

(1989) 11 SC CK 0003

In the Supreme Court Of India

Case No : Contempt Petition Nos. 121 And 130 Of 1989 And Transfer Petition
Nos. 506-07 And 571-73 Of 1989

Tlarsen and Toubro Ltd. and Others

APPELLANT

Vs

Haresh Jagtiani and Others

RESPONDENT

Date of Decision : 09-11-1989

Acts Referred:

Citation : (1990) SCC 39 Supp : (1990) 1 SCC 39 Supp

Hon'ble Judges : S. Ratnavel Pandian, J;B. C. Ray, J

Bench : Division Bench

Final Decision : Disposed Of

Judgement

1. Pursuant to our order dated October 27,1989, Mr. G. Ramaswamy, Additional Solicitor General appearing on behalf of the financial institutions has submitted before this Court a memorandum. It has been stated in the said memorandum that the financial institutions had already brought back 39 lacs shares of Larsen & Toubro Ltd. with accretions thereto from Trishna Investments and Leasing Ltd., respondent No. 5. It has also been stated in the said memorandum that by buying back the said shares, the financial institutions are in no way either remotely or. impliedly accepting the position that the original transactions of sale of shares were illegal or void. The financial institutions stand by their contentions and statements which have been upheld by the Bombay High Court in its judgment dated September 29, 1989 in Writ Petition No. 2595 of 1989 that the transactions were bonafide, valid and in the interests of the financial institutions.

2. It has been further stated therein that the transactions have been completed on the expectation that the petitioner will withdraw the proceedings as even otherwise the basic portion of the proceedings and petitions filed in the High Court have become infructuous.

3. Mr. Jethmalani, learned Counsel appearing on behalf of respondent Nos. 2 and 3 before this Court has filed a draft of consent terms to be recorded in the

transfer petition.

4. It appears from the submissions made by the counsels for the parties that there is no difference between them as regards terms Nos. 1 to 4 and 6. The only difference is with regard to term No. 3 mentioned in the draft of consent terms suggested by Mr. Jethmalani. As such it has been mentioned by the parties before this Court that the matter be adjourned till November 27, 1989 and if in the meantime any settlement is arrived at between the parties the matter will come up in the list for hearing on November 28, 1989 at the end of miscellaneous list subject to overnight part-heard. However, considering all aspects of these matters we deem it just and fair to pass an order permitting the petitioner Larsen & Toubro Ltd. to make allotment of shares in favour of the allottees on the condition that such allotment will abide by the decision of this Court in the said matters.

5. By consent of all the parties we allow the transfer petition Nos. 506 and 507 of 1989 and 571 to 573 of 1989 to this Court and direct that the L.P.A. No. allotment of 1989 against the judgment passed in Writ Petition No. 2595 of 1989 pending in the Bombay High Court be transferred to this Court for final disposal. Writ petition Nos. 18399 of 1989 filed in the Karnataka High Court and another writ petition filed in the Madras High Court are also transferred to this Court along with these matters. We further direct that the petitioner Larsen & Toubro Ltd. shall publish in the local newspaper the directions of this court to the effect that the allotment will be made by the petitioner company and such allotment will abide by the decision of this Court in the said matters. We further direct that the petitioner will also affix a similar notice at the main entrance of the registered office of Larsen & Toubro Ltd. for the information of the shareholders as well as allottees We further make it clear that no equities will be pleaded in respect of the allotment of shares. Let these matters be listed on November 28, 1989 at the end of miscellaneous list subject to over-night part-heard. Additional papers, if any, shall be filed by the parties one week before the date fixed for hearing.