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IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

I. A. NO. 2 in Civil Appeal No.3469 of 2006

KISHORE KUNDAN SIPPY & ANR

... Appellant (s)

VERSUS

VAISHNAV SHORILAL PURI & ORS.

... Respondent(s)

ORDER

1. This appeal has been filed against the final judgment and order dated 23rd of February, 2004 passed by a learned judge of the High Court of Bombay in Appeal No. 2 of 2004, which arose out of a Company Petition No. 40 of 2002. In the aforesaid appeal, the parties have arrived at a consensus that certain urgent steps must be taken to protect the valuable office premises, being Premises No. 2 (West Wing), situated on the 2nd floor, Metropolitan Building, Bandra Kurla Complex, Bandra (E) Mumbai-400 051, belonging to Samrat Shipping Company Pvt. Ltd. (in short "SSCO"), admeasuring 6051 sq.ft threatened to be auctioned by the Asstt Registrar, Co-operative Societies, for recovery of an amount of Rs. One crore (approximately), being the arrears of the maintenance charges and outgoings to the Metropolitan Co-operative society Ltd. Further, an amount of Rs. Four crores (excluding penal interest) is also payable by the SSCO to M/s. Hewlett Packard India Ltd. (in short "HP") for refund of the security deposit on termination of the lease of the said Metropolitan premises, vide their letter dated 31st of October, 2002 effective from 30th of January, 2003 following which HP initiated various legal proceedings. SSCO, having hardly any business activity, has not been able to meet these liabilities for over 3 years. To generate funds for making such payments, the parties have agreed to enter into Consent terms for limited purpose by way of interim arrangements, as noted herein :-

"MINUTES OF THE CONSENT ORDER

1. The Appellants in Civil Appeal No.3469 of 2006 (Respondents in Civil Appeal Nos. 2283 of 2007) and the Respondents in Civil Appeal No.3469 of 2006 (Appellants in Civil Appeal Nos. 2283 of 2007) have arrived at a consensus that certain urgent steps need to be taken to protect the valuable office premises belonging to Samrat Shipping Company Pvt. Ltd (hereinafter referred to as "SSCO"), Respondent No.5 Company in Civil

Appeal No.3469 of 2006 i.e. the office premises No. 2 (West Wing) situate on the 2nd floor, Metropolitan Building, BandraKurla Complex, Bandra (E), Mumbai - 400 051, ("the said premises") admeasuring 6051 sq. feet threatened to be auctioned by the Asstt. Registrar, Co-operative Societies, for recovery of an amount of Rs.1 Crore (approximately) being arrears of maintenance charges and outgoings to the Metropolitan Co-op. Society Ltd. ("the said Society"). Further, an amount to the tune of Rs. 4 Crores (excluding penal interest) is payable by SSCO to M J s. Hewlett Packard India Ltd. ("HP") for refund of the security deposit on termination of the lease of the said Metropolitan premises, vide their letter dated 31st October, 2002, effective 30th January, 2003 following which HP initiated various legal proceedings. However, SSCO, with hardly any business activity, has not been able to meet these liabilities for over three years. To generate funds for making such payments, the Appellants and the Respondents have agreed to enter into Consent Terms for limited purpose by way of interim arrangements as specified herein.

2. Agreed, ordered and declared that the Interim Order dated 4th August, 2006 (read with the Original consent order dated 18th July, 2002 passed by the Hon'ble Company Law Board) be and is hereby modified to the following extent to enable SSCO and Samrat Group companies to generate funds to discharge its liabilities recited in clause 1 above.

3. Agreed, ordered and declared that immediate steps be taken by Sippys and Puris to sell and/or dispose of the following assets of SSCO and/or Samrat Group of companies, (briefly described hereunder and listed in Schedule "A" hereto);

- (i) All listed equity shares held by SSCO and other Samrat group of companies;
- (ii) Vehicles belonging to M/ s. Marine Carriers Ltd. to third parties so as to generate an amount of about Rs. 10.00 lakhs. [Puri Group shall secure permission of K.P. Desai, who has 20% shareholding in the Company]. Motor cars, owned by SSCO / Delta Shipping Co. Pvt. Ltd. / Kaybee Marine Consultants Pvt. Ltd. / International Marine and Air Freight Services Pvt. Ltd. to third parties to generate an additional amount of about Rs.10.00 lakhs;
- (iii) Two Barges owned by SSCO namely, "Samrat Sapphire" and "Samrat Star" to third parties to generate an amount of Rs. 75.00 lacs less amounts due to barge crew in full and final settlement of their dues.
- (iv) Office equipment like computers, furniture and fixtures of SSCO and other Samrat group which are useless or deteriorating or depreciating in value at the best rates obtainable.

4. Agreed and ordered that from sale proceeds an amount of about Rs. 75.00 lakhs be made available to SSCO to promptly meet its liability towards the outstanding dues payable by SSCO to Metropolitan Society and the balance un-utilized amount kept in fixed deposits (to be jointly held / operated by Sippys and Puris) and to be used only for meeting liabilities of Samrat Group;

5. Further agreed and ordered that Sippys and Puris do take steps to arrive at a settlement with H P to settle the outstanding by making payment of agreed amounts from the funds generated in the manner aforesaid to safeguard SSCO's Metropolitan Co-op. Society Premises.

6. Agreed and ordered that all Bank accounts of the Samrat Group of Companies whose 100 per cent shares are held by the Sippys and Puris viz.

- 3. Samrat Shipping Company Private limited,
- 4. Meridian Trading Pvt. Ltd.
- 5. S.B.M. Estates & Development Private limited,
- 6. Samrat Shipping & Transport Systems Private Limited,
- 7. Delta Shipping Company Private Limited,
- 8. Kaybee Marine Consultants Private Limited,
- (vii) International Marine & Airfreight Services Pvt. Ltd.
- (viii) M.B.S. Estates & Development Private Limited,
- (ix) Samrat Container Terminal (P) Ltd. and
- (x) Samrat Tankages (P) Ltd.

shall be jointly operated by one of the following members of each group viz. Mr. Kundan Sippy or Mr. Kishore Sipy and Mr. Vaishnav Puri or Mr. Vishal Puri for discharge of liabilities of the Samrat Group of Companies as may be jointly agreed by them.

7. Further agreed and ordered that the Sippys and the Puris shall be entitled to hold Board and General Meetings of the Samrat Group of Companies to enable the said Companies comply with the statutory filings, returns including under the Companies and Income-tax Act and for due completion of accounts and audits of the said Companies. Further agreed and ordered that on completion of accounts of the Samrat Group of Companies and audit thereof, the Sippys and Puris shall ensure due simultaneous approval and adoption of such accounts by the Samrat Group of Companies viz

- (i) Samrat Shipping Company Private Limited,
- (ii) Meridian Trading Pvt. Ltd.
- (iii) S.B.M. Estates & Development Private Limited,
- (iv) Samrat Shipping & Transport Systems Private Limited,
- (v) Delta Shipping Company Private Limited,
- (vi) Kaybee Marine Consultants Private Limited,
- (vii) Marine Carriers Private Limited,
- (viii) International Marine & Airfreight Services Pvt. Ltd. and
- (ix) M.B.S. Estates & Development Private Limited,
- (x) Samrat Container Terminal (P) Ltd. and
- (xi) Samrat Tankages (P) Ltd.

8. Liberty to the parties to apply for further modifications to these Minutes of Consent Order.

9. Agreed and ordered that these Minutes of Consent Order and arrangement contained herein are to protect the assets of SSCO and Samrat Group of Companies and are strictly without prejudice to the rights and contentions of the respective parties and the proceedings pending before this Hon'ble Court.

Dated this _____ November, 2007.

Appellant No. 1
In Civil Appeal No. 3469
of 2006 and Respondent
No.1 in Civil Appeal No.
2283 of 2007

Respondent No. 1
in Civil Appeal No.
3469 of 2006 and
Appellant No. 1 in
Civil Appeal No. 2283
of 2007.

Advocate for Appellant No.
1 Civil Appeal No. 3469
of 2006 and Respondent
No. 1 in Civil Appeal No.
2283 of 2007.

Advocate for Respondent
No. 1 in Civil Appeal No.
3469 of 2006 and Appellant
No. 1 in Civil Appeal No. 2283
of 2007.

SCHEDULE A

Part I

Samrat Shipping Company Private Limited

- (i) 10,900 Equity shares of Larsen and Toubro Limited (current market price of Rs.4200/- and current market realizable value approximately Rs.4,57,80,000/-) alongwith equity shares of Ultratech;
- (ii) 99 Equity shares of TATA Motors Limited (current market price of Rs.750/- and current market realizable value approximately Rs.74,350/-);
- (iii) 72 Equity shares of Sesa Goa Limited (current market price of Rs.3,800/- and current market realizable value approximately Rs.2,73,600/-) and
- (iv) any other listed equity shares held by SSCO;

DELTA SHIPPING COMPANY PRIVATE LIMITED

- (i) 1854 Equity shares of Rs.10/- each fully paid up of Sesa Goa Ltd alongwith Bonus shares (current market price of Rs.3800/- and current market realizable value approximately Rs.

70,45,200/-)
(ii) 416 Equity Shares of Rs. 10/- each fully paid up of Sesa Industries Ltd.

Keybee Marine Consultants Pvt. Ltd.

3. 188 Equity Shares of SESA Goa Ltd. of Rs. 10 each fully paid up (current market price of Rs. 3800/- and current market realizable value approximately Rs. 7,14,400/-).
(ii) 42 Equity Shares of SESA INDUSTRIES LTD. of 100 Rs. 10/- each fully paid up."

In view of the aforesaid Consent terms and conditions, the interim order granted by this court is vacated and now, it will be open to the parties to act in terms of the aforesaid terms and conditions as an interim measure.

Part II to V should also be taken as a part of Schedule A and shall form part of this order.

2. It would be open for the parties to apply for further directions, if necessary, to act on the Consent terms and conditions. The appeals are also ready for hearing. Let the appeals be listed for hearing on 8th of January, 2008.

3. The I.A. No. 2 is thus disposed of.

.. J.

.....
(Tarun Chatterjee)

J.

.....
(Dalveer Bhandari)

New Delhi,
November 14, 2007.

ITEM NO.1A
(FOR ORDERS)

COURT NO.11

SECTION IX

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS

IA NO.2 IN CIVIL APPEAL NO(s). 3469 OF 2006

KISHORE KUNDAN SIPPY & ANR

Appellant (s)

VERSUS

VAISHNAV SHORILAL PURI & ORS

Respondent(s)

Date: 14/11/2007 This Appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE TARUN CHATTERJEE
HON'BLE MR. JUSTICE DALVEER BHANDARI

For Appellant(s)

Mr.Ashok Paranjpe, Adv.
Mr.Santosh Paul, Adv.
Ms.Leena, Adv.
Mr. C.K. Sasi,Adv.

For Respondent(s)

Mr.Mahesh Agarwal, Adv.
Mr. E.C. Agrawala,Adv.
UPON hearing counsel the Court made the following
ORDER

Hon'ble Mr.Justice Tarun Chattejee pronounced the Order of the Bench
comprising His Lordship and Hon'ble Mr.Justice Dalveer Bhandari.

I.A. is disposed of in terms of the signed order.

List C.A.No.3468/2006 and C.A No.3469/2006 along with
C.A.No.2283/2007 to C.A.No.2287/2007 on 08.01.2008.

(Satish K.Yadav)
Court Master

(Phoolan Wati Arora)
Court Master

(Signed order is placed on the file)