

NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI

Company Appeal (AT) No.50 of 2017

IN THE MATTER OF:

Shri Kamlesh Kalidas Shah

...Appellant

Vs

Asian Paints (India) Ltd & Ors

...Respondents

Present: Ms. Vandana Sharma Bhandari, Advocate for appellant.

ORDER

06.04.2017- The appellant submitted instrument for transfer of shares before the Respondent i.e. Asian Paints (India) Ltd (hereinafter referred as the "Company") after 24 years of execution of such Instrument. The Company declined to register the same on the ground that the signature of the transferor does not tally with the specimen available with the company. Against the said orders, the appellant moved before the National Company Law Tribunal, Mumbai Bench, Mumbai (hereinafter referred to as the "Tribunal" for short) in Company Appeal No.33/2014 which vide impugned order dated 23rd September, 2016 dismissed the appeal with following observations:

"It is to be noted that the invoking Section 58(4) of the Act it is mandatory that Section 56 has to be complied with. The compliance is that the party seeking registration of transfer shall file proper instruments of transfer duly stamped along with share certificate. When the company disputes the signatures of the transferor, the said instrument of transfer is no longer a proper instrument, and hence this Tribunal cannot give any direction to R1 as prayed. Where the instrument of

transfer is lost, the Board of Directors at their discretion may register the transfer on such terms as indemnity, etc. Here it is not the case that the Appellant lost the transfer deed executed by the registered shareholder. It is the case that he sent transfer deed to the company and the company declined to register the transfer on the ground that the signature of the transferor does not tally with the specimen available with the Company. It is clear that the Appellant has not filed documents as required under Section 56.

It is to be noted that if the company says that signatures are mismatching the Appellant has to prove the same before a civil Court for declaration that he is the rightful owner as held in Indian Bank Vs Deepak Fertilizers & Petrochemicals Corporation Ltd, (1999) 35 CLA 389.

Considering all the above aspects, the Company appeal was dismissed without costs for the reasons given above."

Having heard Learned Counsel for the appellant and on perusal of record we find no ground made out to interfere with the impugned order. The appeal is accordingly dismissed.

No cost. However, the impugned order passed by the Tribunal or the present of the Appellate Tribunal will not come in the way of appellant to seek appropriate remedy, if available under the Law.

(Justice S.J. Mukhopadhaya)
Chairperson

(Mr. Balvinder Singh)
Member (Technical)