(2022) 04 SEBI CK 0050

In the Securities Appellate Tribunal Mumbai

Case No : Miscellaneous Application No. 97, 98 Of 2022, Appeal No. 154 Of 2022

M/s. Amrex Marketing Private Limited APPELLANT

Vs

BSE Limited And Others RESPONDENT

Date of Decision : 20-04-2022

Acts Referred:

Citation : (2022) 04 SEBI CK 0050

Hon'ble Judges : Tarun Agarwala, Presiding Officer;Meera Swarup, Member

Bench : Division Bench

Advocate : Sumit Rai, Mihir Mody, Arnav Misra, Mayur Jaisingh, K. Ashar

Final Decision : Dismissed

Judgement

Tarun Agarwala, Presiding Officer

1. The present appeal has been filed against the communication dated November 26, 2021 whereby BSE Ltd. (hereinafter referred to as 'BSE') has rejected the complaint of the appellant.

2. The facts leading to the filing of the present appeal is, that the appellant is a shareholder of the company respondent Nos. 3 Kamala Tea Company Ltd. (hereinafter referred to as 'the company') and had purchased 4,04,800 equity shares of the company in the year 2009. It was alleged that the shares were not being transferred by the company in the name of the appellant. In this regard, letters and complaints were written which fall on deaf ears. Further, under the delisting notice, it was essential for the company to provide an exit offer to the existing shareholding. Since the exit offer was not given, a complaint was filed on the SEBI Complaint Redress System (SCORES) platform.

3. By a communication dated March 25, 2012, the complaint of the appellant was disposed of by BSE on the ground that once the company has been compulsorily delisted, the complaint could not be dealt with on the SCORES platform. Against the said order / communication, the appellant filed an appeal no. 565 of 2021

which was dismissed summarily at the admission stage by an order dated August 31, 2021. This Tribunal found that in so far as the transfer of shares is concerned which was purchased by the appellant in the year 2010, the Company Law Board had dealt with matter and the appellant's application was disposed of, and thus, it was no longer open to the appellant to raise the same issue again before this Tribunal. In so far as providing an exit offer was concerned, this Tribunal found that pursuant to circular dated March 26, 2018, the complaints against the company which are delisted cannot be dealt with on the SCORES platform. Therefore, the appeal of the appellant was dismissed summarily. However, this Tribunal permitted the appellant to file a complaint before BSE which it filed would be dealt with in accordance with law.

4. Based on the aforesaid, a fresh complaint was filed on November 16, 2021 alleging the same issues, namely, non-transfer of shares by the company and contending that the company should make a delisting offer to the appellant under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (hereinafter referred to as 'Delisting Regulations'). The complaint was rejected by the impugned order.

5. Having heard the learned counsel for the appellant, we are of the opinion that the appellant is not entitled for any relief of being given an exit offer under the Delisting Regulations in as much as the appellants are not shareholders of the company in question. The shares purchased by the appellants in the year 2010 have not been transferred in their names by the company. Such matter was raised before the Company Law Board which has rejected the claim. The order of the Company Law Board has become final. Thus, until and unless the issue relating to transfer of the shares is sorted out before the appropriate forum, no relief can be granted to the appellant for providing an exit offer. Consequently, the appeal fails and is dismissed with no order as to costs.

6. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.