

Notice issued by the Directors, bypassing the Chief Executive Officer, is violation of Section 378V of the Companies Act, 2013

The **Kochi Bench of National Company Law Tribunal (NCLT)** in the case of **Sunija Darsan v. Shelly Chandrangadan [CP(C/ACT)/34(KOB)2021]** dated **21 January, 2026**, has held that once a Chief Executive Officer (CEO) is appointed, the power to issue notice of board meetings rests only with the CEO. Accordingly, the Court quashed the notice that violated mandatory provisions of the Companies Act applicable to producer companies.

The NCLT observed that the provisions applicable to Producer Companies override the general provisions relating to companies to the extent of inconsistency. Producer companies are set up by farmers or other producers so they can work together to produce, process, and market their goods for the benefit of all members.

The NCLT held that statutory duties of the CEO cannot be waived or delegated, as the authority to issue notice of the Board Meeting stood vested exclusively with the Chief Executive Officer, and the Directors could not have assumed such authority on their own. The Tribunal observed that the issuance of the notice by the Directors, bypassing the Chief Executive Officer, is therefore in clear violation of Section 378V of the Companies Act, 2013.