

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF MARCH 2018

BEFORE

THE HON'BLE MR. JUSTICE SREENIVAS HARISH KUMAR

MISCELLANEOUS FIRST APPEAL No. 8545 OF 2017

C/W

MFA No.8554 OF 2017, MFA No.8562 OF 2017,

MFA No.8847 OF 2017, MFA No.8356 OF 2017

(GM-CPC)

In MFA No. 8545 OF 2017

BETWEEN

Mr. Madhukar G Angur,
S/o. Late, Mr. Gudappa Angur,
Aged about 61 years,
#48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.

...Appellant

(By Sri. K.G.Raghavan, Senior Advocate, for
Sri Renjith Shankar V, Sri S.Ismail Zabiulla & Sri
M.A.K.Usmani, Advocates)

AND

1. M/S. Alliance Business School
(A Company incorporated under
the provisions of the Indian Companies
Act, 1956, A Section 25 Company
(Section 8 under the Act of 2013)
Having its registered office at No.2
and 3, 2nd Cross, 36th Main, 2nd Cross,
Dollars scheme BTM 1st Stage
Bangaluru-560068.

Represented by Sri. Venkoba Gujjal,
Authorized agent and PA Holder
of the company under the
authority of the present board of
Alliance Business School.

2. Mrs. Priyanka B.S.,
Supposedly W/o. Dr.Madhukar G Angur,
Aged about 23 years,
C/o. 48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.

...Respondents

(By Sri. B.V.Acharya, Sri.Jayakumar S Patil & Sri
D.N.Nanjunda Reddy, Senior Advocates, along with Sri
M.S.Shyam Sundar, Sri Rohan Hosmath, Advocates)

This MFA is filed under Order XLIII Rule 1(r) of the
CPC, against the order dated 21.10.2017 passed on I.A.No.1
in O.S.No.5148/2017 on the file of the XLIII Additional City
Civil and Sessions Judge, Bangalore (CCH-44), allowing the
I.A.No.1 filed under Order 39 Rules 1 and 2 of CPC.

In MFA No. 8554 OF 2017

BETWEEN

Mr. Madhukar G Angur,
S/o. Late, Mr. Gudappa Angur,
Aged about 61 years,
#48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.

...Appellant

(By Sri. K.G.Raghavan, Senior Advocate, for
Sri Renjith Shankar V, Sri S.Ismail Zabiulla & Sri
M.A.K.Usmani, Advocates)

AND

1. M/S. Alliance Business School
(A Company incorporated under the provisions of the Indian Companies Act, 1956, A Section 25 Company (Section 8 under the Act of 2013)
Having its registered office at No.2 and 3, 2nd Cross, 36th Main, 2nd Cross, Dollars scheme BTM 1st Stage
Bengaluru-560068.

Represented by Sri. Venkoba Gujjal,
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Alliance Business School.

2. Mrs. Priyanka B.S.,
Supposedly W/o. Dr.Madhukar G Angur,
Aged about 23 years,
C/o. 48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.

...Respondents

(By Sri. B.V.Acharya, Sri.Jayakumar S Patil & Sri
D.N.Nanjunda Reddy, Senior Advocates, along with Sri
M.S.Shyam Sundar, Sri Rohan Hosmath, Advocates)

This MFA is filed under Order XLIII Rule 1(r) of the CPC, against the order dated 21.10.2017 passed on I.A.No.2 in O.S.No.5148/2017 on the file of the XLIII Additional City Civil and Sessions Judge, Bangalore (CCH-44), allowing the I.A.No.2 filed under Order 39 Rules 1 and 2 read with Section 151 of CPC.

In MFA No. 8562 OF 2017**BETWEEN**

Dr. Madhukar G Angur,
S/o. Late, Mr. Gudappa Angur,
Aged about 61 years,
#48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.

...Appellant

(By Sri. Vivek S Reddy, Senior Advocate, for
Sri Renjith Shankar V, Sri S.Ismail Zabiulla & Sri
M.A.K.Usmani, Advocates)

AND

1. M/S. Alliance University,
(A Private University Established under
An Act of the Government of Karnataka
Namely Alliance University Act 2010)
Having operations office at No.2 and 3,
36th Main, Dollors Scheme, BTM 1st Stage,
Bengaluru-560068.
And having its Campus at
Chikka Hagade,
Anekal, Chandapura Road,
Anekal, Bengaluru
By its Registrar,
2. Mrs. Priyanka B.S.,
Supposedly W/o. Dr.Madhukar G Angur,
Aged about 23 years,
C/o. 48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.
3. Mr. Satchidananda Rao,
S/o. Shri Rao Machineni,

Aged about 60 years,
R/o. House No.7.1.79 and 80,
Flat No. 506, Ananda Nilayam,
Amkeerpet, Hyderabad-500016.

4. Mr. Ravindra Reddy,
S/o. Late Mr. K.Yella Reddy
Aged about 51 years,
R/o. No.8-2-293/82/519F
Road No.28, Banjara Hills,
Hyderabad-500034.
5. Mohan Kumar.B.L.,
Aged about 45 years,
R/at No.2A/5, 4th Cross,
Meshwara Nagar, Jayanagar,
1st Block East, Bengaluru-560011.
6. Mr. Rajendrudu B.,
Father's name not known,
Aged major, #72, 3rd Cross,
Gauravnagar, Kothanur Road,
J.P.Nagar 7th Phase,
Bengaluru-560078.
7. Mr. K.S.Venkateshappa,
S/o. Seemanna,
Aged about 63 years,
C/o. Madhukar Angur,
R/at No.235, 5th Block,
Jayanagar, Bangalore city.
8. Mr. C.S.Ramesh,
Father's name not Known,
Aged major, No.18/13,
58th Cross, 6th Main,
IV Block, Rajajinagar,
Bengaluru-560010.

9. Mr. Sripad Markande,
Father's name not known,
Aged major, 106,
"Vishwa Vallabha Apartments"
4th Cross, Navodaya Nagar
JP Nagar, 7th Phase,
Bengaluru-575078.
10. Mr. B.K.Ravindra,
Father's name not known,
Aged major, Door No.2-107/1
Gandhiji Road, Mary-Hill,
Mangalore-575008.
11. Mr. Niranjana K.R.
Father's name not known,
Aged major, #22,
Sri. Raghavendra Nilayam,
7th Main, 12th Cross,
Shreyas Colony,
JP Nagar, 7th Phase,
Bengaluru-560078.
12. Mr. Kiran Hegde,
Father's name not known,
Aged major, #101,
Anekai-Chandapura Road,
Kavalahosahalli,
Bengaluru-562106.
13. Mr. Sherin Bovas,
Father's name not known,
Aged major, C/o. Ayurvedasala,
Ramaiah Reddy Colony.
(Nest to Tata Sherwood)/
(Adjacent to Samhita Square),
Basavanagar, Bengaluru-560037.
14. Ms. Deepa Ladawa
Father's name not known,

Aged major, Deshpande Foundations,
3rd Floor, Akshay Plaza,
Akshay Colony, Near Chetan College,
Sirur Park Road, Hubli-580021.

15. Mr. Rahul N. Borawane,
S/o. Narayana Borawane,
Aged major, "Matruchaya"
Near Agarwal Hospital,
Sanghrsh Chowk, Chandan Nagar
Pune-411014.
16. Mr. Syed Thousif,
S/o. Mr. Babu Ahmed,
Aged major, Siraj Layout Road,
Road No.5, Opposite Kidzee School,
Margandanahalli Village,
Hulimangala Post, Electronic City,
Phase 1, Bengaluru.
17. Mr. Somanna,
Father's name not known,
Aged major/about 50 years,
C/o. Madhukar Angur,
R/at No.235, 5th Block,
Jayanagar, Bengaluru City.
18. Mr. Chandrashekar,
Father's name not known,
Aged major/about 55 years
C/o. Madhukar Angur,
R/at No. 235, 5th Block,
Jayanagar, Bengaluru City.

...Respondents

(By Sri. B.V.Acharya, Sri.Jayakumar S Patil & Sri
D.N.Nanjunda Reddy, Senior Advocates, along with Sri
M.S.Shyam Sundar, Sri Rohan Hosmath, Advocates, for
C/R1)

This MFA is filed under Order XLIII Rule 1(r) of the CPC, against the order dated 21.10.2017 passed on I.A.No.2 in O.S.No.3932/2017 on the file of the XLIII Additional City Civil and Sessions Judge, Bangalore (CCH-44), allowing the I.A.No.2 filed under Order 39 Rules 1 and 2 read with Section 151 of CPC.

In MFA No. 8847 OF 2017

BETWEEN

Mr. K.S.Venkateshappa,
S/o. Seemanna,
Aged about 63 years,
R/at No.235, 5th Block,
Jayanagar,
Bangalore-560011.

...Appellant

(By Sri.Vivek S Reddy, Senior Advocate, for
Sri Renjith Shankar V, Sri S.Ismail Zabiulla & Sri
M.A.K.Usmani, Advocates)

AND

1. M/S. Alliance University,
(A Private University Established under
An Act of the Government of Karnataka
Namely Alliance University Act 2010)
Having operations office at No.2 and 3,
36th Main, Dollors Scheme, BTM 1st Stage,
Bengaluru-560068.
And having its Campus at
Chikka Hagade,
Anekal, Chandapura Road,
Anekal, Bengaluru
By its Registrar,

2. Dr. Madhukar G. Angur,
S/o. Late Mr. Gudappa Angur,
Aged about 61 years,
#48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.
3. Mrs. Priyanka B.S.,
Supposedly W/o. Dr.Madhukar G Angur,
Aged about 23 years,
C/o. 48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.
4. Mr. Satchidananda Rao,
S/o. Shri Rao Machineni,
Aged about 60 years,
R/o. House No.7.1.79 and 80,
Flat No. 506, Ananda Nilayam,
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5. Mr. Ravindra Reddy,
S/o. Late Mr. K.Yella Reddy
Aged about 51 years,
R/o. No.8-2-293/82/519F
Road No.28, Banjara Hills,
Hyderabad-500034.
6. Monan Kumar.B.L.,
Aged about 45 years,
R/at No.2A/5, 4th Cross,
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1st Block East, Bengaluru-560011.
7. Mr. Rajendrudu B.,
Father's name not known,
Aged major, #72, 3rd Cross,
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Bengaluru-560078.

8. Mr. C.S.Ramesh,
Father's name not Known,
Aged major, No.18\13,
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IV Block, Rajajinagar,
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9. Mr. Sripad Markande,
Father's name not known,
Aged major, 106,
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Father's name not known,
Aged major, Door No.2-107/1
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Mangalore-575008.
11. Mr. Niranjana K.R.
Father's name not known,
Aged major, #22,
Sri. Raghavendra Nilayam,
7th Main, 12th Cross,
Shreyas Colony,
JP Nagar, 7th Phase,
Bengaluru-560078.
12. Mr. Kiran Hegde,
Father's name not known,
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Kavalahosahalli,
Bengaluru-562106.
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Father's name not known,

Aged major, C/o. Ayurvedasala,
Ramaiah Reddy Colony.
(Nest to Tata Sherwood)/
(Adjacent to Samhita Square),
Basavanagar,
Bengaluru-560037.

14. Ms. Deepa Ladawa
Father's name not known,
Aged major, Deshpande Foundations,
3rd Floor, Akshay Plaza,
Akshay Colony, Near Chetan College,
Sirur Park Road, Hubli-580021.
15. Mr. Rahul N. Borawane,
S/o. Narayana Borawane,
Aged major, "Matruchaya"
Near Agarwal Hospital,
Sanghrsh Chowk, Chandan Nagar
Pune-411014.
16. Mr. Syed Thousif,
S/o. Mr. Babu Ahmed,
Aged major, Siraj Layout Road,
Road No.5, Opposite Kidzee School,
Margandanahalli Village,
Hulimangala Post, Electronic City,
Phase 1, Bengaluru.
17. Mr. Somanna,
Father's name not known,
Aged major/about 50 years,
C/o. Madhukar Angur,
R/at No.235, 5th Block,
Jayanagar, Bengaluru City.
18. Mr. Chandrashekar,
Father's name not known,
Aged major/about 55 years
C/o. Madhukar Angur,

R/at No. 235, 5th Block,
Jayanagar, Bengaluru City.

...Respondents

(By Sri. B.V.Acharya, Sri.Jayakumar S Patil & Sri
D.N.Nanjunda Reddy, Senior Advocates, along with Sri
M.S.Shyam Sundar, Sri Rohan Hosmath, Advocates, for R1)

This MFA is filed under Order XLIII Rule 1(r) of the
CPC, against the order dated 21.10.2017 passed on I.A.No.2
in O.S.No.3932/2017 on the file of the XLIII Additional City
Civil and Sessions Judge, Bangalore (CCH-44), allowing the
I.A.No.2 filed under Order 39 Rules 1 and 2 read with
Section 151 of CPC.

In MFA No. 8356 OF 2017

BETWEEN

1. M/S. Alliance Business School
(A Company incorporated under
the provisions of the Indian Companies
Act, 1956), A Section 25 Company
(Section 8 under the Act of 2013)
Having its registered office at No.2
and 3, 2nd Cross, 36th Main, 2nd Cross,
Dollars scheme BTM 1st Stage
Bengaluru-560068.

Represented by Sri. Venkoba Gujjal,
Authorized agent and PA Holder
of the company under the
authority of the present Board of
Alliance Business School.

2. Shri. Sudhir Angur,
S/o. Shri. Guddappa Angur,
Aged about 53 years,

Managing Director,
M/s. Alliance Business School,
No.100, 34th Main, 2nd Cross,
Dollars Scheme, BTM I Stage,
Bangalore-560068.
Represented by its Director
Smt. Shaila Chebbi Govind.

3. Shri. Prakash Budoor,
S/o. Shri. B. Siddappa,
Aged about 39 years,
Director,
M/s. Alliance Business school,
No.100, 34th Main, 2nd Cross,
Dollars Scheme, BTM I Stage,
Bangalore-560068.
4. Smt. Shaila Chebbi Govind,
W/o. Shri. G.B.Chebbi,
Aged about 56 years,
Director,
M/s. Alliance Business School,
No.100, 34th Main, 2nd Cross,
Dollars Scheme, BTM I Stage,
Bangalore-560068.
5. Smt. Mala Madikeri Srinivas Gouda,
W/o. Dr. Srinivas Gouda,
Aged about 54 years,
Occupation: Director,
M/s. Alliance Business School,
No. 100, 34th Main, 2nd Cross,
Dollars Scheme, BTM I Stage,
Bangalore-560068.
6. Shri. Abhay Govind Chebbi,
S/o. Shri. G.B.Chebbi,
Aged about 30 years,
Direcor,
M/s. Alliance Business School,

No.100, 34th Main, 2nd Cross,
Dollars Scheme, BTM I Stage,
Bangalore-560068.

7. Shri. Krishna Mohan Ramineni,
S/o. Shri. Ramineni,
Aged major,
Director,
M/s. Alliance Business School,
No.100, 34th Main, 2nd Cross,
Dollars Scheme, BTM I Stage,
Bangalore-560068.

All represented by
Shri. Sudhir Angur

...Appellants

(By Sri. B.V.Acharya, Sri.Jayakumar S Patil & Sri
D.N.Nanjunda Reddy, Senior Advocates, along with Sri
M.S.Shyam Sundar, Sri Rohan Hosmath, Advocates)

AND

1. The Registrar of Companies Karnataka,
(Ministry of Corporate Affairs,
Government of India), E wing, 2nd Floor,
Kendriya Sadan, Koramangala,
Bangalore-560034.
2. The Regional Director,
South Eastern Region (SER),
Ministry of Corporate Affairs,
3rd Floor, Corporate Bhavan,
Bandlaguda, Nagole,
Tattiannaram Village,
Hayat Nagar Mandal,
Ranga Reddy District,
Hyderabad-500068.

3. The Ministry of Corporate Affairs,
Government of India,
A Wing, Shastri Bhavan,
Rajendra Prasad Road,
New Delhi-110001.
Represented by its
Principal Secretary.
4. Dr. Madhukar G. Angur,
S/o. Late Mr. Gudappa Angur,
Aged about 61 years,
#48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.
5. Mrs. Priyanka B.S.,
Supposedly W/o. Dr.Madhukar G Angur,
Aged about 23 years,
C/o. 48A, 27th Main,
1st Cross, BTM 1st Stage,
Bangalore-560068.

...Respondents

(By Sri. Chandrashekar L, Advocate, for R4)

This MFA is filed under Order XLIII Rule 1(r) of the CPC, against the order dated 21.10.2017 passed on I.A.No.1 and 3 in O.S.No.4202/2016 on the file of the XLIII Additional City Civil and Sessions Judge, Bangalore (CCH-44), dismissing the I.A.No.1 filed under Order 39 Rules 1 and 2 read with Section 151 of CPC and allowing I.A.No.3 filed under Order 39 Rule 4 read with Section 151 of CPC.

These MFAs coming on for further arguments this day, the Court delivered the following :

JUDGMENT

Two Appeals, MFA No.8545/2017 and MFA No.8554/2017 filed under Order XLIII Rule 1(r) CPC arise out of the suit O.S.5148/2017, instituted by Alliance Business School at the City Civil Court, Bengaluru. The appellant and the second respondent are defendants 1 and 2 respectively. The said suit is for permanent injunction to restrain the defendants from claiming or representing or posing as the Managing Director or Director or Shareholder of the plaintiff company at any place or circumstance. In the said suit, the plaintiff filed two applications, IA.1 and IA.2 under Order XXXIX Rules 1 & 2 Code of Civil Procedure (hereinafter for short referred to as 'CPC') for temporary injunction pending disposal of the suit. Under IA.1, the plaintiff sought restraintment of the defendants from interfering with management affairs and administration of the plaintiff company. In the second application for temporary injunction, the plaintiff sought restraintment of the defendants from representing or claiming as Managing Directors or Shareholders of the Company. Since these two

applications stood allowed by the trial court by its common order dated 21.10.2017, the first defendant has preferred these appeals.

2. Other two appeals, MFA No. 8562/2017 and MFA No. 8847/2017, arise from an order passed on IA No.2 filed under Order XXXIX Rules 1 & 2 of CPC in O.S. 3932/2017 instituted by Alliance University for permanent injunction to restrain the defendants from entering upon the University campus and causing obstruction in any manner to the administration of the University. The interim application for temporary injunction was allowed; the first and the seventh defendants respectively in the suit have challenged this order by filing separate appeals.

3. MFA No.8356/2017 arises out of the suit, O.S.4202/2016, filed by Alliance Business School and others against Registrar of Companies and others for multiple prohibitory injunctions and mandatory injunction. In this suit also the plaintiffs claimed temporary injunction in line with main reliefs by filing two applications IA.1 and IA.2. To

vacate the order of ex parte injunction granted at the inception, the defendant filed an application, IA.3, under Order XXXIX Rule 4 of CPC. This application having been allowed and temporary injunction vacated by the trial court, the plaintiffs have preferred this appeal.

4. In the suit O.S.5148/2017, it is mainly pleaded that the plaintiff, i.e., Alliance Business School (referred to as 'company' hereinafter) is a Section 25 company, which is a sponsoring body and controlling authority of Alliance University, Bengaluru, (referred to as 'University') established in terms of the Alliance University Act, 2010. The present Directors of the company are Sudhir Angur, Smt. Shailaja Chebbi, Smt. Mala S.Gowda, Sri. Prakash Siddappa, Sri. Krishna Mohan Ramaneni and Abhay Chebbi. Sri. Sudhir Angur is the Managing Director and others are the Directors.

5. The company was founded by Smt. Shailaja Chebbi and Smt. Mala S.Gowda (referred to as 'founders'), with a share holding of 50% each. Sudhir Angur gave a portion of

his property, No. 2 and 3, 36th Main, Dollars Scheme, BTM Layout, I Stage, Bengaluru, for establishing the company, and it was in this place the company started business management school. Sudhir Angur, had an Educational Trust called Sainath Educational Trust, and he was only guiding the founders of the company in running the business school. But Sudhir Angur had to face some problems within his family; his wife as also father-in-law made allegations against him that the company and its educational institutions actually belonged to them and that Shailaja Chebbi and Mala S.Gowda were only name lenders. These developments prompted the founders to park their shares of the company temporarily in a trust worthy person, and thus they transferred their shares to Mr.Madhukar Angur (the first defendant) by inducting him as a Director of the company. It is stated that the shares were transferred to Madhukar Angur in good faith without consideration and obtaining a promise from him that he would return the shares to the founders as and when requested. Madhukar Angur was made Managing Director of the company, and

after establishment of the University, he became its founder chancellor also.

6. It is further pleaded that once Madhukar Angur got access to the financial side of the company and also its institutions, he indulged in bizarre life style and started looting the funds to meet his needs. As the founders sensed of this, they checked the account books and came to know the huge misappropriation. It was at that point of time that the founders decided to take back their shareholdings from Madhukar Angur, and with the intervention and persuasion by the family members and the family friends, Madhukar Angur agreed for transferring 43% shares of the company to Smt. Mala Srinivasa Gowda. On 5.10.2011 he transferred 38% of the shares to Mala Srinivasa Gowda and 5% to her husband, Srinivasa Gowda. He promised to transfer remaining 57% shares after bank and audit clearance.

7. The founders, having acquired the shares continued to manage the company with the guidance of their brother Sudhir Angur. During May 2013, the company

availed loan of Rs.70 crore and purchased approximately 27 acres of land and built up area of 6,00,000 square feet located at Chikka Hegade Cross, Anekal-Chandapura Road, Bengaluru Rural District and another landed property to an extent of 0.5 acres with built up area of 35,000 square feet. These transactions were dealt with actually by the founders of the company although Madhukar had continued as Managing Director of the company and the Chancellor of the University having signing authority even after transferring his share to the founders.

8. It is pleaded that Madhukar Angur married a girl, Priyanka i.e., second defendant hailing from a very poor family; and playing fraud and forgery, they knocked of 43% shares of Mala Gowda and her husband Srinivasa Gowda by showing that on 25.03.2014, there was transfer of these shares to the name of the second defendant. Discreet enquiry made in this regard showed that Madhukar Angur had conspired with the second defendant, one Rajendradu and some others. Mala Gowda wanted to lodge a complaint, but she did not take any action, as her father and other

relatives stopped her from taking action. But after several rounds of talks, Madhukar Angur, Priyanka and their aids were asked to leave the organization and told that criminal action would be taken if they would not leave. Finally, Madhukar Angur agreed for resigning from the posts which he held. On 4.3.2015, Board Meeting of the company was held to pass a resolution for appointing Prakash Siddappa and Abhay Chebbi as Additional Directors. On 5.3.2015, another meeting was held, Madhukar Angur, Sachidananda Macheneni and Krishna Mohan Ramaneni resigned from directorship. Then Madhukar Angur and Priyanka transferred their shares (49% held by Madhukar Angur and 43% held by Priyanka) to Abhay Chebbi and Prakash Siddappa respectively. All the legal and procedural formalities in relation to this transfer of share were complied with, consideration amount for transferring the shares was paid to them, and Madhukar Angur promised to provide his digital signature for uploading the transfer transaction to the portal of Registrar of Companies.

9. Having agreed to provide his digital signature, Mr. Madhukar Angur, with his supporters, switched over to his vile intentions, and to undo the transfer of shares, he threatened the founders, their nominees and others to return all the original documents including share transfers. To achieve this end he brought third forces to disturb the serene atmosphere of the university campus. With an intention to bamboozle and murk the situation more, he tampered with the digital signature of his ex-wife Mrs.Vani B. Rao and elevated her to the status of additional director. He also made his wife Priyanka B.S. as an additional director. When the founders and the additional directors appointed by them told Madhukar Angur of legal action against him, he feared it and said that he would give his digital signature for uploading the transactions of appointing Abhay Govind Chebbi and Prakash Siddappa as additional directors. On 11.04.2015, a meeting was held to accept the resignation of Smt. Priyanka and induction of the founders back into board of directors. Later on it came to light that on 06.03.2015 itself, Madhukar Angur had given a false

complaint against all of them alleging that they took away certain documents and deposited certain amounts in his bank account to show as if they had purchased shares from him; he alleged forgery, but the police filed 'C' report in respect of this complaint.

10. Thus the company was reconstituted with Shri. Abhay Chebbi, Sri. Prakash Siddappa , Smt. Shaila Chebbi and Smt. Mala Gowda as it directors. But on 13.04.2015, Madhukar Angur made another false police complaint alleging forgery of his digital signature in relation to uploading. He also got filed a suit, O.S.No.3395/2015, seeking certain declaratory reliefs through his aid Mr. Rajendradu, against the founders and Shaila Chebbi, Mala Madikeri, Abhay Chebbi and Prakash Siddappa. No relief was granted in the suit. He also got filed two more complaints from Priyanka and Krishna Mohan Ramaneni. The Anekal Police registered those complaints and then filed charge sheets also in connection with offences punishable under Sections 65, 66(B), 71, 73 and 74 of the Information Technology Act and Sections 465, 468, 469, 471, 474, 476

read with Section 34 of IPC. Later on these charge sheets were quashed by the High Court.

11. It is further pleaded that in spite of all these transactions, Madhukar Angur continued as Chancellor of the University, his removal was kept pending as legal advice was sought in this regard. Suspecting malafide action from him, and learning that he had made a complaint to ROC, a suit O.S.No.25382/2015 was filed by the company, the founders and the newly inducted directors against the ROC, the Ministry of Corporate Affairs, Madhukar Angur and others. In the said suit an interim injunction restraining ROC from making any changes was passed. In the meantime, settlement talks were held, and in this background, an undertaking was given before the court where O.S.25382/2015 was pending, stating that no uploading to the portal of ROC would be made without permission of the court. Madhukar also agreed for withdrawing the suit O.S.No.3395/2015. Therefore the uploading made by the founders stayed as it was. But pursuant to false complaint made by Madhukar Angur, the

ROC issued show cause notice to the founders on 07.05.2015 regarding sustainability of uploadings.

12. Madhukar Angur also obtained the signatures of Abhay Chebbi and Prakash Siddappa on 2 set of stereo type letters and submitted them to ROC, seeking to cancel the uploading (SRN) of appointment of Directors. Based on the said letters, the ROC cancelled the SRN on technical grounds and directed the founders, Abhay Chebbi and Prakash Siddappa to upload the papers anew. This was part of settlement and clearing process, and the next item was to withdraw O.S.No.3395/2015. The founders, on the legal advice given to them decided to withdraw their suit O.S.No.25382/2015 in order to file a fresh suit. On 05.02.2016, they filed O.S.No.1094/2016 for injunction against Madhukar Angur and others to restrain them from interfering with management of the company. They also decided to initiate disciplinary proceedings against Madhukar Angur.

13. It is pleaded that one Dr. Usha Madalli also made a complaint against Madhukar Angur alleging rape and severe mental harassment of her psychologically weak daughter. In O.S.No.1094/2016, the court granted an ad interim injunction restraining Madhukar Angur and his associates from interfering with affairs of the company. Madhukar was also suspended from the post of Chancellorship of the University. An enquiry committee was appointed by the company (sponsoring body). Madhukar Angur was asked to appear for enquiry on or before 05.03.2016. On 07.04.2016, by passing a detailed order, the company, ie., the sponsoring body exercised authority under Section 11 of the Alliance University Act and dismissed Madhukar Angur from the post of Chancellor. In the meantime one Shreya Sanjiv, who had acquired the share interest in the company by transfer of shares from Shivappa Mantur, also filed a suit O.S.No.2911/2016 against Madhukar Angur, and in the said suit, she impleaded the founders as defendants. The court granted an interim injunction against Madhukar Angur and others. On

15.04.2016, the Board of the Company appointed Sudhir Angur as Additional Director. On 05.05.2016, Sudhir Angur acquired shares to the extent of 26.4% by way of purchase from Prakash Siddappa and Krishna Mohan Ramaneni. Later, he was also appointed Director and Managing Director of the company on 28.05.2016. Madhukar Angur filed one more suit, O.S.No.3006/2016 against the founders of the company and sought some interim orders by falsely claiming as Chancellor. The said suit was opposed by the University represented by its Registrar. The founders and other Directors of the company, who were also arrayed as defendants in the said suit, opposed the suit by filing counter claim.

14. It is stated that after dismissal of Madhukar Angur from the post of Chancellor, the sponsoring body appointed Sudhir Angur as the Chancellor of the University. The University filed a separate suit against Police Officials to stop them from supporting Madhukar Angur, who got himself impleaded in the said suit. Number of directions to police were also issued in the said suit. In the meantime,

the government appointed a committee headed by Prof. Savadatti to enquire into illegalities committed by Mr. Madhukar Angur. But he did not participate before the committee. It gave a report that Mr. Madhukar Angur was guilty of misdeeds and embezzling of nearly 100 crores of University funds. Since Madhukar Angur and his supporters barged into university with huge gang of anti-social elements, applications were filed in O.S.No.25394/2016 seeking direction to police to remove Madhukar Angur and his supporters from the university; and the court, after hearing, ordered the police to afford protection to the founders. Madhukar challenged the order of temporary injunction granted in the O.S.No.2911/2016, filed by Shreya Sanjeev, by filing an appeal, MFA 4187/2016 and obtained stay of the said order, but the said appeal was dismissed. Before dismissal of the order, since there was an order of stay, Madhukar Angur started interfering with University activities, and therefore the staff members of the University filed suit O.S.No.4540/2016 and obtained an order of injunction. Mr. Madhusudan Misra, acting as the

Registrar of the University also filed a suit, O.S.No.25699/2016 seeking an order of injunction against Madhukar Angur and his aids. In the meantime Company Appeal filed by Ravindra Reddy came to be dismissed by the High Court holding that the parties could approach civil court; the supreme court also dismissed the SLP(Civil) CC 4388/2017 and SLP(Civil) CC 8854/2017 filed by Ravindra Reddy. The High Court also quashed all the FIR's and charge sheets arising out of the complaints made by Madhukar Angur and his wife. MFA 6011/2016 was also dismissed observing that Madhukar Angur could not have filed O.S.No.3011/2016 and allowed another MFA 6012/2016 which was filed challenging the order of injunction granted in favour of founders. But the appeal filed by Madhukar Angur, MFA 6346/2016 was allowed observing that Madhusudhan Misra had not produced proper authorization to file the suit O.S.No.25699/2016. This Court also allowed MFA 6200/2016 filed by Madhukar Angur on the ground that Shreya Sanjeev had no proper

locus to file the suit to protect the company and its university.

15. Giving all these details, the plaintiff pleaded that Madhukar Angur, his wife and aids breached the interim orders on several occasions, by interfering with management of plaintiff company though they were rank outsiders and had no legal right to assert any right in the plaintiff company. In the plaint some instances of interference made by Madhukar Angur and other defendants are given. It is also alleged that Madhukar Angur claiming to be Managing Director and shareholder of the plaintiff company raised loans in huge sums and gave number of signed documents promising them a share in the University. He also tried to tamper with the records in the office of ROC by taking some of the officials in that office into confidence. Thus alleging unlawful acts and interference by Madhukar Angur and other defendants, the company filed the suit for the reliefs aforementioned. Along with the plaint, they also filed applications for temporary injunction, stating that they have made out prima facie case; balance of convenience lies in

their favour and the company will suffer irreparable loss and injury if temporary injunction is not granted.

16. The defendants' contentions are that the person who has represented the company, Sri. Venkoba Gujjal is an imposter. He is a fraud, and that he was also arrested by CBI for committing offences during his earlier days. He has no authority to represent the company.

17. In regard to allegations made against them by the plaintiffs, it is stated that at no point of time Madhukar Angur transferred his shares to anybody. He also did not resign from the company. Documents were created to show that he transferred his shares and that he also resigned from the company. Therefore he filed complaint before Registrar of Companies on 14.03.2016 seeking to initiate action against those who were involved in creation of false documents. It is stated that the defendants are not outsiders. The truth in all other paragraphs of the affidavits filed by the plaintiff is denied. They state that the present suit is nothing but misuse and abuse of process of law. In

the other suits also, same pleas are taken, therefore it is not necessary to refer to them here.

18. For allowing the applications for temporary injunction in the suits O.S.No.5148/2017 and O.S.No.3932/2017, the trial court has recorded the following reasons :

- a) The real dispute started after the meeting held on 04.03.2015, the parties have come up with different versions.
- b) The documents produced by the plaintiff show that Madhukar Angur transferred 63700 shares to Abhay Chebbi, and 58800 shares to Mala Gowda. Likewise Priyanka B.S. transferred 56000 shares to Prakash Siddappa and 51500 shares to Shivappa Mantur. There are documents which show passing of consideration amount to Madhukar Angur and Priyanka. Plaintiff has produced documents showing resignation of Priyanka in a Board meeting held on 11.04.2015, and this resignation was accepted on 13.04.2015, these transactions were uploaded to the

portal of ROC. But in regard to these transactions, Madhukar Angur, Priyanka and Krishna Mohan Ramaneni filed complaints alleging forgery by misusing digital signatures and these complaints were quashed by the High Court.

- c) The plaintiff's stand that Madhukar Angur was terminated from the post of Chancellor is believable. On 07.04.2016, Madhukar Angur was dismissed from the post of Chancellor in accordance with Section 11 of the Alliance University Act and this dismissal was also informed to Government. In this regard, reference is made to order passed by this court in MFA 6011/2016 and MFA 6012/2016 in which is held that appointment of the first chancellor for life does not deprive the Sponsoring Body of its powers to terminate the services of its first chancellor if necessary. In view of this, Madhukar Angur's dismissal is valid and legal. Madhukar Angur filed a suit O.S.3395/2015 and later on he did not press this

suit; it was dismissed. Therefore, Madhukar Angur is no more Chancellor of the University.

- d) Sudhir Angur was appointed as the Chancellor on 15.04.2016. His appointment is not disputed by Madhukar Angur and his other defendants. Dismissal of Madhukar Angur and appointment of Sudhir Angur were made by the Sponsoring Body after passing resolutions which are not challenged by Madhukar Angur.
- e) The contention that the present suits are not maintainable in view of earlier suit O.S.No.25699/2016 for the same relief is not tenable. Cause of action to initiate suit for injunction is recurring. The plaintiff's have complied with all the observations made by this court in MFA 6343/2016, the university represented by its Registrar has filed the suit.
- f) The court has to assess the existence of prima facie case on the basis of pleadings and materials placed by the parties. Therefore, the website of ROC shows that

on the date of suit, Sudhir Angur is the Managing Director and Shaila Chebbi, Mala Gowda, Krishna Mohan Ramaneni, Prakash Siddappa and Abhay Chebbi were the other Directors. The defendants dispute these uploading to the portal and they have made complaints also. But the ROC cannot look into the complaint made by Madhukar Angur, as it is held by the Company Law Board in a company petition, COP 10/2015, preferred by Ravindra Reddy that title dispute can be decided by a Civil Court only.

- g) Madhukar Angur withdrew the suit O.S.3395/2015. This shows that Sudhir Angur became the Managing Director and Shaila Chebbi, Mala Gowda and others became the directors. Resignation of Madhukar Angur and his wife cannot be ignored. Transfer of shares by them cannot also be ignored.
- h) The contention that in view of cancellation of uploading of transfer of shares by the ROC, the defendants' position as Directors and shareholders of the company was restored, cannot be accepted.

Though this contention has logic, it can be appreciated only after full fledged trial. Filing of papers with ROC is just an incidental act and it would not alter whatever that had happened, the resignation would operate from the date of its tender. Withdrawal of O.S.3395/2015 has its own effect as it was suit for declaration with regard to status of Shaila Chebbi, Mala Gowda, Prakash Siddappa and Abhay Chebbi as shareholders of the company. Madhukar Angur did not reserve right to file fresh suit on the same cause of action. Since it has reached finality, the said persons are the present Directors.

- i) The contention that civil court has no jurisdiction has no force at all. Civil court has jurisdiction. In COMPA. 8/2016, it is held that Civil Court has jurisdiction. Section 430 of the Companies Act is not a bar. Civil court has jurisdiction to entertain injunction suits. Venkoba Gujjal has locus standi to file the suit as he is authorized to represent the company.

j) It is stated that first defendant is the Chancellor of Alliance University, this shows that defendants are interfering with day to day affairs of Alliance University. The plaintiffs have demonstrated interference, and thus prima facie case is made out. Balance of convenience lies in favour of plaintiff and if temporary injunction is not granted, irreparable loss would be caused to the plaintiff.

19. In O.S.4202/2016, the plaintiffs are Alliance Business School, Sudhir Angur and others; They sought temporary injunction to restrain the defendants namely, Registrar of Companies and others from making the company 'Alliance Business School' as "Management Dispute Company" in their records and 'WEB PORTAL'. An exparte order of temporary injunction, which had been granted at the threshold, was vacated upon an application made by the defendants under Order XXXIX Rule 4 CPC. The trial court vacated the interim order, mainly on the ground that much before suit was filed, on 02.06.2016 itself Registrar of Companies had already marked, 'Management dispute' with

respect to Alliance Business School. The trial court has observed that the suit was infructuous though it has upheld the other pleas taken by the plaintiffs in this suit as regards transfer of shares by Madhukar Angur and his wife and dismissal of Madhukar Angur from Chancellorship of the University.

20. Assailing the findings of the trial court, senior counsel appearing for the appellants and the respondents in all the appeals addressed lengthy arguments. The learned counsel, Sri. K.G.Raghavan appearing for appellants in MFA 8545/2017 and MFA 8554/2017 produced some documents along with an application under Order 41 Rule 27 CPC, the senior counsel appearing for respondents said no objection for this application. Therefore these documents are taken on record. They will be referred to at appropriate stage.

21. The main points urged by Sri. K.G.Raghavan are :

- i) The plaint in O.S.5148/2017 states about existence of dispute among the Directors of the company with regard to title over shares of

the company. This dispute cannot be decided in a civil court, Section 430 of the Companies Act bars this kind of dispute being decided by a civil court. The trial court has wrongly held that suit is maintainable. Comprehensive proceeding has already been initiated before National Company Law Tribunal (NCLT). An interim order has been passed by NCLT, this order binds all the parties. Therefore a separate suit is not maintainable. Civil court should have said that it has no jurisdiction.

ii) Civil court has ignored the order passed in W.P.19462-19467/2016. This point can be examined in these appeals.

iii) The interim order passed by the NCLT was challenged in W.P.52446-52449/2017. These writ petitions were withdrawn by the respondents. Therefore the effect of this withdrawal is that the parties must go for adjudication of their dispute before NCLT.

- iv) The trial court has misinterpreted the withdrawal of O.S.3395/2015. This suit was not filed by Madhukar Angur, The suit was filed by Alliance Business School. The company withdrew its suit. The entire findings of the trial court is that Madhukar Angur is the plaintiff, and he withdrew the suit, these findings are incorrect.
- v) The main reliefs sought in the suit cannot be granted. Suit is not maintainable. Therefore temporary injunction should not have been granted.
- vi) There was no transfer of shares. Uploading of transfer of shares on the portal of ROC was made fraudulently. Immediately Madhukar Angur took action by lodging complaint before ROC, who took immediate action for cancellation of transfer of shares. The trial court has ignored this issue.

- vii) Alliance Business School is a third party with regard to nature of dispute between shareholders. Company is a separate entity, it cannot file a suit when there is dispute between two groups regarding ownership over shareholdings. Sudhir Angur is behind litigation, he is shooting from the shoulders of university. Sudhir Angur and other plaintiffs should have instituted a suit for declaration of their title, a bare suit for injunction is not maintainable.
- viii) The plaintiff has suppressed the fact that Savadatti report is challenged in a writ petition.
- ix) When the trial court observes that position or status after 04.03.2015 are not clear, it should not have granted injunction, the best order would have been to restore the status before 04.03.2015.

- x) Findings regarding existence of prima facie case, balance of convenience and comparative hardship are wrong.

22. Sri. Vivek Reddy, senior counsel appearing for appellants in MFA 8562/2017 raised the following points:

- i) O.S.3932/2017 is a suit filed by Alliance University. Madhusudhan Misra claims to be its Registrar. Misra is not the Registrar. Therefore, framing of suit is bad.
- ii) There was no properly constituted sponsoring body. The trial court should have examined this aspect, it should have been held that Madhusudhan Misra was not appointed as Registrar of the University.
- iii) This suit is a mirror image of earlier litigation.
- iv) The High court, in MFA 6011/2016 and MFA 6012/2016 ruled that founder director can also be removed or terminated. But, the High Court did not say that Madhukar Angur was

terminated. There is no evidence that he was terminated.

- v) Plaintiffs have played fraud by forging the digital signatures.
- vi) Approach of the trial court is wrong; withdrawal of O.S.3395/2015 is mainly considered. This shows complete non-application of mind.
- vii) The court should have taken 04.03.2015 as the starting point of lis, and the position on that day should be restored.
- viii) On 02.06.2016 the same court rejected injunction against ROC in O.S.4202/2016. This order is in conflict with the orders in other two suits where temporary injunction has been granted.
- ix) Fact of marking "Management Dispute Company" is suppressed in the plaint.
- x) The trial court has not addressed the core issue as to who was the properly appointed Chancellor.

**Argument of Sri. B.V.Acharya and Sri. Jayakumar S.Patil,
for respondents.**

23. By Sri. B.V.Acharya

- i) Registrar of Companies invalidated the transfer of shares because of technical defects pointed out by him, they were cured. This does not mean that invalidity was accepted and rights over the shares were given up.
- ii) Allegation of fraud in transfer of shares is the modus operandi of Madhukar Angur. Based on an opinion given by a private handwriting expert, charge sheet was filed. Order of High Court in W.P.19462-19467/2016 makes this position clear.
- iii) High Court observed that suit should have been filed by the University. The injunction order in the suit was in force for more than a year. He was validly appointed as registrar on 16.08.2016.

- iv) The first Chancellor of the university can also be removed, lifetime Chancellor does not mean that he cannot be removed. On 11.02.2016, notice was issued to Madhukar Angur for his removal. He did not reply. An enquiry was held thereafter and report was given. Madhukar Angur was terminated, he did not challenge this order. Therefore he cannot claim administration over university.
- v) Government ordered another enquiry by Prof. Savadatti against Madhukar Angur. Except on one date he did not appear before this enquiry committee. This report might have been challenged in a writ petition, but the conduct of Madhukar Angur can be noticed.
- vi) From 12.04.2016 to 16.05.2017, order of injunction was in force against Madhukar Angur. During this period the present suits are filed after curing defects which were pointed out by the High Court. If the management of the

university was taken in violation of temporary injunction order, it cannot be accepted, it is illegal.

- vii) The trial court has rightly held that the plaintiffs have made out prima-facie case. Balance of convenience must be appreciated taking into consideration the aspects such as,-interest of the students, Madhukar Angur not challenging his removal, enquiry committees giving reports against his moral turpitude.
- viii) In an appeal under Order 43 CPC, there cannot be interference with trial court's order unless the order challenged appears to be capricious and arbitrary, and direction has not been exercised properly. Even if two views are possible, the trial court's order should not be disturbed.
- ix) Invalidation of uploading of transfer of shares cannot be linked with removal of Madhukar Angur from chancellorship. Both must be viewed independently.

- x) There was no question of fraud.

By Sri. Jaya Kumar S. Patil

24. Adopting the argument of Sri. B.V.Acharya, the learned senior counsel submitted that Madhukar Angur wanted to get impleaded in the suit O.S.7502/2016, his application was dismissed. In the said order it is observed that Sudhir Angur is in-charge of the university. He also referred to an order passed in O.S.373/2017 and submitted that the ad interim injunction order was later on confirmed.

25. Sri. D.N.Nanjunda Reddy, another senior counsel appearing for one of the respondents adopted the argument of Sri. B.V.Acharya and Sri. Jaya Kumar S. Patil.

26. I have considered every point of argument. Though the complaints in all the suits run into several pages, *de hors* the rules of pleadings, the case of plaintiffs in a nutshell is that Madhukar Angur, his wife and other defendants were outsiders to the company, and its university, on the day the suits were filed. According to them, Madhukar Angur and

his wife had transferred their shares in the company; Madhukar Angur was also removed from the post of Chancellor; and thus they having severed their relationship with the company and the University, tried to interfere. The plaintiffs also lay emphasis on withdrawal of suit O.S.3395/2015 by Madhukar Angur.

27. Before taking up discussion, I must keep in my mind that these appeals have emerged from the orders of the trial court on application for temporary injunction. Interference in the trial court's order is not permitted unless it is found that the trial court, has exercised its discretion arbitrarily and capriciously, unmindful of well established principles. The learned Senior Counsel Sri. B.V.Acharya referred to a classical judgment of this court in ***Lakshminarasimhah & Others vs Yalakki Gowda (ILR 1965 MYS 40)*** which deals with scope of interference in appeal against trial court's order on application for temporary injunction. Sri. Vivek Reddy, one of the Senior Counsel for the appellants has also referred to judgment of Rajasthan High Court in ***Smt. Vimla Devi Vs. Jang***

Bahadur (1977 SCC online Raj 16) on the same point. There is no need to cull out the views expressed in these judgments, as the principles as to scope of appeals before me are now well settled and have stood the test of time.

28. The trial court, has in its order observed that the real dispute started after the meeting held on 04.03.2015 and that facts become unclear as both the sides, the plaintiff and defendants have different versions. This observation is correct; there are too many suits and too many documents which only show mudslinging at each other at the cost of the institution.

29. One limb of argument of Sri. K.G.Raghavan that a company cannot maintain a suit between or among shareholders with regard to transfer of or title over shares, is acceptable. But his endeavour to bring these suits within the ambit of that nature is difficult to be accepted. No doubt, in the plaints, it has been pleaded about transfer of shares from Madhukar Angur and his wife in favour of Smt. Shaila Chebbi, Smt. Mala Gowda, Sri. Abhay Chebbi and Sri.

Prakash Siddappa, and controversy surrounding it; these pleas in my view do not bar the suits. What can be seen is plaintiffs' attempt to state that owing to transfer of shares, Madhukar Angur and his wife lost all their interest in the company, and yet their interference continued. Looked from this angle, suit for injunction is maintainable. Section 430 of the Companies Act is not a bar. From the respondents/plaintiffs side reliance has been placed to a decision of this court in **Mr.Ravindra Veersingh and another vs. TBH Breweries India Pvt. Ltd, (MFA 475/2015 and connected appeals)**. In this judgment, it is clearly held as below.

“15. On a plain reading of Section 430 of the Companies Act, it is clear that the civil court's jurisdiction is not ousted insofar as the relief of injunction against persons from interfering with the smooth management of the company and its affairs by the directors of the said company is concerned. The defendants have already been removed in the meeting. The very grievance aired by the defendants before the Board has not been taken into consideration, and it is held that the

civil court is seized of the matter. Thus a simple suit for injunction seeking the equitable relief of permanent injunction about the day-to-day management of the company and its affairs is maintainable.”

30. It may be that dispute with regard to transfer of shares is pending before National Company Law Tribunal, but in the background of allegations of interference made against defendants, the suits are maintainable.

31. Learned senior counsel Sri K.G.Raghavan and Sri Vivek Reddy, argued very much focusing on the point of fraud played by the plaintiffs in the matter of transfer of shares by Mahdukar Angur and his wife. They have placed reliance on the reported judgments of the Bombay High Court in ***Maneklal Marsukhbhai Private Limited vs Ajay Harinath Singh [2015 SCC online Bom 5571]*** and two judgments of the Supreme Court in ***State of Orissa and Another vs Fakur Charansethi [(2015) 1 SCC 466]*** and ***S.P.Chengalvaraya Naidu (dead) by L.Rs vs Jagannath (dead) by LRs and others [(1994) 1 SCC 1]***. In all these

judgments, the principle laid down basically is that fraud vitiates everything. Surely, temporary injunction can be denied, if it is apparently possible to make out fraud from the materials placed before the court.

32. Madhukar Angur and his wife allege fraud. In this case Madhukar Angur and his wife dispute transfer of their shares and uploading made to the portal of Registrar of Companies consequent to transfer, it is alleged that signatures of Madhukar Angur and Krishna Mohan Ramaneni were forged to create their resignation letters. It is also alleged that the plaintiffs fraudulently obtained digital signature certificate. The appellants' counsel referred to show cause notice dated 7.5.2015 issued by Registrar of Companies to Alliance Business School, Abhay Govind Chebbi, Prakash Siddappa, Mala S Gowda and Shaila Chebbi. In this show cause notice, it is mentioned that the Registrar of Companies received credible information that certain persons had fraudulently obtained digital signature certificate of Madhukar Angur and submitted that forged documents for appointing Abhay Govind Chebbi and

Prakash Siddappa as Directors of Alliance Business School. In the background of his complaint, Registrar of Companies issued show cause notice for reviewing the entries made in DIR 12 Forms and restoring the position of directors as it existed prior to filing of the required forms.

33. Documents are also produced to show that the said four persons to whom Registrar of Companies issued show cause notice wrote letters to Registrar of Companies giving consent for invalidating DIR 12 Forms. There is another document, a letter dated 8.6.2015, issued by Registrar of Companies to Alliance Business School, which shows that since e-forms were found to have been filed defectively, they were marked 'INVALID' and the Company, i.e., Business School was asked to submit e-forms afresh within 30 days.

34. The above documents show that uploadings were invalidated. The argument of Sri K.G.Raghavan was that subsequent to invalidation of e-forms, there was no fresh filing; therefore the position of directions as it stood before

5.3.2015 was restored. But there are two documents. First one is a letter dated 7.2.2016, written by Krishna Mohan Ramaneni to the Board of Directors of the company which shows that he wanted to withdraw his resignation letter dated 5.3.2015 and continue as Director. The second is Company Master Data, which shows the position of Directors. According to this, beginning date of directorship of Shaila Chebbi, Mala S Gowda, Prakash Siddappa and Abhay Govind Chebbi is shown as 30.9.2015, Krishna Mohan Ramaneni as 5.3.2009 and Sudhir Angur as 15.4.2016.

35. It may be relevant to mention here that on 7.3.2015 the Registrar of Companies issued show cause notices to only four persons, not to Sudhir Angur and therefore his name also appears in the Company Master Data. Krishna Mohan Ramaneni's name also continued probably due to withdrawal of his resignation letter. If after invalidation of e-forms, on 8.6.2015, the names of other four directors came to be shown again w.e.f. 30.9.2015, they might have been taken as directors. It was argued that

Krishna Mohan Ramaneni defected from Madhukar Angur's group to Sudhir Angur's group to continue as Director. If this is the reason, it has to be established by the appellants by placing cogent evidence, it cannot be considered at this stage. Therefore, the position of Directors of the company, as depicted in 'Company Master Data' can be considered.

36. Madhukar Angur also lodged a complaint to Anekal Police in regard to forgery of signatures and making use of fraudulent digital signature certificates. It was argued that complaint was made by obtaining report from a private handwriting expert and that the charge sheet filed by police was quashed by this court in W.P. 19462-19466/2016. While the counsel appearing for respondents refer to this order to garner support for their argument that quashing the charge sheet shows that there was no fraud, the learned counsel appearing for appellants make use of the very same order to fortify their argument that the dispute falls within the exclusive jurisdiction of National Company Law Tribunal. Learned counsel for the respondents also submitted that the dictionary meaning of the word 'quash' is to annul or to

make void. Reliance is also placed on the judgment of the Supreme Court in ***Shree Chamundi Mopeds Limited vs Church of South India Trust Association [(1992) 3 SCC 1]*** wherein a distinction has been made between 'quashing of an order' and 'staying of an order'. It is held that quashing results in restoration of the position as it stood on the date of passing of the order which has been quashed; and the stay of an order does not lead to this result. To this argument, Sri K.G.Raghavan replied that Special Leave Petition has been filed before the Supreme Court questioning the order in writ petition.

37. Regarding this controversy, it has to be opined that the moment charge sheet was quashed by this court in writ petition, the position is as if there was no charge sheet, the complaint made by Madhukar Angur obviously lost value. Till the Hon'ble Supreme Court gives its decision in the matter pending before it, the position as it stands holds the field. Therefore, the entire argument on fraud cannot be appreciated at this stage. Moreover, while deciding an application for temporary injunction, no finding on fraud can

be given, especially when facts and circumstances are so complex, it is better to decide that issue after recording evidence.

38. The next point that needs to be considered is withdrawal of the suit O.S.3395/2015. It was argued on behalf of respondents that the withdrawal of the suit estopped Madhukar Angur and his wife from contending that they were Directors of the company, and on behalf of appellants that the said suit was not filed by Madhukar Angur, its withdrawal did not affect their interest at all. The trial court has given a finding that the withdrawal of the suit can be considered to be a valid ground for granting temporary injunction.

39. I have perused the plaint in O.S.3395/2015. The suit was filed by Alliance Business School represented by Chief Finance Officer Mr. Rajendradu. Mr. Madhukar Angur executed a power of attorney on 06.04.2015 in his name and on behalf of Alliance Business School authorizing

Rajendradu to institute the suit. The reliefs claimed in the suit are:-

- i) Declaration that the defendants (Shaila Chebbi, Abhay Chebbi, Prakash S. Budur and Mala Gowda) are not the directors.
- ii) Permanent injunction restraining the defendants from illegally claiming as Directors of the company and other reliefs.

40. If the plaint is read, it becomes very clear that although suit was filed by Alliance Business School, the averments revolve around transfer of shares. The company i.e., Alliance Business School has batted in favour of Madhukar Angur. Sri. K.G.Raghavan argued that Sudhir Angur is behind the suits which have given rise to these appeals. If this argument is acceptable, it can be extended to O.S.3395/2015 also to opine that it was Madhukar Angur who was behind the said suit. For this reason unconditional withdrawal of the suit has the consequences of dislodging Madhukar Angur's contentions.

41. The next point is removal of Madhukar Angur from the post of Chancellor of the university. He was the first Chancellor appointed for life according to Section 15 of the Alliance University Act. In MFA 6011/2016 c/w MFA 6012/2016, this court has interpreted section 15 of the Alliance University Act and held that the sponsoring body is not deprived of its powers to terminate the services of first Chancellor if necessary. In the appointment letter issued to Madhukar Angur, on 16.09.2010, condition No.6 very clearly states that the sponsoring body has reserved its rights to terminate the services of the Chancellor as a part of disciplinary action.

42. From the respondents' side, some documents are produced to show that Madhukar Angur was terminated from the post of Chancellor of the university.

43. Before terminating him, he was kept under suspension. This is evidenced by order of suspension-cum-notice for explanation dated 11.02.2016. This was communicated to Madhukar Angur. There is another

document, ie., a letter dated 03.03.2016 which shows that Madhukar Angur was called upon to appear before the committee on 05.03.2016 for enquiry with regard to charges of financial irregularity committed by him. He did not appear on that date. One more letter was addressed to him that he should appear on 07.03.2016. It appears that he did not appear. Therefore, committee gave a report that Madhukar Angur had committed financial irregularities to the tune of over Rs. 128 crores. Ultimately, the Board took a decision to terminate Madhukar Angur and an order to this effect was passed on 7.4.2016. This document has been produced. Copy of this order was also submitted to Governor of Karnataka. Therefore, the argument of Sri. K.G.Raghavan that there is no proof for removal of Madhukar Angur is not accepted. Madhukar Angur has not challenged this order. Once he was terminated, his relationship with the university came to be severed. The trial court's finding in this regard is correct.

44. In addition to the enquiry held by the committee constituted by the company, the Government of Karnataka

also appointed a Commission of Enquiry chaired by Professor I.M.Savadatti, former Vice Chancellor of Mangaluru University. Mr. Madhukar Angur appeared before this Commission of Enquiry on only one date i.e., 25.08.2016, he did not appear thereafter at all. This has been observed so in the report. This Commission of Enquiry also found financial irregularities committed by Madhukar Angur to the extent of Rs.96,87,62,996/-. He may have challenged this report by filing a writ petition, but the two reports cannot be ignored to opine at this stage that allegations made by the plaintiffs in the plaints are not unfounded and baseless. There is no suppression of facts as argued by Sri. Raghavan. In the plaint reference is made to Professor. Savadatti Commission Report. The argument of Sri. K.G.Raghavan that the plaintiffs should have also stated about writ petition filed by Madhukar Angur cannot be accepted.

45. In regard to value to be attached to the report given by a commission of enquiry, Sri. K.G.Raghavan argued that the report has no binding force; the government

appoints a commission for obtaining information. It is just a fact finding body, its report is not decisive. In this context he referred to judgments of the Supreme Court in **(1) DR. BALIRAM WAMAN HIRAY vs JUSTICE B. LENTIN AND OTHERS [(1988) 4 SCC 419]; (2) SUBRAMANIAN SWAMY vs ARUN SHOURIE [(2014) 12 SCC 344] and (3) SHRI RAM KRISHNA DALMIA vs JUSTICE S.R.TENDOLKAR AND OTHERS (AIR 1958 SC 538).**

46. Conceding to this argument, I think it necessary to state that this report may be looked into for the limited purpose of commenting on the conduct of Sri. Madhukar Angur, who is opposing the grant of temporary injunction. In this context it is essential to state that not only the party who seeks equitable relief of injunction should approach with clean hands, but also the person who opposes the application for injunction. His conduct should be blemish less; if it is found that his conduct is tainted, particularly with regard to subject matter of the dispute, he has no right to oppose. The Hon'ble Supreme Court in **GUJARAT BOTTLING COMPANY LIMITED AND OTHERS vs COCO**

COLA COMPANY AND OTHERS [(1995) 5 SCC 545] has held as below.

“47. In this context, it would be relevant to mention that in the instant case GBC had approached the High Court for the injunction order, granted earlier, to be vacated. Under order 39 of the Code of Civil Procedure, jurisdiction of the Court to interfere with an order of interlocutory or temporary injunction is purely equitable and, therefore, the Court, on being approached, will, apart from the considerations, also look to the conduct of the party invoking the jurisdiction of the Court, and may refuse to interfere unless his conduct was free from blame. Since the relief is wholly equitable in nature, the party invoking the jurisdiction of the court has to show that he himself was not at fault and that he himself was not responsible for bringing about the state of things complained of and that he was not unfair or inequitable in his dealings with the party against whom he was seeking relief. His conduct should be fair and honest. These considerations will arise not only in respect of the person who seeks an order of injunction under order 39 Rule 1 or Rule 2 of the Code of Civil Procedure, but also in respect of the party

approaching the Court for vacating the ad-
interim or temporary injunction order already
granted in the pending suit or proceedings.”

(underlining by me)

47. If the above principle is applied, Madhukar Angur and his wife, who opposed the applications for temporary injunction in the court below and have now invoked the appellate jurisdiction of the court, do not appear to be fair in their transactions with the company and its university.

48. With regard to suit O.S.No.3932/2017, filed by Alliance University, it was argued by learned senior counsel Sri. Vivek Reddy that the said suit is not maintainable as one Madhusudhan Misra has represented the university in the capacity of Registrar. His argument was that the Alliance University Act provides for a procedure for making appointments to the posts of Vice Chancellor and Registrar. Since Sudhir Angur's appointment as Chancellor was illegal, Vice Chancellor appointed by him was illegal and consequently appointment of Registrar by the Vice Chancellor was also illegal. This argument cannot be

accepted. Madhukar Angur's continuation as chancellor has no proof, rather there is proof for his termination. Sudhir Angur was appointed as Chancellor subsequently. Hence, Madhusudhan Misra's appointment as Registrar cannot be said to be bad.

49. Sri. K.G.Raghavan stressed the point that when things become unclear from a certain date, or if a lis can be said to have commenced from a certain date, it is better to restore the status which stood at a disputed point of time; and in this case, since 04.03.2015 was the date on which Sudhir Angur and his group would say that Madhukar Angur and his wife transferred their shares, restoration of position before 04.03.2015 serves the interest of institution and therefore the order of temporary injunction needs to be vacated. In support of his argument, he has placed reliance on the judgment of the Supreme Court in **SKYLINE EDUCATION INSTITUTE (INDIA) PRIVATE LIMITED vs. S.L.VASMANI AND ANOTHER [(2010) 2 SCC 142]** and **N.R.DONGRE AND OTHERS vs WHIRLPOOL CORPORATION AND ANOTHER [(1996) 5 SCC 714]**. This

argument was seriously opposed by the senior counsel appearing for all the respondents. Their contention was that the shares were legally transferred and Madhukar Angur was legally removed from the post of Chancellor. The dispute started when he tried to interfere with affairs of university. The position as on the date of suit was that Sudhir Angur was the chancellor. Sri. B.V.Acharya referred to judgment of the Supreme Court in **M.GURUDAS AND OTHERS vs RASARANJAN AND OTHERS [(2006) 3 SCC 367]**.

50. In **SKYLINE EDUCATION INSTITUTE (supra)**, what is held by the Hon'ble Supreme Court is,

"19. We have thoughtfully considered the entire matter. Before pronouncing upon the tenability or otherwise of the appellant's prayer for restraining the respondents from using the word 'Skyline' for the Institute of Engineering and Technology established by them, we consider it necessary to observe that as the suit filed by the appellant is pending trial and issues raised by the parties are yet to be decided, the High Court rightly considered and decided the appellant's prayer for temporary injunction only

on the basis of the undisputed facts and the material placed before the learned Single Judge and unless this Court comes to the conclusion that the discretion exercised by the High Court in refusing to entertain the appellant's prayer for temporary injunction is vitiated by an error apparent or perversity and manifest injustice has been done to it, there will be no warrant for exercise of power under Article 136 of the Constitution.”

51. **N.R.Dongre** case (supra) also postulates a principle as under :-

“2. In view of the fact that the trial of the suit has yet to conclude and the final decision of the suit is awaited, it is appropriate that the question of temporary injunction is decided only on the basis of undisputed facts and the material which can legitimately be taken into account at the interlocutory stage. For this reason reference is confined by us only to such material which can be of significance at this stage.”

52. In **Gurudas (supra)**, it is held as below :-

“30. At the stage of grant of injunction, however, the effect of dismissal of an application

under Order VII, Rule 11 of the Code of Civil Procedure would not be of much significance. The plaint in question could not have been rejected under Order VII, Rule 11 of the Code of Civil Procedure. The Court at that stage could not have gone into any disputed question of fact but while passing an order on grant of injunction indisputably it can. In other words, while making endeavours to find out a prima facie case, the court could take into consideration the extent of plaintiffs' share in the property, if any."

53. It is clear from the rulings of the Supreme Court in **Skyline Education Institute** and **N.R. Dongre** (supra) that the application for temporary injunction requires adjudication on the basis of undisputed facts and material placed before Court. It is here that I would like to state that undisputed facts take the meaning what not one party admits to his or her advantage. Indeed to a certain date the plaintiff and the defendant agree to a particular status; and if a particular transaction is disputed by one of the parties, it does not mean, as has been held by the Hon'ble Supreme Court in **Gurudas** (supra), that the Court cannot make any

endeavour with reference to materials placed before it by both side parties to give a finding whether a particular transaction is really disputable. If it is possible to say that the materials on record lead to draw an inference for the purpose of deciding the application for temporary injunction, an order for maintenance of that status can definitely be passed. If the case on hand is examined, though Madhukar Angur disputes transfer of shares and his termination from the post of Chancellor, the materials placed before the Court shows that on the date of suit, his and his wife's shares had been transferred and that he was removed from Chancellor post. This was the position on the date of suit. In fact dispute regarding title over shares is beyond the scope of the suits. Therefore the argument of Sri. K.G. Raghavan that status on or before 04.03.2015 should have been ordered to be maintained cannot be accepted.

54. The defendants have contended that the University was under their Management, that there are documents to show that convocation was held under the Chancellorship of Madhukar Angur, even after the alleged

transaction of transfer of shares and removal of Madhukar Angur from the post of Chancellorship. It was also argued that Madhukar Angur transacted with banks in relation to the Company and the University. This argument is controverted by all the learned Senior Counsel appearing for plaintiffs; they argued that if convocation and bank transactions were there, they cannot be recognized as they were done during the time interim order was in force against defendants.

55. In MFA.No.8545/2017, the appellant Madhukar Angur has filed an application under Order 41 Rule 27 CPC seeking production of some documents which were not produced before trial court. The main document produced is copy of the petition filed under Section 241 and Section 59 of the Companies Act. It is quite clear as to why this document is produced. It is for the purpose of demonstrating the dispute with regard to transfer of shares and their uploading. I have already discussed irrelevancy of this controversy. The other documents are copies of order passed by trial court on I.A. 3 and I.A.4 filed in

O.S.No.5148/2017. Some documents relate to writ proceedings. Even if these documents are considered, they do not better the case of the appellant/defendants.

56. The net result of above discussion is that the findings of the trial court that the plaintiffs have made out prima facie case are sustainable. When an inference apparently can be drawn that the Company as also the University are in a position to treat Madhukar Angur and his wife as outsiders they can certainly maintain injunction suits for the purpose of stopping their interference. The very tenor of contest by Madhukar Angur and his wife shows their inclination to interfere in the affairs of the Company and the University. Thus a prima facie case is made out.

57. So far as balance of convenience and irreparable injury are concerned, in the facts and circumstances of the present case, it is not the convenience of the parties or the injury to them to be considered; these two aspects must be considered in the perspective of the students studying in the University and the staff working there. These suits and

earlier suits only show fight between two groups for gaining control over the company and the University, enormous inflow of the money is the real reason. While deciding MFA.No.6011/2016 and connected appeal, it was opined by the learned judge of this court that real fight is between two real brothers over the management of the University, but real victims of this in fight are the students. Therefore in the interest of the students and the employees including teaching staff, the impugned orders granting temporary injunction in favour of the plaintiffs need to be confirmed.

58. If convocation was held and bank transactions were made during the period interim order was in force, no significance can be given to them. From these acts and transactions as also from additional documents produced by the defendants, even if it is possible to take a view favourable to Madhukar Angur and his group, interference with impugned orders is not permitted as plaintiffs' case also appears to be probable. Discretion exercised by the trial court judge based on records and circumstances appears to be justifiable.

59. MFA.No.8356/2017 filed by the company also does not deserve to be allowed. In the suit O.S.No.4202/2016 filed by the Company, it filed an application for temporary injunction to restrain the ROC from marking in the portals of his office that it is a management dispute company. The trial court dismissed the application, giving the reason that on the date of suit, it was already marked "Management Dispute". To this effect there was also an observation by this Court in COMPA.No.8/2016. It is held that suit is infructuous. There is no infirmity in this conclusion.

60. But the dismissal of the application in the said suit, it was argued by Sri K.G. Raghavan and Sri. Vivek Reddy, that it should have been taken into consideration to hold that the contentions taken by Madhukar Angur were not unfounded. This argument is not acceptable. Mere marking "Management Dispute" does not take away the effect of one plea of the plaintiffs that Madhukar Angur had been removed from the post of Chancellor.

61. Therefore from the foregoing discussion, I come to conclusion that all the appeals should fail. They are dismissed, no order as to costs.

**Sd/-
JUDGE**

ckl