

IN THE HIGH COURT OF JUDICATURE AT BOMBAY**ORDINARY ORIGINAL CIVIL JURISDICTION****COMPANY APPEAL NO. 67 OF 2014****IN****CLB COMPANY PETITION NO. 98/397/398/402/CLB/MB OF 2013**

AAP Realtors Ltd.

...Appellant / Orig.Respondent No.1

vs.

Pratima Arun Parekh & Ors.

...Respondents

Mr.Ravi Kadam, Senior Advocate i/b. Yogesh Adhia for Appellant.

Mr.Janak Dwarkadas, Senior Advocate with Mr.Ankit Lohia i/b. IC Legal for Respondent Nos.5,6,8,9,10,11,12,14 and 16.

Mr.Zal Andhyarujina i/b. Kanga & Co. for Respondent Nos.1 to 4.

CORAM : S.C. GUPTE, J.**30 JULY 2015****P.C. :**

The company appeal impugns an order passed by the company Law Board ('CLB') on 26 September 2013. By this order, four directions were issued by the CLB. The first was about holding of an Annual General Meeting of the first Respondent company scheduled on 30 September 2013. The holding of this Annual General Meeting was stayed until further orders. The second direction was about maintenance of the status quo existing as on the date of the order in respect of the composition of the Board of directors and shareholding pattern of the first Respondent company. The third direction restrained the first Respondent company from transferring its immovable properties in favour of its group of companies. It was, however, clarified that the development project on the Mulund property of the first Respondent company shall go on. Fourthly, it was directed that the Petitioners (Respondents herein) should implead Indian Overseas Bank and Gorlas Techno Space Ltd., as Respondents, in the array of parties in the petition.

interim orders passed by this Court from time to time. As a result, the first Respondent company was allowed to hold its AGM and take decisions in the AGM, but such decisions were subject to the final orders that may be passed in the company appeal. The first direction was, accordingly, modified and the proceedings of the AGMs were made subject to the outcome of the company appeal. As far as the composition of directors is concerned, by the same order, the Additional Directors, who were due to retire on 30 September 2013, were to be confirmed as regular directors, subject to the orders passed in the appeal. In the meantime, their appointment was to be considered as regular directors only for the purpose of forum. Any decision taken by the Board of directors was to be subject to the decision of the company appeal. The second direction of the CLB was, accordingly, modified by this Court. As regards the third direction, namely, the restraint on transfer of immovable properties, save and except the Mulund property, this Court in the same order noted that that was the only construction site undertaken by the first Respondent company and the rest of the properties mentioned in the impugned order, namely, properties at Bandra, Borivali and Goregaon, were not the properties of the company. The third direction also, accordingly, was modified and effectively worked out by means of the interim orders passed by this Court. As regards the fourth direction, namely, joinder of the two parties, their joinder to the company petition was noted in the order passed by this court on 4 December 2013.

3 Learned Counsel for the parties agree that having regard to the fact that the status quo as modified by this Court, in terms of the orders noted above, has operated all this while and the company petition is now, in fact, ripe for hearing before the CLB, the present status quo, as altered by this Court, may be permitted to continue pending hearing of the original company petition and that the decision taken in the AGMs as well as Board of directors in the interregnum can be made subject to the final orders that may be passed by the CLB in the company petition. It is ordered, accordingly.

4 The parties shall be entitled to complete their pleadings before the CLB within a period of eight weeks from today. The Appellant herein, namely, the

Respondent to the company petition, shall complete its pleadings within a period of six weeks from today. Rejoinder, if any, by the original petitioners within two weeks thereafter. The CLB shall endeavour to dispose of the company petition as expeditiously as possible.

5 The appeal is disposed of accordingly.

(S.C. Gupte, J.)