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CONTEMPT P.(Civil) 148 OF 2003

Item No. 1 Court No. 1.SECTION IX

A/N MATTER

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

Contempt Petition (Civil) No. 148/2003 in Contempt Petition
(Civil) Nos. 265-267/1999 in Contempt Petition (Civil)
No. 209/1998 in C.A.No.366/1998

RAMA NARANG

Petitioner (s)

VERSUS

RAMESH NARANG & ANR.

Respondent (s)

(With Appln(s). for stay and directions and bringing on record additional facts and office report)(For Final Disposal)

Date : 25/01/2005 This Petition was called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE G.P. MATHUR
HON'BLE MR. JUSTICE P.K. BALASUBRAMANYAN

For Petitioner(s)Mr. Harish N Salve, Sr. Adv.
Mr. Gopal Jain, Adv.
Mr. R N Karanjawala, Adv.
Ms. Avantika Keshwani, Adv.
Ms. Pragya Singh Baghel, Adv.
Ms. Manik Karanjawala, Adv.

For Respondent(s)Mr. F S Nariman, Sr. Adv.
Mr. Amit Sibal, Adv.
Mr. Akhil Sibal, Adv.
Ms. Bina Gupta, Adv.
Ms. Rakhi Ray, Adv.
Ms. Divya Roy, Adv.

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

We have perused the report dated 16.1.2005 received from Chief Justice (Retd.) V.A. Mohta, the Mediator/Conciliator and heard the learned counsel for the parties in the light of the report

Although the disputes have not been resolved inspite of the commendable efforts made by the learned Mediator/Conciliator, yet we feel that the possibility of finding out a solution to the disputes between the parties is not totally ruled out. We request Shri V.A. Mohta to continue with the proceedings in terms of the order dated 11.10.2004 passed by this Court.

However, to pave the way for a final resolution being found out, we further direct as under :

(1)In terms of the order dated 11.10.2004, Shri Mohta shall continue to mediate/conciliate and persuade the parties to come to a mutually agreeable solution and failing this he shall, after hearing the parties, suggest a just, equitable and reasonable solution to all the disputes between the parties and report the same to the Court.

(2)The principal reason for disputes between the parties seems to be non-finalisation of the accounts and non-holding of the Board meetings as indicated by the learned Mediator/Conciliator

in his report dated 16.1.2005. The learned Mediator/Conciliator may, after hearing the parties, appoint an independent Chartered Accountant to finalise the accounts by collecting information and seeking clarifications from the parties. The appointment shall be at the cost of the parties. Shri Mohta may also persuade the parties to convene the meetings of the Board of Directors and in case of their failure, may himself convene the meetings keeping in view the convenience of all the parties and may also preside over the meetings in the event of an occasion arising for the purpose.

(3) By reference to para 3(f) of the Minutes of Consent Order dated 12.12.2001, we clarify that the amount of Rs. 10 lakhs mentioned in that clause refers to a transaction and not to the amount of a cheque; meaning thereby, by splitting up the amount of any transaction in two or more parts the cheques cannot be issued if the amount of any transaction exceeds Rs. 10 lakhs. Consistently with that clause, whenever any cheque/cheques is/are required to be signed, one party shall give an advance notice to the other party and in the event of disagreement or dispute the same shall be referred to Shri Mohta for resolution. Lists of cheques with particulars issued by either party with effect from today, i.e., the 25th January, 2005, shall be exchanged every fortnight between the parties under copy to the learned Mediator/Conciliator.

(4) The learned Mediator/Conciliator may also take steps for completing all statutory records of the company.

List after three months.

(D.P. WALIA)
COURT MASTER

(RADHA R. BHATIA)
COURT MASTER