

NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

Item No. 24

CA 303/2022 in CP 290/MB/2021

CORAM:

SH. PRABHAT KUMAR JUSTICE VIRENDRASINGH BISHT (Retd.)
HON'BLE MEMBER (TECHNICAL) HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF THE HEARING ON **05.02.2024**

NAME OF THE PARTIES: **UNION OF INDIA V/s VALUE INDUSTRIES LIMITED**

Section 241-242 of the Companies Act, 2013

ORDER

CA 303/2022 in CP 290/MB/2021

- 1) Mr. Sandeep Ladda, Ld. Counsel for the Applicant and Mr. Aditya Sikka, Ld. Counsel for the Union of India are present.
- 2) The present Company Application has been filed by the Applicant, Gayathri Ramanan Girish, against the Respondent, Union of India, Ministry of Corporate Affairs, for modification of interim order dated 31.08.2021, passed by this Tribunal in Company Petition bearing CP No. 290/MB/2021 and for receiving monthly allowance from her frozen bank account in order to manage basic day to day and medical expenditure of her family.
- 3) The Applicant herein is former Professional Non-Executive Director of **Value Industries Limited**, which is undergoing Corporate Insolvency

Resolution Process *vide* order dt. 05.09.2018. It is submitted that as a Professional, Non-Executive Director of the Company, the Applicant was not involved in the day to day affairs of the Company and hence, she should not be arraigned in any Criminal or Civil Proceedings under the Company Act by the Respondent herein, Union of India.

- 4) It is further averred that the Respondent herein have wrongly arraigned the Applicant as the Party to the main Company Petition. It is also submitted that the main Company Petition is based entirely on the Interlocutory Application seeking avoidance of certain transactions filed by the Resolution Professional u/s 43 of the Insolvency and Bankruptcy Code, 2016, and the Applicant was not even arraigned as the Party, in the Application filed by the Resolution Professional.
- 5) Further, the Applicant herein was appointed as an Additional Director, Professional, Non-Executive w.e.f. 31.03.2015; thereafter, she was appointed as Director, Professional, Non-Executive at the Annual General Meeting held on 30.06.2015 and was liable to retire by rotation. Further, the Applicant resigned from the Board of Directors of the Company w.e.f. 25.01.2018, and consequent to the cessions as Director of the Company, the Applicant is not associated with the Company. Moreover the Applicant was unaware of the purported fraud done by the Company and has no knowledge of the same. Being the Non-Executive Director, the Applicant did not have any involvement in respect of the day to day financial decisions taken by the

Company and was not even aware of the purported and alleged irregularities as mentioned in the Petition.

- 6) To buttress the argument, the Applicant herein has also relied upon Section 149(12) of the Companies Act, 2013, which reads as follows:

Section 149. Company to have Board of Directors

(12) Notwithstanding anything contained in this Act, —

- i. an independent director;***
- ii. a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.***

- 7) Thus, from the Section 149 of the Companies Act, 2013, quoted (supra), the Counsel submits that the Applicant is in no way involved in the purported fraud of the Company. It is further submitted that the reliefs granted *vide* the impugned order dt. 31.08.2021, have cut off all sources of funds available with the Applicant and her family and hence, the Applicant is even unable to pay off the day to day expenses, here daughter's educational expenses and medical expenditures. The Applicant is in dire need of Money

for the purpose of meeting daily requirement as well as her daughter's education and for the medical expenses.

- 8) Hence, this Application has been filed to modify the order dt. 31.08.2021 and the amount of Allowance required by the Applicant and her family be provided to the Applicant from her own bank Account which has been frozen, in the interest of justice.
- 9) Ld. Counsel for the Union of India submits that this Bench has already in other cases has permitted Applicants therein to withdraw an amount totalling to the tune of Rs. 2,00,000/- per Month only from the Bank Account of the Respective Applicants, and thus, further submits that he has no objection if the Bench permits the Applicant herein to withdraw an amount to the tune of Rs. 2,00,000/- from her bank Account to meet day to day, legal, medical exes.
- 10) In that view of the matter, having considered the submissions and on perusal of averments made in the Application, this Bench is satisfied and is of the considered view that the present Company Application is liable to be allowed and the same is allowed, thereby allowing the Applicant herein, **Ms. Gayathri Ramanan Girish** to withdraw an amount totalling to the tune of Rs. 2,00,000/-, per month in aggregate from all her Bank Accounts, to meet their household, day to day, legal and Medical expenses with effect from **February, 2024. The Counsel for the Applicant herein is directed to inform to Union of India about the utilization and usage of the money**

withdrawn from the said Account at half yearly interval, by way of an Affidavit.

- 11) With the aforesaid observations and directions, the Company Application bearing **CA No. 303 of 2022**, is disposed of as Allowed in terms of prayer clause of “(A)” of the present Application.
- 12) There would however be no order as to costs. Ordered Accordingly.

Sd/-

**PRABHAT KUMAR
MEMBER (TECHNICAL)**

Sd/-

**JUSTICE VIRENDRASINGH BISHT
MEMBER (JUDICIAL)**

Vedant Kedare