



Cont.P.No.1387 of 2023 & Rev.Appl.No.33 of 2024

Contempt Petition No.1387 of 2023 & Review Application No.33 of 2024

WEB C S.S.SUNDAR, J.
and
P.B.BALAJI, J.

(Order of the Court was made by S.S.SUNDAR, J.)

The learned Receiver has reported that the amount, as promised by the Builder, had come to the hands of the Receiver and the Receiver has started disbursement of the amount as directed by this Court earlier. The Receiver is hopeful of disbursement of the entire amount before 20.04.2024 to the respective shareholders. The Receiver has also reported handing over of the original parent documents to the Builder. The said statement is recorded.

2. As per the Joint Development Agreement the Builder has entered into with the Company, the Company has undertaken to handover possession. Since the money, as per the Joint Development Agreement, has been settled, the Company is under a legal obligation to handover possession. But the practical difficulty expressed by the learned counsel appearing for the Board of Directors of the Company is that the theatre, which is exhibiting shows, has to be officially closed for doing so.



3. Whatever formalities that are required to be followed, is the obligation of the Board of Directors of the Company and therefore, they are directed to handover physical possession as early as possible, in any case not later than 45 days from today.

4. The learned counsel for the Board of Directors has also expressed some difficulty, in view of the fact that some of the shareholders, who had earlier agreed to take property instead of money, are now demanding the value of their shares like others.

5. The learned counsel appearing for 50th respondent has also agreed to take money instead of property, even though he had earlier opted to get property instead of money, at the rate agreed to be paid to other shareholders.

6. The learned counsel appearing for the Board of Directors of the Company now represents that there are few more shareholders who have also expressed their intention to take money instead of property, even though they had also agreed to take property initially. In all, the counsel says that such shareholders, who are holding around 500 shares, have



changed their mind in the middle. Since the money that is now payable to these shareholders representing around 500 shares will have to be paid only by the Board of Directors of the Company, the learned counsel seeks 45 days time from today to settle them.

7. Since few shareholders have now changed their stand quite contrary to what they had agreed before entering into the Joint Development Agreement, this Court is of the view that 45 days time can be given to the Board of Directors and accordingly, 45 days time from today is granted to the Board of Directors to settle such of those shareholders at the rate that was paid to other shareholders. In other words, these shareholders also shall be paid a sum of Rs.1,72,000/- per share without the tax liability which will be shouldered by the Company.

8. If there is any delay in making payment by the Board of Directors of the Company beyond 45 days from today, as undertaken by the learned counsel for the Board of Directors before this Court, the said sum shall carry interest at the rate of 18% per annum for the period of delay.

9. Since the Builder has to do some preparatory works and give wide



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advertisement, the learned Senior Counsel appearing for the Builder seeks the indulgence of this Court to record symbolic possession in favour of the Builder. The learned counsel for the Board of Directors of the Company has no objection for recording symbolic delivery, so that the Builder will be in a position to start the preparatory works like giving advertisement etc.

10. If any other shareholder who has earlier agreed to take property, wants money quite contrary to the understanding that was reached earlier, it is open to such person to approach this Court to enable this Court to issue appropriate direction after hearing the parties concerned.

(S.S.S.R.,J.) (P.B.B.,J.)
17.04.2024

SS



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S.S.SUNDAR, J.

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