

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
AT CHENNAI

(APPELLATE JURISDICTION)

Company Appeal (AT) (CH) No. 52/2026
(IA No. 772/2026)

In the matter of:

V Krishnaveni & 2 Ors.

... Appellants

Vs

**Sri Varadaraja Textiles
Pvt. Ltd. & 7 Ors.**

... Respondents

Present :

For Appellants : Mr. PH. Arvindh Pandian, Senior Advocate
For Mr. Sandeep Kumar Ambalavanan, Advocate

For Respondents : Mr. R. Vidhya Shankar, Advocate for R2 – R4, R6

ORDER
(Hybrid Mode)

05.10.2026: Heard Mr. R. Vidhya Shankar for the respondent. The learned counsel's statement was essentially twofold:

- a) On facts the respondent has alleged many times that he is prevented from participating in the board meetings. And that eventually culminated in an order of the NCLT dated 24.09.2025 wherein the NCLT was constrained to appoint an observer for the meeting. The next board meeting was scheduled to take place on 27.12.2025 but the respondent, an octogenarian, was admitted in the hospital on the previous date (26.12.2025). This is the last of the meeting to reckon the one-year period. In other words, the one-year period for the purpose of Section 167 of the Companies Act, 2013,

has been reckoned during the period when the tribunal has taken cognizance of an allegation of oppression and mismanagement at the instance of the respondent.

- b) Turning to the actual working of Section 167 is concerned, be it Section 283(1)(g) of the Companies Act, 1956, or Section 167 of the Companies Act, 2013, the act of absence must be voluntary. The Act uses the expression ‘absents himself’. The intent of the legislature set in the context is that where a member of the board does not show inclination to partake in the responsibility as a director, and not otherwise.

For continuation of the arguments, list this matter immediately after admission on **16.11.2026**.

[Justice N. Seshasayee]
Member (Judicial)

[Jatindranath Swain]
Member (Technical)

AR/LP/MS