Company Appeal No.2 of 2015
and M.P.No.1 of 2015

R.MAHADEVAN,J

The Company Appeal is filed against the order dated 10.02.2015 in C.P.No.987 of 2010 passed by the Company Law Board, Chennai Bench, Chennai raising substantial questions of law. In M.P.No.1 of 2015, the petitioner/applicant sought for interim stay of the impugned order and stated that the entire cause of action arose out of the agreements entered between the respondent and Mr.Sundar Iyer who pledged his shares to the respondent which was sought to be transferred in the name of the respondent and that the respondent has clearly admitted before the Division Bench of the High Court that the issue regarding share certificates is the subject matter in Civil Suit before the Civil Court in Ahmedabad, hence, the Company Court cannot intervene and the filing of CP.987/2010 was sub-judice. Further, it is stated that the direction passed by the Company Law Board to register the transfer of shares is unsustainable.

2. Heard, learned counsel for the petitioner/applicant.

3. Taking into account the submissions made by the learned counsel for the petitioner/applicant to the effect that the liability is in dispute and a Civil Suit for recovery of money in C.S.1588 /1998

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was pending before a Civil Court in Ahmedabad filed by the respondent against the appellant with regard to the same subject matter and ignoring such fact the appellant has already paid a sum of Rs.1.2 crores to the respondent out of Rs.75 lakhs borrowed and hence, the dispute remains only with regard to the balance amount and therefore, the liability is not crystallised till date and therefore, the direction to register all the shares in the name of the respondent is untenable, I am of the opinion that a *prima facie* case is made out. Accordingly, this Court is of the considered opinion that the balance of convenience is in favour of the petitioner/applicant and hence, there shall be an order of interim stay as prayed for, for a period of four weeks. Notice to the respondents returnable in four weeks. Private notice is also permitted.

25.03.2015

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