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Mumbai co will represent Satyam's former directors

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VINOD Dham and Krishna Palepu, former independent directors on the board of scam-hit Satyam Computer Services, have hired Mumbai-based law firm AZB & Partners to represent them in legal proceedings before the Company Law Board (CLB), which replaced the earlier Satyam board with government directors on January 9, a person familiar with the situation said.

CLB's interim decision asking former directors to discontinue from the board of the company was issued *ex parte* (without hearing both parties) considering the urgency of the situation. While replacing the company's board, CLB had given the previous board members time till February 20 to present their case. Based on the replies, the law board will pass a final order.

Zia Mody's firm AZB & Partners will represent Mr Dham and Mr Palepu on the matter and in any other case that might be filed against them in India, the source said. Mr Palepu as well as Mr Dham, who are based in the US, did not respond to e-mail queries sent by ET till the time of going to press. Being independent directors, both were not involved in the company's day-to-day affairs. Indian law, however, does not differentiate between executive and independent directors, a lawyer ET spoke to said.

"In the Indian context, there is no specific difference between executive directors and independent directors. However, unless it is established that an independent director was actively involved or had any specific knowledge of any misstatements, he may not be subjected to the same liabilities as an executive director," Vyapak Desai, who leads the litigation practice at Nishith Desai Associates, said.