IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27-03-2026

CORAM

THE HONOURABLE MR JUSTICE KRISHNAN RAMASAMY

WP No. 19015 of 2022
AND
WMP NO. 18338 OF 2022,WMP NO. 18335 OF 2022,WP NO. 19021 OF 2022,WMP NO. 18339 OF 2022,WMP NO. 18336 OF 2022

Mathavan M.
1/371, Madurai Road,
K.Usilampatti, Chathireddiyapatti,
Virudhunagar- 626 001.

Petitioner
in W.P.No.19015 of 2022

Jikki M.
1/371, Madurai Road,
K.Usilampatti, Chathireddiyapatti,
Virudhunagar- 626 001.

Petitioner
in W.P.No.19021 of 2022

Vs

1.Securities and Exchange Board of India,
Rep by its Chairperson,
Plot No.C4- A, G Block,
Bandra- Kurla Complex,
Bandra (East), Mumbai- 400051.

2.Reserve Bank of India,
Rep.by the Regional Director,
Fort Glacis, Rajaji Salai,
Chennai- 600 001.

3.The Registrar of Companies,
Southern Region,
Block No.6, B Wing,
2nd Floor, Shastri Bhawan 26,
Haddows Road, Chennai- 600 034.

4.Tamilnadu Mercantile Bank Ltd,
Rep by its Manager,
No.57, Victoria Extension Road,
Thoothukudi- 628 002.

Respondents in both W.Ps

PRAYER in W.P.No.19015 of 2022:-Writ Petition filed under Article 226 of the Constitution of India, praying for an issuance of Writ of Mandamus, to direct the 4th respondent to issue share certificates for 15000 equity shares allotted to the Petitioner on 26.05.2016, pursuant to a bonus issue and further direct the 4th respondent to pay dividends that had accrued on such bonus equity shares from date of allotment to the petitioner.

PRAYER in W.P.No.19021 of 2022:-Writ Petition filed under Article 226 of the Constitution of India, praying for an issuance of Writ of Mandamus, to direct the 4th respondent to issue share certificates for 14500 equity shares allotted to the Petitioner on 26.05.2016, pursuant to a bonus issue and further direct the 4th respondent to pay dividends that had accrued on such bonus equity shares from date of allotment to the petitioner.

For Petitioner(s): Mr.Suhrith Parthasarathy

For Respondent(s): Mr.C.Prasanna Venkatesh
For R1
Mr.C.Mohan
and Ms.A.Rexy Josephine Mary
For R2
Mr.D.Simon
Standing Counsel For R3
Mr.V.Kuberan
For M/s.Rank Associates For R4

COMMON ORDER

These writ petitions have been filed seeking to direct the 4th respondent to issue share certificates for 15000 & 14500 equity shares allotted to the petitioners on 26.05.2016, pursuant to a bonus issue and further direct the 4th respondent to pay dividends that had accrued on such bonus equity shares from date of allotment to the petitioners.

2.Learned counsel for the petitioner would submit that the petitioner in W.P.No.19015 of 2022 has been holding 30 equity shares in the 4th respondent Bank since 2010 and the petitioner is W.P.No.19021 of 2022 has been holding 29 equity shares in the 4th respondent Bank and their respective shares reflected in the latest list of shareholders filed with the 3rd respondent. However, despite the allotment of 15000 & 14500 bonus equity shares to the respective petitioner, the said shares have neither been transferred in their favour till date nor they received any dividends on them. Therefore the petitioners were constrained to issue a legal notice to the 4th respondent on 28.10.2021, calling upon the 4th respondent Bank to transfer their bonus equity shares allotted to them and pay dividends accrued on them from the date of allotment. However, the response given by 4th respondent is not satisfactory and the 4th respondent continued to arbitrarily withhold the issuance of the share certificate for 15000 and 14500 bonus equity shares to the petitioners. Hence, the present writ petitions are filed.

3.Learned counsel appearing for the 4th respondent bank would submit that initially the petitioners attempted to transfer their shares to M/s.Sifa Printing Inks Private Limited, Chennai, which requires prior approval of the Reserve Bank of India, since transferee holding exceeded 10% of the paid-up equity share capital of the 4th respondent Bank. Since no approval was obtained from Reserve Bank of India, bonus equity shares were not allotted and the same were kept in abeyance.

4.Considering the above submissions, it is evident that the issue in the present case is pertaining to the dividend as well as the bonus. According to the petitioner, transfer of shares to the M/s.Sifa, who holds shares exceeding 10%, is not a bar for issuance of bonus equity shares and the dividends. However, the respondents denies the same. Since the issue before this Court involves disputed questions of fact, the same cannot be decided in the present writ petition. Therefore, these issues have to be decided before the Civil Court.

5.In view of the above, these writ petitions are dismissed. It is up to the petitioner to agitate the issue before the Civil Court in accordance with law. No costs. Consequently, connected miscellaneous petitions are closed.

27-03-2026

rst

Index:Yes/No
Speaking/Non-speaking order
Internet:Yes
Neutral Citation:Yes/No

To

1.The Chairperson,
Securities and Exchange Board of India,
Plot No.C4- A, G Block, Bandra- Kurla
Complex, Bandra (East),
Mumbai- 400 051.

2.Reserve Bank of India,
Rep.by the Regional Director,
Fort Glacis, Rajaji Salai,
Chennai- 600 001.

3.The Registrar of Companies,
Southern Region, Block No.6,
B Wing, 2nd Floor, Shastri Bhawan 26,
Haddows Road, Chennai- 600 034.

4.Tamilnadu Mercantile Bank Ltd,
Rep by its Manager, No.57, Victoria
Extension Road, Thoothukudi- 628 002.

KRISHNAN RAMASAMY J.
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WP No. 19015 of 2022
AND WP NO. 19021 OF 2022

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