

NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI

Company Appeal (AT) No. 157 of 2018

IN THE MATTER OF:

TMT. Sulochana

...Appellant

Vs.

Arunodhaya Enterprises Limited & Ors.

...Respondents

**Present: For Appellant: - Mr. Sougat Sinha and Mr. Manoj Kumar,
Advocates.**

ORDER

15.05.2018— This appeal has been preferred by the Appellant (hereinafter referred to as “Petitioner”) against judgment and order dated 29th December, 2017, passed by the National Company Law Tribunal (hereinafter referred to as “Tribunal”) Chennai Bench, Chennai, after delay of forty-five days. Being satisfied with the grounds shown by the Appellant, the delay in preferring the appeal is condoned.

2. The Petitioner preferred a petition under Sections 397 and 398 of the Companies Act, 1956 (now Sections 241 and 242 of the Companies Act, 2013) alleging ‘oppression and mismanagement against 2nd to 4th Respondents. Her grievance is that the Tribunal without appreciating the facts and evidence, has dismissed the petition by impugned order dated 29th December, 2017.

3. Learned counsel for the petitioner contended that the 2nd Respondent was appointed as Managing Director on 16th December, 2002 and the Petitioner was disqualified under section 274(1)(g) of the

Companies Act, 1956. The 2nd Respondent was illegally appointed pursuant to EGM held on 16th December, 2002. According to her, the appointment of the 2nd Respondent is null and void as her initial appointment as Director itself was invalid and not enforceable as in the Article of Associations, the Petitioner was shown as Managing Director.

4. In this case, there is delay of six years in filing the petition. The appointment was made in the year 2002 and petition was filed in the year 2008. According to the Appellant, there is no delay as she came to know only in the year 2006-07 when the land of the company was sold by the 2nd Respondent. However, such ground cannot be accepted for the appointment of the Managing Director having been made on 16th December, 2002.

5. So far as the appointment of the 2nd Respondent is concerned, it was made after following procedure, and therefore, the Petitioner cannot take plea that they had no knowledge of the same.

6. In so far it relates to sale of land, as it was sold by the Board of Director's in the interest of the company and the amount has gone in the accounts of the company, no interference is called for.

7. We find no merit in this appeal. It is accordingly dismissed. However, in the facts and circumstances of the case, there shall be no order as to costs.

(Justice S.J. Mukhopadhaya)
Chairperson

(Justice Bansi Lal Bhat)
Member(Judicial)

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