IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR
HON'BLE TECHNICAL MEMBER

CP No. ( )- 12/46(2)/JPR/2023

IN THE MATTER OF:

SUMATI PROJECTS LIMITED

... Petitioner

VERSUS

SHREE CEMENT LTD. & Anr.

... Respondents

MEMO OF PARTIES

SUMATI PROJECTS LIMITED
R/o- 3C, 3rd Floor, Mukti World, 9/3B, Leela Roy Sarani, Kolkata - 700019.

...Petitioner

VERSUS

1. **SHREE CEMENT LTD.**
   R/o- Bangur Nagar, Post Box no. 33, Beawar - 305901, Rajasthan.
2. **KARVY COMPUTERSHARE PVT. LTD.**
   R/o- 46, Avenue, 4th Street no. 1, Banjara Hills, Hyderabad 500034.

...Respondents

For the Petitioner : Anurag Kalavatiya, Adv.
Parul Singhal, Adv.
Aayush Kevlani, Adv.
Trinisha De, Adv.
Aayushi Jain, Adv.

For the Respondent : Prateek Kedawat, Adv.

Order Pronounced On: 16.04.2026

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ORDER

1. The instant Petition has been filed by *Sumati Projects Limited* ('Petitioner') under Section 46(2) of the Companies Act, 2013 read with Rule 11 of the NCLT Rules, 2016 against the Respondents, inter-alia seeking the following reliefs:

"a. An order directing the respondent no. 1 to issue duplicate share certificates and entitlement letter with respect to 1850 shares and 150 shares under folio nos. SCL022250 and SCL020411, respectively in Shree Cement Limited owned by the Petitioner;
b. An order restraining the Respondent no. 1 from transferring the said shares 1850 shares and 150 shares under folio nos. SCL022250 and SCL020411, respectively, in Shree Cement Limited to any other person except the Petitioner;
c. Interim orders in terms of the above;
d. Costs of and incidental to the instant application be paid by the respondent no. 1;
e. Such further order, or orders be passed and direction or directions be given by this Hon'ble Tribunal as it may deem fit and proper."

2. **Brief Facts and Submission of the Petitioner:**

2.1. The Petitioner submits that in the early 1990s, it purchased 1850 and 150 equity shares in the Respondent No. 1 Company under Folio Nos. SCL022250 and SCL020411 respectively. It is further submitted that the Petitioner has neither dealt with nor disposed of or alienated the aforementioned shares at any point in time and continues to hold and own the same till date.

2.2. The Petitioner submits that at the time of purchase and for a considerable period thereafter, the value of the said shares remained negligible. Consequently, the Petitioner did not actively track the said investments or reflect them in its balance sheets for the relevant

financial years. However, in or around late 2017, the Petitioner became aware through market sources that the shares of Respondent No. 1 Company had significantly appreciated in value.

2.3. Upon gaining such knowledge, the Petitioner undertook efforts to locate the original share certificates pertaining to the aforesaid shares. However, to its dismay, the said share certificates could not be traced and were found to have been misplaced.

2.4. The Petitioner submits that since the acquisition of the aforesaid shares, its registered office has undergone multiple changes. In these circumstances, the Petitioner reasonably apprehends that the original share certificates may have been misplaced during the process of shifting its registered office from time to time.

2.5. The Petitioner further submits that it has been able to locate copies of dividend warrants/receipts dated 09.11.1992 and 30.09.1994 issued by Respondent No. 1 Company in its favour in respect of the aforesaid shares. Additionally, the Petitioner has retrieved a list of shareholders available on the website of Respondent No. 1 Company, which reflects the Petitioner as one of its shareholders.

2.6. It is submitted that, to the best of the Petitioner's knowledge, the aforesaid shares have not been subjected to any encumbrance or claim by any third party and continue to remain unclaimed by any other entity.

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2.7. The Petitioner, vide letter dated 26.02.2018, informed the Registrar and Transfer Agent (RTA) of Respondent No. 1 Company, i.e., Respondent No. 2 herein, regarding the misplacement of the aforesaid share certificates.

2.8. In response, Respondent No. 2, vide email dated 08.03.2018, informed the Petitioner that since the dividend declared for the financial year 2009–10 had remained unclaimed for a continuous period of seven years, the same had been transferred to the Investor Education and Protection Fund (IEPF). The Petitioner was further advised to follow the procedure prescribed under Rule 7 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 for claiming the said dividend.

2.9. Pursuant thereto, the Petitioner filed Form IEPF-5 in accordance with the applicable statutory provisions to claim the aforesaid shares and dividends. Thereafter, Respondent No. 2, vide letter dated 18.04.2018, called upon the Petitioner to furnish certain documents in support of its claim. The Petitioner duly submitted the requisite documents under cover of a letter.

2.10. Subsequently, Respondent No. 2, vide letter dated 26.09.2018, required the Petitioner to comply with further formalities in relation to its claim. The Petitioner submits that Respondent No. 1 Company released dividends in its favour on 22.11.2018 and, vide email dated 23.11.2018,

sought confirmation of receipt thereof. It is contended that the release of dividend in favour of the Petitioner constitutes an acknowledgment by Respondent No. 1 of the Petitioner's shareholding in the Company.

2.11. In compliance with the requirements raised by Respondent No. 2, the Petitioner lodged a police complaint dated 14.01.2019 reporting the loss/misplacement of the original share certificates. The Petitioner further submits that it forwarded additional documents to Respondent No. 1 via email dated 18.03.2019 to expedite the process for issuance of duplicate share certificates. However, Respondent No. 1, vide email dated 19.03.2019, sought further documents, including audited financial statements reflecting the said shares in the investment schedule. The Petitioner thereafter furnished its financial statements vide email dated 27.03.2019.

2.12. It is submitted that despite the above, Respondents, vide communications dated 04.04.2019, raised untenable objections regarding the Petitioner's claim. The Petitioner reiterates that the release of dividend clearly substantiates its ownership of the shares. It is further contended that the insistence on disclosures in the Petitioner's financial statements reflects an attempt to delay or deny issuance of duplicate share certificates.

2.13. The Petitioner submits that it responded to the aforesaid objections vide letter dated 17.02.2020, clarifying its claim. However, Respondent No.

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1, vide letter dated 27.11.2020, refused to issue duplicate share certificates on untenable grounds and advised the Petitioner to obtain a decree from a competent court to establish its title.

3. Submission of the Respondent:

3.1. The Respondents submit that the present Petition has been filed under Section 46(2) of the Companies Act, 2013 seeking issuance of duplicate share certificates in respect of 1850 and 150 equity shares under Folio Nos. SCL022250 and SCL020411 respectively.

3.2. It is submitted that Section 46(2) provides that duplicate share certificates may be issued only upon satisfactory proof that the original certificates have been lost, destroyed, or surrendered. The use of the term "may" indicates that issuance is discretionary and not automatic. In the present case, the Petitioner has failed to establish the circumstances under which the share certificates were allegedly lost, relying merely on vague assertions.

3.3. The Respondents further submit that the Petitioner is a corporate entity governed by statutory obligations under the Companies Act, 2013 and other applicable laws, including SEBI regulations, and cannot claim ignorance regarding its own assets and records.

3.4. It is submitted that statutory provisions mandate maintenance of robust internal controls and accurate financial reporting. The Petitioner has

consistently claimed compliance with such requirements, and therefore, its plea of ignorance regarding the loss of share certificates is untenable.

3.5. The Respondents submit that issuance of duplicate share certificates is subject to fulfilment of prescribed conditions under the Companies (Share Capital and Debentures) Rules, 2014 and is not a matter of right.

3.6. It is further contended that the Petitioner's financial statements over several years do not reflect the said investments, suggesting that the shares were divested long ago. The present claim, therefore, appears to be an afterthought prompted by appreciation in share value.

3.7. The Respondents submit that the subject shares have already been transferred to the Investor Education and Protection Fund Authority (IEPFA) in accordance with Section 124 of the Companies Act, 2013 and the applicable Rules, after dematerialisation. Accordingly, no question arises for issuance of duplicate physical share certificates.

3.8. It is submitted that the Petitioner was aware of the aforesaid position and had previously initiated a claim before the IEPF Authority. Despite such knowledge, the present relief has been sought, which is not maintainable.

3.9. The Respondents further submit that the Petition suffers from non-joinder of a necessary party, namely the Investor Education and Protection Fund Authority, whose presence is essential for effective adjudication. It is submitted that the applicable IEPF Rules and circulars

mandate strict verification of claims before submission of verification reports by the Company.

3.10. In view of the above, the Respondents submit that enhanced due diligence is required in such matters, particularly in cases involving suspicious or unsupported claims, as reiterated by the directions issued by the IEPF Authority.

Findings

4. We have perused the Petition, the Reply and the documents placed on record by the respective parties. We have also heard the learned counsel appearing for the Petitioner and the learned counsel appearing for the Respondents at length.

5. The instant Petition has been filed by the Petitioner, *Sumati Projects Limited,* under Section 46(2) of the Companies Act, 2013 read with Rule 11 of the NCLT Rules, 2016, inter-alia praying for issuance of duplicate share certificates in respect of 1850 equity shares and 150 equity shares of Respondent No.1 Company *(Shree Cement Limited)* bearing Folio Nos. SCL022250 and SCL020411 respectively, along with an order of restraint against transfer of the said shares to any other person and other consequential reliefs.

6. The Petitioner had acquired the aforesaid 2000 equity shares (1850 + 150) in the early 1990s. It is categorically stated that the Petitioner never sold, transferred, or otherwise alienated the said shares at any point of time. The

original share certificates were misplaced during the multiple shifts of the Petitioner's registered office over the years and could not be traced despite sincere efforts.

7. In support of its claim of ownership, the Petitioner has produced cogent documentary evidence, including copies of dividend warrants/receipts dated 09.11.1992 and 30.09.1994 issued by Respondent No.1 Company in favour of the Petitioner. The Petitioner has also placed on record the list of shareholders downloaded from the website of Respondent No.1 Company, which clearly reflects the Petitioner as a shareholder holding the subject shares under the aforesaid folios. Most importantly, Respondent No.1 Company itself released dividends in favour of the Petitioner, which, in our view, constitutes a clear acknowledgment of the Petitioner's ownership and shareholding in the Company.

8. The Petitioner approached Respondent No.2 Registrar and Transfer Agent (RTA) vide letter dated 26.02.2018 upon becoming aware of the significant appreciation in the value of the shares. Thereafter, the Petitioner followed up by filing Form IEPF-5, submitting all documents as called for by the Respondents from time to time, lodging a police complaint dated 14.01.2019 regarding the loss of the original share certificates, and furnishing its audited financial statements when demanded. Despite the Petitioner's bonafide efforts and compliance with the queries raised, the Respondents have refused

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to issue duplicate share certificates on hyper-technical and untenable grounds.

9. Regarding the contention of the Respondents that the shares have been transferred to the IEPF Authority, we note that the Petitioner had already initiated the process under the IEPF Rules by filing Form IEPF-5 and submitting supporting documents. The transfer to IEPF does not extinguish the underlying ownership of the Petitioner; it only transfers the unclaimed shares and dividends to the Fund. The Company is still duty-bound to issue duplicate certificates upon satisfactory proof of loss, so that the Petitioner can complete the necessary formalities for claiming the shares from the IEPF Authority or otherwise deal with them.

10. At this juncture, it important to refer to Section 46(2) of the Companies Act, 2013 which empowers this Tribunal to direct issuance of duplicate share certificates when the original certificates are lost or destroyed. In the present case, the Petitioner has produced sufficient material to prima facie establish its ownership. The objections raised by the Respondents appear to be more in the nature of delaying tactics rather than genuine concerns. The insistence on production of financial statements reflecting the investment, despite the dividend having been paid to the Petitioner, is not sustainable. Further, the same is not corroborated by any relevant regulation.

11. We are satisfied that the Petitioner has made out a clear case for grant of relief. The plea of non-joinder of the IEPF Authority is not fatal at this stage,

as the primary relief sought is against the Company and its RTA for issuance of duplicate certificates. The Petitioner may thereafter pursue its remedies before the IEPF Authority in accordance with law.

12. In view of the above, the Petition is allowed. Respondent No.1 (Shree Cement Limited) is hereby directed to issue duplicate share certificates in respect of 1850 equity shares under *Folio No. SCL022250* and 150 equity shares under *Folio No. SCL020411* in favour of the Petitioner within four weeks from the date of this order.

13. Further, the directions contained in para 12 are subject to indemnity clause, if any, *qua* issuance of duplicate certificate as per the Articles of Association.

14. The Petition bearing no. *CP No. - 12/46(2)/JPR/2023* is accordingly allowed.

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REETA KOHLI,
JUDICIAL MEMBER

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KAVITA BHATNAGAR,
TECHNICAL MEMBER