

IN THE HIGH COURT OF JUDICATURE AT BOMBAY**ORDINARY ORIGINAL CIVIL JURISDICTION****COMPANY APPEAL NO.26 OF 2008****IN****CLB COMPANY PETITION NO.17 OF 2005****WITH****COMPANY APPEAL NO.27 OF 2008****IN****CLB COMPANY PETITION NO.14 OF 2005**

Godrej Industries Limited

....Appellant

Versus

Gharda Chemicals Limited

....Respondent

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Mr. Mayur Khandeparkar, a/w. Mr. Shriraj Dhruv and Mr. Ankit Diwanjee, i/b. Dhruv & Co, for Darius Kavasmaneck (Proposed Intervener).

Mr. Venkatesh Dhond, a/w. Mr. Vivek Vashi, Ms. Trisha Sarkar, Mr. Krishnendu Sayta and Ms. Aditi Bhansali, i/b. Bharucha & Partners, for the Appellant.

Mr. Nishad Nadkarni, i/b. Legasis Partners, for the Respondent.

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CORAM: S.C. GUPTE, J.**DATE : 28 OCTOBER, 2015.****P. C. :-**

. These appeals impugn an order passed by the Company Law Board in Company Petition Nos. 17 and 14 of 2005 respectively. The appeals are between Godrej Industries Ltd., who were Original Petitioners before the Company Law Board, and Gharda Chemicals Ltd., who were Respondents to the Company Petition. The subject matter of the appeals

is the refusal of the Respondents Gharda Chemicals Ltd. to transfer 3119 shares of Gharda Chemicals Ltd. in favour of the Petitioners - Godrej Industries Ltd. The Petitioners and Respondents have now agreed to transfer all these shares in favour of the Petitioners. The transfer of shares, however, is opposed by the proposed Intervener, Darius Kavasmaneck, who is a shareholder of Gharda Chemicals Ltd. The Intervener has obtained orders against the Appellant - Godrej Industries Ltd. under Section 9 of the Arbitration and Conciliation Act, 1996, which create an embargo on the transfer of shares in favour of Godrej Industries Ltd.. These orders are orders dated 11 May 2012 passed by the learned Single Judge in Arbitration Petition No.444 of 2012 and Arbitrament Petition (L) No.398 of 2012 and as modified by the Division Bench in its order dated 18 September 2012 in Appeal Nos.331-332 of 2012 and Appeal (L) Nos.497 and 498 of 2012. These orders operate during the pendency of the arbitration proceedings between the Intervener and Godrej Industries Ltd. The parties, i.e. the Appellant and the Respondent herein, agree to split one share certificate of 100 shares into two share certificates of 50 shares each and transfer 3119 shares in favour of the Appellant. Having regard to this agreement, the impugned order of the Company Law Board dated 31 July 2008 is set aside, without going into the merits of the dispute between the Appellant and the Respondent. The Intervener has no objection to recording this agreement, so long as it does not prejudice his rights and contentions in the pending arbitration proceedings. Accordingly, it is clarified that so long as the interim orders passed by this Court, which are presently in operation during the pendency of the arbitration proceedings by the orders of the arbitral tribunal, operate and create an embargo on the transfer of shares as

between the Respondent and the Appellant herein, the actual splitting of shares and transfer of shares in the name of the Appellant, shall be kept in abeyance. It is also clarified that any transfer or agreement to transfer of shares as between the Respondent and the Appellant, shall not, in any way, prejudice the rights and contentions of the Intervener in the pending arbitration proceedings. Liberty to the Appellant and the Respondent to apply. Both the appeals are disposed of accordingly.

(S. C. GUPTE, J.)