

The Hon'ble Sri Justice C.V.Nagarjuna Reddy

Company Appeal No.11 of 2015

Date: 29.09.2015

Between:

Mr.Krishnan Premnarayan

..... Appellant

and

1.Serious Fraud Investigation Office

Ministry of Corporate Affairs

Prayavaran Bhavan New Delhi and 40 others

.....Respondents

**Counsel for the Appellant: Sri S.Niranjan Reddy
for Ms.Rubaina S.Khatoon**

Counsel for the respondents: None appeared

The Court made the following:

J u d g m e n t:

This Company Appeal is filed feeling aggrieved by Order, dated 06-08-2015, in C.A.No.190/CJ/2014, whereby the

Company Law Board (Principal Bench), had dismissed the application filed by the appellant for deleting his name from the array of parties in Company Petition No.3 of 2014.

I have heard Mr.S.Niranjan Reddy, learned Counsel for the appellant, and perused the record.

The reference made by respondent No.1 was entertained by the Company Law Board and registered as Company Petition No.3 of 2014 under Sections 388 B, 397/398 r/w 401, 402, 406 & 408 of the Companies Act, 1956 (for short 'the Act') on 04.08.2015. The appellant has been arrayed as respondent No.13 in the said Company Petition. He has filed the above-mentioned application for deletion of his name from the array of parties on the ground that he was merely a non-executive and independent Director in respondent No.1- Company, having been appointed as such on 26-10-2007 and resigned on 30-01-2012, and that, therefore, he was not involved in the affairs of the said Company. The Company Law Board, not being impressed with the request of the appellant, has rejected the said application.

At the hearing, the learned Counsel for the appellant submitted that the multiple prayers sought for in the Company Petition disclose that no substantive relief has been claimed against the appellant and that in the absence of any allegations of oppression and mismanagement by the appellant, the Company Law Board has committed an error in rejecting his application.

In my opinion, the proceedings under Sections 397 and 398 of the Act, pending before the Company Law Board, not being

criminal in nature, mere continuance of the appellant as a party thereto would not, in any manner, prejudice his interests. On the contrary, as observed by the Company Law Board, it is too premature to reach to a conclusion as to whether the appellant was involved in oppression and mismanagement of the affairs of respondent No.1- Company. Hence, the Company Law Board has rightly rejected his application and I do not find any question of law to interfere with the same in this Company Appeal filed under Section 10F of the Act.

For the abovementioned reasons, the Company Appeal is dismissed.

At this stage, the learned Counsel for the appellant submitted that as the time granted by the Company Law Board for filing the appellant's reply had expired, the time may be extended further. As I find this request reasonable, the time for filing reply by the appellant before the Company Law Board is extended by four weeks from today.

As a sequel to dismissal of the Company Appeal, Company Application No.1541 of 2015, filed by the appellant for interim relief, is disposed of as infructuous.

(C.V.Nagarjuna Reddy, J)

Dt: 29th September, 2015

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