the party alleging fabrication of records, or dismiss such application.*"

23. The Counsel further submitted that the Petitioners had filed I.A. No.20 of 2018 seeking a forensic audit of the books and affairs of the Respondent Company. This Tribunal, by order dated 16.09.2019, allowed the application for conducting a forensic audit through an independent auditor and for that purpose directed both the parties to propose a common auditor. Thereafter, by order dated 03.10.2019, this Tribunal directed both parties to suggest a common auditor and, subsequently, by order dated 18.10.2019, appointed Jampani Associates as the Forensic Auditor owing to the absence of the Respondents. The relevant extracts of the order dated 16.09.2019, 03.10.2019 & 18.10.2019 are reproduced below:

4. The Petitioners in Company Petition have alleged illegal transfer of shares and financial mismanagement at the instance of Respondent No.2. It is also alleged that the auditors are in cohorts with the Respondent No.2 in Botching up the accounts of the Company. It is therefore necessary that the accounts of the Company are verified and inspected by an independent agency/ auditor for proper resolution of the dispute raised in the Petition.

Thus, the prayer made in the Application, in my considered opinion needs to be allowed. Hence ordered.

ORDER

The Interim Application be and the same is allowed on contest. The parties are directed to suggest the name of an auditor/ a firm of auditors within two weeks for conducting forensic audit of the Company. There is however no need for appointment of an Advocate Commissioner.

NATIONAL COMPANY LAW TRIBUNAL
AMARAVATHI BENCH

PRESENT: HON'BLE JANAB MOHAMMED AJMAL - MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 03.10.2019 AT 10.30 AM

TRANSFER PETITION NO.	TCP NO. 123/241/AMR/TP/2019
COMPANY PETITION/APPLICATION NO.	IA NO. 257/2019 in CP NO. 174/241/HDB/2017
NAME OF THE COMPANY	Vijaya Sai Polutries Pvt Ltd
NAME OF THE PETITIONER(S)	Vemulapalli Sai Pramella & (04) Others
NAME OF THE RESPONDENT(S)	Vijaya Sai Polutries Pvt Ltd &(03) Others
UNDER SECTION	241

CP No.174/241/HDB/2017: Mr. M.V. Hari Kishore (Petitioner No.2) is present representing the petitioners. Counsel for the Respondent is present. Mr. Hari Kishore Counsel submits a memo suggesting the name of Jampani Associates, CAs in terms of the order dated 16.09.2019 in IA No.20/2018. The counsel for the Respondent submits that they will suggest the name of an auditor. It would be appropriate if a common Firm, is suggested as forensic auditor as per the order dated 16.09.2019. Call on 18.10.2019 for the same.

NATIONAL COMPANY LAW TRIBUNAL
AMARAVATHI BENCH

PRESENT: HON'BLE JANAB MOHAMMED AJMAL - MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 18.10.2019 AT 10.30 AM

TRANSFER PETITION NO.	TCP NO.123/241/AMR/TP/2019
COMPANY PETITION/APPLICATION NO.	IA NO. 257/2019 in CP NO. 174/241/HDB/2017
NAME OF THE COMPANY	Vijaya Sai Poultres Pvt Ltd
NAME OF THE PETITIONER(S)	Vemulapalli Sai Prameela & (04) Others
NAME OF THE RESPONDENT(S)	Vijaya Sai Poultres Pvt Ltd
UNDER SECTION	241

ORDER

CP.174/2017:

Counsel for the Petitioner is present. None appears for the Respondent. The Respondents have not suggested the name of any other Auditor as per Order dated 03.10.2019. In view of the Order dated 16.9.2019 in IA 20/2018 Jampani Associates Firm of Auditors suggested by the petitioners is accepted to be the Forensic Auditor. Parties are directed to cooperate with the Auditor in conducting the Forensic Audit. The Petitioner is directed to serve the copy of the order on the Auditors for their information.

Counsel for the Respondent appears and files a Memo suggesting names of two Firms of Auditors to be appointed as Auditors in terms of order dated 03.10.2019 in IA No.20/2018. Call on 15.11.2019 for consideration of the Memo. Meanwhile the earlier order would be in abeyance.

24. It is further submitted that the aforesaid order was challenged by the Respondents before the Hon'ble National Company Law Appellate

Tribunal, New Delhi, in Company Appeal (AT) No.296 of 2019. The Hon'ble NCLAT, by its judgment dated 27.05.2021, set aside the order passed by this Tribunal primarily on the ground that the direction ordering a forensic audit did not contain any reasons and had been passed under an incorrect provision of law. Consequently, the matter was remanded for fresh consideration. It is further submitted that, during the pendency of the said appeal before the Hon'ble NCLAT, further proceedings before this Tribunal remained stayed during the period 2019–2021. The relevant extracts of the judgment dated 27.05.2021 passed by the Hon'ble NCLAT in Company Appeal (AT) No.296 of 2019 are reproduced hereunder:

> 15. There is nothing in the order to justify the directions for conducting forensic audit of accounts of the Company that too for more than 15 years. The Adjudicating Authority must record reasons in support of conclusions. However, in the Impugned Order no reasons are mentioned for the said directions. The order is cryptic and non-speaking; therefore, it cannot be sustained.
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> 16. With the aforesaid discussions, we have no option but to set aside the Impugned Order.
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> The Appeal is allowed, however, no order as to costs.

25. The Counsel further submitted that the matter was carried to the Hon'ble Supreme Court in Civil Appeal No. 5742 of 2021, wherein, by order dated 22.10.2024, the Hon'ble Supreme Court directed the Petitioners to file a fresh application and further directed this Tribunal to consider the application afresh independently, without being influenced by or referring to the earlier orders. The relevant extracts of the Hon’ble Supreme Court order dated 22.10.2024 is reproduced below:

3. Having regard to the submissions made by the learned counsels for the parties, and to the impugned order passed by the NCLAT as also the order passed by the NCLT, it appears that the application in question was filed by the appellants - applicants under Rule 131 of the NCLT Rules, 2016 which as such does not empower the NCLT to appoint Forensic Auditor, however, it appears that the NCLT does have the inherent powers as contained in Rule 11 of the said Rules of 2016 which reads as under:-

> "11. Inherent powers.- Nothing in these rules shall be deemed to limit or otherwise affect the inherent powers of the Tribunal to make such orders as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Tribunal."

4. Since neither the NCLT nor the NCLAT has referred to the said Rule 11 while passing their respective orders, we are of the opinion that let the appellants - applicants file a proper application afresh under the relevant Rules of 2016. The NCLT shall decide such application if filed by the appellants in accordance with law, and without being influenced by the orders passed by it earlier as also the order passed by the NCLAT. It is clarified that we have not expressed any opinion on the merits of the case.

5. Subject to the aforesaid directions, the present appeal is disposed of.

26. The Counsel for the Petitioners further submitted that, pursuant to the liberty granted by the Hon'ble Supreme Court, I.A. No.38 of 2025 was filed seeking with the following prayers:

a) Appoint an independent forensic auditor or a reputed firm of auditors to conduct a forensic audit of the accounts, transactions, and property dealings of M/s. Vijaya Sai Poultries Private Limited for the period 31.03.2014 till date or for such period as this Hon'ble Tribunal may deem fit.;

b) Direct the Respondents to extend full cooperation to the forensic auditor and provide access to all books of accounts, ledgers, bank statements, property documents, *share transfer records*, statutory registers, and other relevant papers.

27. We have considered the rival submissions and perused the material placed on record. The present application bearing I.A. No.38 of 2025,

though styled as an application seeking a fresh forensic audit, contains allegations relating to the alleged forgery and fabrication of the Share Transfer Forms (SH-4), apart from allegations concerning diversion of funds, financial irregularities and dealings in the properties of the Respondent Company. The earlier application for forensic audit, namely I.A. No.20 of 2018, which inter-alia also include the allegation of forged signature of the Petitioner on share transfer forms, was allowed by this Tribunal vide order dated 16.09.2019, however, the said order was subsequently set aside by the Hon'ble NCLAT vide judgment dated 27.05.2021. The Hon'ble Supreme Court thereafter, vide order dated 22.10.2024, granted liberty to the Petitioners herein to file a fresh application and directed this Tribunal to consider the same afresh independently.

28. In the present proceedings, the Petitioners have specifically alleged that the signatures appearing on the Share Transfer Forms (SH-4) relied upon by the Respondents are forged and that they had neither executed the said transfer deeds nor received the consideration allegedly paid towards the transfer of their shares. The Respondents, on the other hand, rely upon the said Share Transfer Forms and contend that the Petitioners had voluntarily executed the same, handed over the original share certificates and received the consideration. The Counter filed by the Respondents contains the Share Transfer Forms along with the corresponding share certificates, including the forms relating to Petitioner Nos.2 to 5.

29. It is further noticed that the Petitioners have specifically pointed out discrepancies in the dates appearing on the disputed Share Transfer Forms and have raised a specific allegation of forgery and fabrication. It is also on record that the Petitioners had earlier lodged FIR No.138 of 2017 in relation to the alleged forged signatures and transfer documents. In view of the specific nature of the dispute concerning the genuineness of the signatures appearing on the statutory Share Transfer Forms, this Tribunal is of the considered view that the said issue requires scientific examination by an appropriate forensic authority, without this Tribunal expressing any opinion on the genuineness or otherwise of the disputed signatures.

30. At this juncture, it is appropriate to refer to Rule 43(3) of the National Company Law Tribunal Rules, 2016, which specifically contemplates that where a party to a petition relating to oppression and mismanagement raises an issue of forgery or fabrication of statutory records, such party may move an appropriate application for forensic examination and the Bench, for reasons to be recorded, may either allow the application and send the disputed records for the opinion of the CFSL at the cost of the party alleging fabrication, or dismiss such application. Having regard to the specific allegation of forgery of the Share Transfer Forms (SH-4), the material discrepancies pointed out by the Petitioners and the rival stand of the parties, we are satisfied that a limited forensic examination of the disputed Share Transfer Forms is warranted under the said Rule. Therefore, this Tribunal confines the relief in the present application strictly to the disputed Share Transfer Forms (SH-4) and does not order

any general forensic audit of the affairs of the Respondent Company at this stage.

31. Accordingly, I.A. No.38 of 2025 is partly allowed, to the limited extent of directing forensic examination of the original Share Transfer Forms (SH-4) in respect of the disputed share transfers. The remaining prayers in the I.A., including those relating to any general forensic audit of the books of account, financial transactions, properties or other affairs of the Respondent Company, are kept open for consideration at the appropriate stage and are not being adjudicated upon by this order.

32. The Respondent Company shall produce before the Registry the original Share Transfer Forms (SH-4), together with the corresponding original share certificates and the specimen/admitted signatures of the concerned Petitioners available in the records of the Company and the Petitioners shall also produce their admitted specimen signatures and, for such purpose, shall furnish their original Passport, or in the absence thereof, Aadhaar Card/Voter Identity Card bearing their admitted signatures before the Registry within 10 days from the date of receipt of this order to facilitate forensic examination by the CFSL.

33. The Registry shall thereafter transmit the original disputed SH-4 Share Transfer Forms, along with the relevant original share certificates and the admitted/specimen signatures of the concerned Petitioners, to the CFSL for examination strictly limited to verification of the genuineness/authenticity of the signatures appearing on the disputed Share Transfer Forms. The CFSL authorities are requested to submit

their report preferably within six weeks from the date of receipt of the documents from the Registry of this Tribunal. The cost of the forensic examination shall be borne by the Petitioner, who are alleging the fabrication of their signature on the transfer deeds.

34. List the matter on 05.11.2026 along with IA No.38/2025 for further consideration.

Sd/-	**Sd/-**
(UMESH KUMAR SHUKLA)	**(KISHORE VEMULAPALLI)**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

RSN (PS)/ Krishna(PS)