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Company Appeal No.1 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.01.2024

CORAM :

THE HONOURABLE MR.JUSTICE C.SAR AVANAN

Company Appeal No.1 of 2021

1.Shalibhadra S.Shah
2.Vimlaben S.Shah
3.Darshana S.Shah

... Appellants

Vs.

1.M/s.Sesa Sterlite Limited
2.PCS Industries Limited
3.Sharepro Services
4.M/s.Karvy Computer Share Private Limited
5.Pallar Passi
6.Kanubhai N Shah
7.M/s.Karvy Computer Share Private Limited
8.Subhadra J.Devta

... Respondents

(Respondents 1, 4 and 7 are substituted
vide Order of this Court dated 19.01.2024
made in Company Appeal No.1 of 2021)

Prayer: Company Appeal is filed under Section 10F of the Companies Act, 1956, praying to set aside the order of the Company Law Board, Chennai Bench dated 30.12.2014 made in C.P.No.1318 of 2012.

For Appellants : Mr.B.Dhanaraj

For Respondents : No appearance



JUDGMENT

This appeal has been filed by the appellants under Section 10F of the Companies Act, 1956 against the order dated 30.12.2014 passed by the Company Law Board (CLB), Chennai Bench in C.P.No.1318 of 2012 under Section 111A of the Companies Act, 1956.

2. The appellants herein have purchased about 700 Fully Convertible Debentures (FCDs) of the first respondent Company on 15.04.1994 and 16.04.1994 (600 and 100 respectively) for a sum of Rs.2,15,833/-.

3. It is the case of the appellants that the appellants had sent transfer forms to the first respondent Company on 24.05.1994 and that they have received Debenture-cum-Share Certificates in respect of 450 Fully Convertible Debentures (FCDs) (900 equity shares) duly transferred in their names within a period of six months. It is submitted that the appellants have however not received the Debenture-cum-Share Certificates of 250 Fully Convertible Debentures (FCDs) (500 equity shares) and hence approached the Company Law Board (CLB) under Section 111A of the Companies Act, 1956.



4. The impugned order is assailed primarily on the ground that though the first respondent Company whose name was subsequently changed as M/s.Sesa Sterlite Limited had entered appearance and filed a Memo through Shri.N.K.Bhansal, Practising Company Secretary (PCS). It is submitted that the Company Law Board (CLB) has merely recorded the Memo filed by the said Practising Company Secretary (PCS). The Practising Company Secretary (PCS) has stated that 50 Fully Convertible Debentures (FCDs) were converted to 100 equity shares and having transferred in the name of the fourth and seventh respondents under Folio Nos.S52333 and J21559 and thus, became entitled to 2400 equity shares of Rs.1/- each in the said Company viz., M/s.Sesa Sterlite Limited post various corporate actions and that the shares are presently in the custody of its Registrar and Share Transfer Agent viz., M/s.Karvy Computer Share Private Limited.

5. The Company Law Board (CLB) has merely extracted the memo filed by Shri.N.K.Bhansal, Practising Company Secretary (PCS) of the first respondent Company and has passed the order.

6. There is no discussion regarding the balance 200 Fully Convertible



Debentures (FCDs) as also the transfer forms filed by the appellants.

WEB COPY

7. Considering the same, the impugned order is partly set aside and the case is remanded to the National Company Law Tribunal (NCLT) [which has now superceded with the Company Law Tribunal (CLT)] to pass a fresh order on the issue regarding the balance of 200 Fully Convertible Debentures (FCDs) which would have been later converted into equity shares by the first respondent Company, which has now been renamed as M/s.Sesa Sterlite Limited.

8. To that extent, the National Company Law Tribunal (NCLT) may pass an order as expeditiously as possible within a period of six months from the date of communication of this order.

9. Registry is directed to transmit the copy of this order after substituting the name of the first respondent with M/s.Sesa Sterlite Limited and the name of the fourth and seventh respondents with M/s.Karvy Computer Share Private Limited.



Company Appeal No.1 of 2021

10. This Company Appeal stands allowed by way of remand. No costs.

WEB COPY

19.01.2024

Index : Yes/No

Internet : Yes/No

Speaking Order/Non-Speaking Order

Neutral Citation : Yes/No

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WEB COPY



Company Appeal No.1 of 2021

C.SARAVANAN, J.

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Company Appeal No.1 of 2021

19.01.2024