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NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH, CHENNAI
NATIONAL COMPANY LAW TRIBUNAL, HELD ON 16/12/2016 AT 10.30 AM

PRESENT: SHRI K. ANANTHA PADMANABHA SWAMY, MEMBER-JUDICIAL
SHRI Ch. MOHD SHARIEF TARIQ, MEMBER-JUDICIAL

COMPANY APPLICATION NO. :
PETITION NUMBER : CP/14/2016
NAME OF THE PETITIONER(S) : M/s. Selvarathnam Matches Private Ltd & another
NAME OF THE RESPONDENT(S) : M/S Standard Fire Works Private Ltd & 7 others
UNDER SECTION : 241/242

S.No.	Name (in Capital)	Represented by	Signature
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1) Sr. Counsel Mr. Hari Krishna
for S. Satish
Vijay Kumar

Counsel for Petitioners



2) A.K. MYISAMY
P.S. SUMAN
B. DESIKAN

COUNSEL FOR RESPONDENTS
1, 3 and 5



3) R. MURARI Sr. Adv.
THIRYAMBAK
KANNAN

Counsel for R 4

4. Sr. Counsel Mr. R. Yashodharadharan
for T. K. BHASKAR
T. K. BHASKAR
PRIYADARSHINI . N

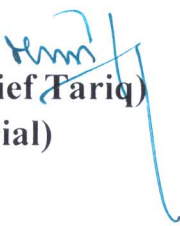
Counsel for R 2



ORDER

Counsel for petitioner present. Counsel for R1, R3 & R5, counsel for R2 and counsel for R4 are present. Counsel for R1 has filed an interim counter. Since the petitioner is holding 11.1% of the shares in the company and satisfies the requirements u/s 244 of the Companies Act, 2013. The petitioner made submissions supporting the contents of his petition, and a prima facie case is made out for admission. The petition is admitted for hearing. The Registry is directed to **issue notice to R6, R7 & R8**. Counsel for petitioner has vehemently pressed for interim relief contained in Para No. iv at Pg 28 of his petition. Counsel for R1, R3 & R5 and counsel for R2 and R4 have opposed granting of the interim prayer submitting that the proposal for consideration in the meeting is to discuss the item for issue of right share and the same does not find mentioned in the main reliefs. Counsel for R2 has submitted Apex Court's ruling titled Shri V S Krishnan & Others Vs M/s. Westfort Hi-Tech Hospital Ltd & Others reported in 2008 (3) SCC, 363 wherein under para 21, their Lordships stated that it will be useful to refer to the decision of the Supreme Court given in Needle Industries (India) Ltd Vs Needle Industries Newey (India) Holding Ltd, wherein it was held that directors have absolute powers to issue right share provided they are acting in good faith.

But in this matter, the interim prayer is not for restraining the directors from taking decision. The only submission made by the counsel for petitioner is that any decision if taken in the proposed meeting pertaining to item 4 contained in notice dated 10.12.2016 to issue right share, the same could not be for any necessity of the company. The Bench considers that as to whether or not the directors would be acting in good faith in taking a decision to issue right share is an issue which may need detailed submissions by both the sides. In view of this, the Bench considers it appropriate that the item related to issue ^{of} right share could be considered and discussed. However, if any decision is taken to issue right share, the same shall not be implemented without the leave of this Tribunal. Put up on **23.01.2017 at 10.30 A.M.**


(Ch. Md. Sharief Farid)
Member (Judicial)


(K. Anantha Padmanabha Swamy)
Member (Judicial)