

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15.02.2016

CORAM :

The Hon'ble MR.SANJAY KISHAN KAUL, CHIEF JUSTICE

AND

The Hon'ble MR.JUSTICE M.M.SUNDRESH

O.S.A.No.3 of 2010
and M.P.Nos.1 and 2 of 2010

- 1.Tamil Nadu Mercantile Bank Share
Holders Welfare Association,
Rep. by its President, Mr.R.Muthuselvam.
- 2.G.K.Chezhian ... Appellants

-vs-

- 1.Reserve Bank of India
Fort Glacis, Rajaji Salai,
Chennai.
- 2.Tamilnadu Mercantile Bank Ltd.,
Rep. by its Managing Director & DEO,
No.57, V.E. Road, Tuticorin-628 002
- 3.V.Gopal Rao
- 4.M.K.Srinivasan
- 5.R.P.Sarathy
- 6.Hemangini Finance and Leasing Pvt. Ltd.
Teynampet, Chennai.
- 7.Mrinalini Leasing and Finance Pvt. Ltd.,
Teynampet, Chennai.
- 8.Mansiri Investment and Leasing Pvt. Ltd.,
Teynampet, Chennai.
- 9.Hi-Tech Traders Pvt. Ltd.,
Teynampet, Chennai.
- 10.Katra Holdings Limited,
Port Louis, Mauritius.
- 11.Swiss Reinvestment (Mauritius)
Limited, Port Louis, Mauritius.
- 12.Kamehameha Mauritius Limited,
Port Louis, Mauritius.
- 13.Cuna Group (Mauritius) Limited,
Port Louis, Mauritius.

14.FI Investments (Mauritius) Limited,
Port Louis, Mauritius.
15.RST Limited,
Cayman Islands.
16.GHI Ltd.,
Connecticut, USA.
17.Gokul Patnaik
18.Vector Program Pvt. Ltd.,
Bangalore.
19.B.Ramachandra Adityan
20.M.G.M.Maran
21.Geetha Prem Vetri
22.Kannan Adithan
23.R.Pankajam
24.K.Kumaran
25.L.Sridhar
26.P.Rajan
27.K.Lingakumar
28.S.Vijayaragavan
29.M.Selvaraj
30.N.C.Pandian
31.N.Ganesan

.. Respondents

Appeal filed under Order XXXVI Rule 1 CPC read with Clause 15 of the Letters Patent against the order dated 26.11.2009 passed in App.No.2954 of 2008 in C.S.No.481 of 2008 on the file of original side of this Court Application praying that this Honb'le Court be pleased to exclude the Shares detailed out in Schedule A and declare the results of the election of the directors of the 4th Respondent, TamilNadu Mercantile Bank Limited, for the 83rd and 85th Annual General Meeting.

For Appellant : Mr.P.Wilson, Senior Counsel
For M/s.Marudhachalamurthy

For Respondents : Mr.M.S.Krishnan, Senior Counsel
For M/s.P.T.Asha, for RR 14 & 16
: Mr.C.Mohan
for M/s.King & Partridge for R-1
: Mr.R.Sankaranarayanan for R-2
: Mr.B.Baskar for RR 13 & 15
: Mr.Karthik Seshadri
for M/s.Iyer & Thomas
for RR 19 and 22
: No appearance for other respts.

J U D G M E N T

(Judgment of the Court was delivered by The Hon'ble Chief Justice)

The appeal is directed against the order dated 26.11.2009. This order was passed in A.No.2954 of 2008 in C.S.No.481 of 2008. The prayer made in that application was to exclude the shares detailed out in Schedule 'A' and declare the election of directors of the 4th respondent company - Tamil Nadu Mercantile Bank Limited for the 83rd and 85th Annual General Meetings. This application was, however, not preferred by the appellants / original plaintiffs, but by the 19th defendant in the suit. The application was, however, not considered favourably and the appeals were preferred both by the applicant / 19th defendant as well as the appellants / original plaintiffs before us. The applicant / 19th defendant has made a statement today before us in his appeal, i.e. O.S.A.No.51 of 2010, that the appeal has become infructuous, apart from having abated. The appeal was, accordingly, disposed of.

2. In so far as the appellants / plaintiffs are concerned, they are not the original applicants in the suit, though apparently the interest of both these parties to the extent of stalling the AGMs was identical. The two AGMs have been held. In the appeal filed by the appellants, no interim orders were granted, as it was stated that the AGM was already underway and thus, all that was observed was it would be subject to the result in the appeal.

3. Thereafter, a number of other AGMs have been held and thus, the grievance qua the AGMs in question has become infructuous.

4. We are informed that the issue of transfer of shares was also raised and an order has been passed by the Reserve Bank of India dated 31.03.2011, which is stated to have become final, but certain consequences arising therefrom are still pending consideration in different proceedings.

5. We are conscious of the fact that there were proceedings pending in different Courts, which were ultimately consolidated by the Hon'ble Supreme Court and directed to be listed before one Bench. They were, accordingly, listed before one Bench. However, three appeals could not be taken up by that Bench and were posted here to have a view whether anything at all survives in these appeals. Out of the three appeals, one appeal was requested to be treated as infructuous and abated by the appellant itself and was disposed of. The second appeal had, in

fact, become undisputedly infructuous, as it related to the appointment of the independent Chairman and the meetings had already been held. The third appeal is the one before us today, which has also become infructuous by reason of the fact that elections have been held to the subsequent AGMs.

6.We, thus, dispose of the present appeal as infructuous making it clear that the observations made in the impugned order really related only to the matter in issue, which was only in the context of the two AGMs which were going to be held and thus, those AGMs have been held and their tenure have expired. We also note that the issues involved in the other appeals are different.

7.We may clarify that it is the passage of time and subsequent events, which have made these appeals infructuous and thus, the question of any consolidated hearing of these appeals with the other appeals really does not arise.

8.The Original Side Appeal is, accordingly, disposed of as infructuous. No costs. Consequently, all the miscellaneous petitions stand closed.

Sd/-

Assistant Registrar(CS IV)

//True Copy//

Sub Assistant Registrar

To

The Sub Assistant Registrar
Original Side, Madras High Court,
Chennai.

+1cc to M/S Sharvabhavan Associates, Advocate, S.R.No.9824
+1cc to M/S.R.Sankaranarayanan, Advocate, S.R.No.10036
+1cc to M/S.King & Patridge, Advocate Sr.9691
+1cc to M/S.R.Marudha Chalamurthy, Advocate Sr.9543
+1cc to M/S.T.S.Baskaran, Advocate Sr.9594
+1cca to M/S.H.Karthik Seshadri, Advocate Sr.9619

O.S.A.No.3 of 2010

rsk(CO)
srg(18/02/2016)