

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS.4574-4575/2017

(@Petition(s) for Special Leave to Appeal (C)
No(s). 10532-10533/2012)

SHANKAR SUNDARAM

Appellant(s)

VERSUS

AMALGAMATIONS LTD.& ORS.

Respondent(s)

O R D E R

Leave granted.

We have heard the learned counsel appearing for the appellant and Mr. Shyam Divan and Mr. C.A. Sundaram, learned Senior counsels appearing for the respondents at length.

After having heard the learned counsel/learned Senior counsel appearing for the parties and carefully perusing the material available on record, we are of the view that the matters can be disposed of by referring the disputes to the National Company Law Tribunal.

The appellant shall have the right to take all points including the point of tearing of the corporate veil so far as the Section 397/398 Petition is concerned.

Further, the subsidiary companies against whom the appellant has not made any allegations in the Petition and no relief has been sought for against need not be added as parties. However, Respondent Nos. 8, 9, 13, 14, 16, 17 and 18 and Respondent Nos. 4 and 7 should be added as parties and the appellant shall be at liberty to argue on the grounds in the said Petition and the prayer regarding the alleged mis-management of the companies in question in case the corporate veil is lifted. The Section 397/398 Petition is maintainable as the appellant holds 10% of the share capital in the holding company. The High Court is not correct in saying that the subsidiary companies above mentioned should be struck from the array of parties as, if the corporate veil is lifted, the holding and subsidiaries companies will be

regarded as one and the same for the purpose of granting relief in the said Petition. The High Court Judgment is upheld insofar as it treats the Company Petition as being under Section 397/398 and not Section 235 of the Companies Act, 1956.

We further make it clear that the National Company Law Tribunal shall deal with and decide the case independently and in accordance with law, without being influenced by any observation made by the High Court in the matter.

The Appeals are disposed of in the afore-stated terms.

.....J
(PINAKI CHANDRA GHOSE)

.....J
(ROHINTON FALI NARIMAN)

NEW DELHI;
27TH MARCH, 2017.

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C)
No(s). 10532-10533/2012

(Arising out of impugned final judgment and order dated 07/09/2011 in LPA No. 129/2002 and LPA No. 131/2002 passed by the High Court of Madras)

SHANKAR SUNDARAM

Petitioner(s)

VERSUS

AMALGAMATIONS LTD.& ORS.

Respondent(s)

(With interim relief and office report)
(For final disposal)

Date: 27/03/2017 These petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE PINAKI CHANDRA GHOSE
HON'BLE MR. JUSTICE ROHINTON FALI NARIMAN

For Petitioner(s)

Mr. K. K. Mani, AOR
Mr. K. Ravi, Adv.
Mr. R. Murugan, Adv.
Ms. T. Archana, Adv.

For Respondent(s)

Mr. Shyam Divan, Sr. Adv.
Mr. Krishna Srinivas, Adv.
Ms. Geethi Ara, Adv.
Mr. P. Dwarakesh, Adv.
Mr. S. Sukumaran, Adv.
Mr. Anand Sukumar, Adv.
Mr. Bhupesh Kumar Pathak, Adv.
Ms. Meera Mathur, AOR

Mr. C.A. Sundaram, Sr. Adv.
Ms. Rohini Musa, AOR
Mr. Zaffar Inayat, Adv.

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

Leave granted.

The appeals are disposed of in terms of the signed order.

(VISHAL ANAND)
COURT MASTER

(SNEH LATA SHARMA)
COURT MASTER

(Signed Order is placed on the file)

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R E C O R D O F P R O C E E D I N G S

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