

## Neeta Sharma Vs RELIANCE POLYETHYLENE LTD

**Court:** NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

**Date of Decision:** June 6, 1997

**Citation:** 1997 3 CPJ 254 : 1998 1 CPR 412

**Hon'ble Judges:** A.P.Chowdhri , Desh Bandhu J.

**Final Decision:** Appeals allowed

### Judgement

1. THIS order would dispose of two above titled appeals arising from a common order of District Forum II. In order to appreciate points involved

brief facts of the case may first be stated.

2. THE opposite party were two companies - Reliance Polyethylene Ltd. (RPEL) and Reliance Polypropylene Ltd. (RPPL). Mrs. Neeta Sharma,

complainant for short, applied for allotment of 500 shares @ Rs. 10/- per share in each of the aforesaid two companies. Along with the application

for allotment-she furnished stockinvest of Rs. 1250/- each valid for period of six months. THE stock-invests were not encashed in either case.

THE complainant, however, received notice to pay call money amounting to Rs. 250/- From that notice, the complainant learnt that she had been

allotted 100 shares each by the two companies vide Folio No. 31883024 in the case of RPEL. She sent call money amounting to Rs. 250/-

through cheque on 27.11.1994. As the application money had not been encashed on the basis of the stock-invest she also sent a demand draft for

Rs. 500/- on 8.11.1994. On 4.5.1995 the complainant was informed that printing of the share certificates of RPEL had been discontinued and the

same were not transferable or tradeable in view of the amalgamation of the said company with RIL as per scheme approved by the Bombay High

Court. In spite of such intimation, however, the complainant received share certificates of 100 shares on 15.5.1995.

The complainant simultaneously sent call money as well as the application money in respect of her application made for the allotment of preferential

shares of RPPL. She failed to get either the share certificates or refund of the amount.

The present complaint was filed in District Forum II claiming that because of the delay and non-issue of the share certificates the complainant's

money was remained blocked and even though at one point of time the share touched market price of Rs. 94/- per share, the same could not be

sold. The complainant, therefore, claimed Rs. 20,000/- as compensation.

3. ON receipt of notice a reply was sent by Reliance Consultancy Services Ltd. dated 4.5.1995. With regard to RPEL shares it was stated that

the application money together with two calls money had been received. In view of the scheme of amalgamation of RPPL/RPEL with Reliance

Industries Ltd. (RIL) approved by the Bombay High Court providing of share certificates of RPEL had been discontinued and the shares were no

longer transferable or tradeable in the market. It was further stated that according to the aforesaid Scheme the complainant was entitled to 25 fully

paid-up RIL shares, which would be sent to her in due course. Up to the time the present appeal was heard the said shares of RIL had not been

received by the complainant.

With regard to RPPL the aforesaid reply of the Reliance Consultancy Ltd. stated that demand draft No. 429168 for Rs. 500/- (in lieu of expired

stock invest furnished along with the application) did not appear to have been received by the Company. The complainant was requested to obtain

her Bankers Certificate regarding payment of the amount of the said bank draft to the credit of the Company's Account. In case the amount of the

bank draft had not been credited to the account of the Company the complainant was requested to send a duplicate demand draft for an equivalent

amount so that 100 shares allotted to her would stand fully paidup and she would be entitled to the allotment of 30 fully paid-up RIL shares in

accordance with the scheme approved by the High Court.

4. ON a consideration of the material on record, the District Forum held that no shares could be issued earlier as the company concerned was

being amalgamated with RIL. It was further observed that the opposite party had issued 100 shares each on her two applications and there was no

case of deficiency in service made out and, accordingly, dismissed both the complaints. Hence these appeals.

After hearing the appellant, who argued in person and going through the record, we find that the District Forum failed to correctly appreciate the

facts of the case. The 100 share certificates received in the case of RPEL are admittedly not transferable or tradeable in view of the amalgamation

of RPEL and RPPL with RIL w.e.f. 1.1.1995. The sending of such shares is, therefore, meaningless and of no avail. Insofar as RPPL is

concerned, admittedly, no shares have been sent by RIL. There has been undue delay in sending the share certificates which resulted in blockage

of money sent by the complainant at the time of applying for the shares. This includes the period when for reasons which have not been spelt out by

the respondents, the stock-in vest furnished by the complainant was not cashed. The Company has now offered allotment of 25 fully paid-up

shares of RIL in regard to the application made for the allotment of RPEL shares and 30 such shares in the case of RPPL. We, therefore, allow the

appeal and direct the respondents as under:

(i) the respondent shall send 25 fully paid RIL shares to the complainant within 4 weeks of the receipt of a copy of this order in regard to the

application made for allotment for RPEL shares; (ii) the complainant shall furnish the requisite Bank certificate with regard to payment of Rs. 500/-

sent earlier by draft as required in respondent's letter dated 4.5.1995. If such payment has not been credited to the account of the respondent a

fresh draft of Rs. 500/- shall be sent by the complainant to the respondent in regard to her application for allotment of shares of RPPL;

(iii) On receipt of the said certificate/ draft in terms of (ii) above, the respondent shall send to the complainant 30 fully paid RIL shares within 4

weeks of the receipt of the Bank certificate/draft; (iv) For the deficiency comprising the delay and resulting financial loss to the complainant the

respondent shall pay Rs. 2,500/- in each case as compensation failing which appropriate action u/Section 27 would be initiated.

The appeal is allowed in these terms. A copy of the order be conveyed to the parties as well as District Forum II. For the respondent, copy of the

order be sent to Reliance Consultancy Services, Unit-II, Swastik Mill Compound, V.N. Purav Marg, Chembur, Bombay 400071. Appeals

allowed.