



## **CASE: RUPAK GUPTA Vs U.P. HOTELS LTD.**

### **Facts of the case:**

Rupak Gupta (Applicant) received a notice of Board Meeting on May 28, 2016 stating that a Board Meeting is going to be held on June 4, 2016 to select Company Secretary and to deal with any other matter with the permission of the Chairman.

But the applicant and his mother had already scheduled to travel overseas from the night of June 1, 2016 to June 14, 2016. So they suggested to the Respondent that meeting can be held either on June 1, 2016 or after June 14, 2016. However, Respondent rescheduled the meeting to June 1, 2016. But after two days i.e. 30 May 2016 the applicant received another notice of board meeting stating that board meeting was rescheduled to June 4, 2016.

Then the Applicant requested him to arrange for attending meeting through video conferencing for them. Initially the respondent agreed but on June 3, 2016 he mailed the applicant, that the applicant and his mother cannot take part in the meeting through video conferencing for non-compliance of Rule 3 of companies (Meeting of Board and its Powers) Rules, 2014. Respondent held the meeting without the presence of applicant and his mother and appointed a Company Secretary and Additional Director.

### **Final Decision and it's Basis:**

1. NCLT stated that as per Rule 3 of Companies (Meeting of Board and its Powers) Rules, 2014, if a director intends to participate through video conferencing or audio-visual means, he shall communicate his intention to the Chairperson or the company secretary of the company at the beginning of the calendar year and such declaration shall be valid for one calendar year.
2. In this case, applicant had already given his intention to attend the board meeting through video conferencing but respondent denied the applicant and his mother to attend the board meeting. Moreover on the date of meeting, when staff of applicant went to the place of board meeting for arranging video conferencing through skype, respondent had disconnected the Skype facility arranged by the staff.

*In this case NCLT rejected the respondent's contention that the intimation of video conferencing is not provided by the director in the beginning of the calendar year. Further, NCLT also stated that the resolution passed by the respondent without the presence of applicant and his mother is rejected and is invalid.*