

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

**Company Appeal (AT) No. 348 of 2019**

**IN THE MATTER OF:**

M. Sai Sudhakar .... Appellant

Vs

M/s. MSR Housing & Resorts Pvt. Ltd. & Ors. .... Respondents

**Present:**

**For Appellant: Mr. Nithin Pavuluri, Advocate.**

**O R D E R**

**02.12.2019** The Appellant has filed petition under Sections 241- 242 of the Companies Act, 2013, which is pending for hearing since 2018. During the pendency of the main petition, the Appellant filed petition for interim relief, which was rejected by the Adjudicating Authority (National Company Law Tribunal), Hyderabad Bench, Hyderabad with following observations: -

*“13. Board meetings were held. The petitioner, no doubt, has resigned as director. Therefore, he will not have any grievance in respect of the Board meetings held from time to time. The petitioner is asking interim relief that the Board of meeting should not be conducted. The same cannot be granted as the interim relief, because it is the statutory function of the Board to convene the meeting and the company cannot function without holding Board Meetings. Therefore, the Tribunal cannot injunct the Board to convene meeting, which is the essential function of the Board.*

*14. Regarding injunction not to alienate the company properties, the same also cannot be granted since the company is doing real estate business. The company cannot be prevented from doing its business. There is also no need to appoint an administrator since the*

*company is having legally constituted board, which manages the company. The question whether the Board is legally constituted is a mater to be decided in the main petition. So, the petitioner is not entitled to any of the interim reliefs and as such we are not granting any of the interim reliefs.”*

2. Learned Counsel for the Appellant submits that the Board Meetings were not properly conducted and there is signature of only one Member. However, we are not inclined to grant any relief for the following reason: -

- (i) Wrongly or rightly, shares of the Appellant have been reduced to less than 10% within a week, which is the subject matter of the petition filed under Section 241-242 of the Companies Act, 2013. Till the issue is decided at the initial stage, the question of granting ad-interim relief at the instance of the Appellant will not be desirable. However, if the issues are decided in favour of the Appellant, after hearing the parties, it is always open to the Tribunal to grant appropriate reliefs, as it may deem fit and proper in terms of Sections 241 read with Section 242 of the Companies Act, 2013.

3. In view of the above, the Appeal stands disposed of. No costs.

[Justice S. J. Mukhopadhaya]  
Chairperson

[Justice Bansi Lal Bhat]  
Member (Judicial)

[Justice Venugopal M.]  
Member (Judicial)

Ash/GC