

S.No.9

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
28-03-2024 AT 10:30 AM**

**CP No. 61/59/HDB/2023**  
u/s. 59 of Companies Act, 2013

**IN THE MATTER OF:**

Mr. M Ram Mohan

...Petitioner

**AND**

The Hyderabad Securities and Enterprises Limited

...Respondent

**C O R A M:-**

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)  
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

**ORDER**

Orders pronounced. In the result, **this petition is allowed**, as per the terms and conditions mentioned in the order.

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**

**BEFORE THE HON'BLE COMPANY LAW TRIBUNAL  
HYDERABAD BENCH-I AT HYDERABAD**

CP NO. 61/59/HDB/2023

U/s. 59 of The Companies Act, 2013

Between:

M. Ram Mohan,  
S/o. Adisheshulu,  
D.No. 3/50-1, Main Bazaar,  
Kodumur Village and Mandal,  
Kurnool District-518 464.

.....Petitioner

**Versus**

The Hyderabad Securities and Enterprises Limited,  
Rep. by its Managing Director Sri M.Rama Subba Rao  
Flat No: G7/1, Sy No.215 Part,  
Pranavas Annapurna Lotus Park, Safari Nagar,  
Kondapur, Hyderabad, TG-850 084  
and at #107, Kubera Towers, Narayanaguda,  
Hyderabad-500 029

..... Respondent

**Order pronounced on: 28.03.2024**

**Corum:**

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)

Shri Charan Singh, Hon'ble Member (Technical)

**Appearance:**

**For applicant:** Harshavardhan Abburi, Advocate

**For Respondent:** Radha Krishna Murthy, Advocate

**PER BENCH: ORDER**

This Company Petition is filed under u/s 59 of the companies act, 2013 seeking the following reliefs:

- a. Direct the Respondent Company to issue Share Certificate to the Petitioner duly transferring the 10,000 shares held by them in his name.*
- b. award costs of the petition*
- c. To pass any other order or orders as the Hon'ble Tribunal deem fit in the circumstances of the case.*

**Brief averments of the Applicant in the main petition are as follows:**

1. It is averred that the petitioner purchased shares under original shares Certificate no. 277 of 10,000 shares of Rs. 1/- face value each in Hyderabad Stock Exchange Ltd. allotted to its members holding cards with distinct numbers 276001 to 277000 along with the Transfer Form duly filled in and signed by the earlier allottee/share holder K.Bapuji on 30-08- 2006. The said cards enable them to carry transactions as Share Broker and Sri K.Bapuji was also one of the members having Card No. 277, but due to some technical reasons the Respondent Company delayed the process of transfer of shares in the name of Petitioner.
2. It is averred that Mr.K.Bapuji made a request letter to the Respondent Company on 16-07-2007 asking the Respondent Company to issue duplicate share certificate by mentioning that he lost the original certificate and later issued a legal notice dated 26-07-2007 to the Respondent

Company and marked a copy to the Petitioner in which he took a stand that he signed the transfer form and delivered the original share certificate to the petitioner when the petitioner threatened him, but it was not signed wilfully by him for which Respondent company asked K.Bapuji to lodge a Police Complaint about lost share certificate and submit a copy of First Information Report to them to enable them to take further action on his request to issue duplicate Share Certificate.

3. It is averred that after waiting for about 7 years, the Respondent Company sent a letter dated 12-3-2015 to Sri K.Bapuji reminding him about the submission of FIR copy and in that letter it was also stated that they have waited for nearly 7 years for taking appropriate action on the request of Sri K.Bapuji and he has not submitted the copy of FIR.
4. It is averred that the Respondent Company addressed a letter dated 04-02-2016 to the petitioner in which he was directed to get some orders from Court of law for effecting transfer of shares even though, there was no response from K.Bapuji either to the petitioner or the Respondent Company. Further averred that K. Bapuji was involved in number of cyber-crimes and was absconding.

5. It is averred that as the issue of transfer of share certificate in favour of petitioner became stalemate, the Petitioner approached the Civil Court and filed OS No. 1086/2016 on the file of X Junior Civil Judge, Hyderabad in which the Respondent became ex-parte. Further averred that the said suit was dismissed on 8-12-2016 on the ground that K.Bapuji was not made a party to the suit.
  
6. It is averred that the petitioner went on an appeal and filed AS 135/2017 on the file of II Additional Chief Judge, Hyderabad which was also dismissed on 24-01-2020. Further averred that the petitioner filed second appeal S.A. No.107 of 2022 which was disposed of on 21-9-2022 by the Honourable High Court by holding that the transferor issued notice by setting a plea of coercion in the year 2006 which will expire by 2009 and if within 3 years no action is taken by transferor, the limitation get expired and the transfer made by such person even if is voidable will turn as valid under the Contract Act, as such the said person is not necessary party. It was further held that under Companies Act, if there is inaction on the part of the Company in transferring, there is penal provision in the Act, and liberty is given to the petitioner to approach this Honourable Tribunal.
  
7. It is averred that after Hon'ble High Court judgement in the S.A.No. 107/2022, the Respondent Company promised the petitioner that they will

place this issue before the Board of Directors and will transfer the shares in favour of the petitioner but failed to do so even after the stipulated time frame of sixty (60) days towards transmission of shares in the names of the Petitioner as per Sec. 56 of the Act and due to the inaction of the respondent Company, the Petitioner is deprived of his legal rights as shareholder.

8. This is an application filed by the Applicant seeking direction to the respondent Company to transfer the shares in his name and to issue share certificate to him.
9. The Respondent Company has not filed any counter, however they have filed a memo and submitted that the Respondent Company has no objection for the present petition to be allowed and the registers of members to be rectified qua the petitioner.
10. The Applicant submits that the shares were sold to him by earlier allottee/shareholder Mr.K.Bapuji on 30.08.2006. Consequently, he signed the Transfer Form and also delivered original share certificates to him. But due to some technical reasons, the respondent Company could not complete the process of transferring the shares in his name and in the mean time Mr.K.Bapuji, made request to the Company on 16.07.2007 to issue him duplicate share certificate. He further issued legal notice on 26.07.2007 to the respondent Company taking stand that he signed the Transfer Forms and delivered the original share certificate to the petitioner because petitioner threatened him. The respondent Company asked him to

lodge a police complaint to this effect if it so and submit the copy of the same to the respondent Company to take further action in this matter.

11. Thereafter, no FIR copy was submitted by Mr.K.Bapuji, even after reminder letter dated 12.03.2015 was sent to him by the Respondent Company.

12. The Applicant has approached Civil Court and filed OS No. 1086/2016 on the file of X Junior Civil Judge, Hyderabad in which the Respondent became ex-parte. Further, petitioner submits that he went on an appeal and filed AS 135/2017 on the file of II Additional Chief Judge, Hyderabad which was also dismissed on 24-01-2020.

13. The Applicant further submitted that he filed second appeal S.A. No.107 of 2022 which was disposed of on 21-9-2022 by the Honourable High Court by holding that the transferor issued notice by setting a plea of coercion in the year 2006 which will expire by 2009 and if within 3 years no action is taken by transferor, the limitation get expired and the transfer made by such person even if is voidable will turn as valid under the Contract Act, as such the said person is not necessary party. It was further held that under Companies Act, if there is inaction on the part of the Company in transferring, there is penal provision in the Act, and liberty is given to the petitioner to approach this Honourable Tribunal.

14. In the above back drop, we find that Complainant Mr.K.Bapuji, has not taken any further steps after issuing legal notice to the respondent company

on 26.07.2007. Hence his limitation for filing any objection to transfer of shares in the name of the Applicant expired after 3 years of this notice. We also observe that Applicant is in possession of original share certificate and share transfer forms. Hence we find merit in his submissions and direct the respondent Company to rectify the register of members and enter the name of Applicant in the place of seller of shares i.e Mr.K.Bapuji.

15.The respondent is further directed to file compliance to this effect within 15 days from the date of this order.

16.Thus, this petition is allowed and disposed of.

**SD**

**CHARAN SINGH  
MEMBER (TECHNICAL)**

**SD**

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA  
MEMBER (JUDICIAL)**

Ch Bhargavi/pavani