

IN THE SUPREME COURT OF INDIA
INHERENT JURISDICTION
CONTEMPT PETITION (C) NOS. 531-532 OF 2020
IN
CIVIL APPEAL NOS. 19426-19427 OF 2020

ADESH KAUR

Petitioner(s)

VERSUS

SIDDHARTHA VIKRAM LAL & ANR.

Respondent(s)

O R D E R

We have heard the learned counsel for the petitioner, for the respondent, as well as learned counsel for the SEBI.

This Court, vide its judgment and order dated 03.07.2018, had ordered :

"We are, therefore, of the view that the Appellate Tribunal in relegating the appellant to a further proceeding was not correct. We, therefore, set aside the Appellate Tribunal's order and reinstate that of the Tribunal dated 20.03.2017. It goes without saying that if respondent No.8 does not happen to be on the register at all, then there would be no difficulty whatsoever in restoring the appellant back to its original position. Even if respondent No.8 has been entered on the Register, his name will have to be deleted in view of the fact that the transfer to him has been declared to be void in law.

We, therefore, direct the Company to rectify its register, insofar as the physical share certificates are concerned, and the concerned depository to rectify the demat records in accordance with this order.

The appeals are allowed in the aforesaid terms."

Affidavits have been exchanged after this Court called upon SEBI to file an affidavit and explain what should be done under the present circumstances.

Vide an affidavit by SEBI, SEBI relied upon para 26 of a Circular dated 09.05.2001 which reads as follows:

"26. In case the Company/STA has effected transfer and despatched either

i. fake share Certificate/s or certificates with forged last transfer endorsements or

ii. transferred missing/lost/disputed/stolen shares despite a FIR/police complaint/Court injunction order, even if it was inadvertently,

It shall not be competent then for the Company/STA to raise an objection memo subsequently. In such an event, the Company/STA shall make necessary arrangement of procuring identical quantity of shares, bearing good title, from the open market to be handed over to the transferee duly transferred in his name, as if such procured shares were lodged for transfer by the transferee, within a period not exceeding 60 days from the date of an error or omission detected by the Company/STA, along with all benefits accrued thereon, from the date of lodgment."

What is clear is that the petitioner has been the victim of a fraud as Respondent No.7 had impersonated the petitioner and had as a result got share certificates which were forged.

This being the case, we are of the view that this case falls within the parameters of para 26 as a result of which the Company is directed to purchase 9030 shares within a period of 4 weeks from today and hand over the same to the appellant. It will be open for the Company, as has been stated in clause 15 of its Memorandum of Association, to proceed against the transfer agent if indemnification from the said agent is available in law.

The Contempt Petitions stand disposed of.

..... J.
(ROHINTON FALI NARIMAN)

..... J.
(B.R. GAVAI)

..... J.
(HRISHIKESH ROY)

New Delhi;
April 12, 2021.

ITEM NO.27 Court 3 (Video Conferencing) SECTION XVII
 S U P R E M E C O U R T O F I N D I A
 RECORD OF PROCEEDINGS

CONMT.PET.(C) No. 531-532/2020 in C.A. No. 19426-19427/2017

ADESH KAUR Petitioner(s)

VERSUS

SIDDHARTHA VIKRAM LAL & ANR. Respondent(s)

IA No. 16218/2021 - APPLICATION FOR EXEMPTION FROM FILING ORIGINAL
 VAKALATNAMA/OTHER DOCUMENT

IA No. 110395/2020 - INTERVENTION/IMPLEADMENT

IA No. 110398/2020 - PERMISSION TO FILE ADDITIONAL
 DOCUMENTS/FACTS/ANNEXURES

Date : 12-04-2021 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE ROHINTON FALI NARIMAN
 HON'BLE MR. JUSTICE B.R. GAVAI
 HON'BLE MR. JUSTICE HRISHIKESH ROY

For Petitioner(s) Mr. K.V. Balakrishnan, Adv.
 Mr. K. V. Mohan, AOR

For Respondent(s) Mr. Joel, AOR

Mr. Gopal Sankaranarayanan, Sr.Adv.
 Mr. Rajesh Ranajn, Adv.
 Mr. Anoop Dawar, Adv.
 Mr. Sumit Teterrwal, AOR

Mr. Pratap Venugopal, Adv.
 Ms. Surekha Raman, Adv.
 Mr. Akhil Abraham Roy, Adv.
 Mr. Vijay Valsan, Adv.
 For M/s. K J John And Co, AOR

Mr. Tushar Mehta, SG
 Mr. G. S. Makker, AOR
 Mr. Bharat Singh, Adv.
 Ms. Swati Ghildiyal, Adv.

UPON hearing the counsel the Court made the following
 O R D E R

The Contempt Petitions stand disposed of in terms of the
 signed order.

Pending applications stand disposed of.

(R. NATARAJAN)
 ASTT. REGISTRAR-cum-PS

(NISHA TRIPATHI)
 BRANCH OFFICER

(Signed order is placed on the file)