

(2002) 05 BOM CK 0020

Bombay High Court

Case No: SEBI Appeal No. 11 of 2001 in Appeal No. 30 of 2001

B.P.Plc (formerly B.P.Amoco Plc)
and Foseco Plc.

APPELLANT

Vs

The Securities and Exchange
Board of India

RESPONDENT

Date of Decision: May 2, 2002

Citation: (2002) 4 BomCR 79 : (2003) 113 CompCas 182 : (2002) 3 MhLJ 402

Hon'ble Judges: C.K.Thakker, C.J; S. Radhakrishnan, J

Bench: Division Bench

Advocate: A.M.Setalvad, Gaurav Joshi, instructed by M/s.Bhaishankar Kanga and Girdharlal, for the Appellant; Goolam E.Vahanvati, Advocate General, instructed by y Maneksha and Sethna, for the Respondent

Final Decision: Dismissed

Judgement

S. Radhakrishnan, J.

By this Appeal the Appellants herein are challenging the order of the Securities Appellate Tribunal in Appeal No.30 of 2001 dated 7th September, 2001. In this Appeal the Appellant No.1 B.P.Plc formerly B.P.Amoco Plc and the second Appellant being Foseco PLC are public limited companies incorporated in the United Kingdom. Burma Castrol Plc. is also a public limited company incorporated in the United Kingdom. The said Burma Castrol has several subsidiary companies the Appellant No.2 is one amongst them. The Appellant No.2 has a subsidiary viz. Foseco Plc. India Ltd. which is incorporated in India. The said shares of the said Indian Companies are listed in the Stock Exchange Bombay and are permitted to be traded on the National Stock Exchange. In this case also public announcement was made for acquisition of shares on 14.3.2000. The grievance in this Appeal is that Appellants were directed by SEBI to make public announcement with regard to acquiring shares from shareholders of Foseco India Ltd. and also for award of interest at the rate of 15% p.a. during the period in which the payments were delayed in making the payments

to be shareholders. Finally in the aforesaid Appeal the Securities Appellate Tribunal came to a conclusion that the order of the SEBI directing the Appellant to make a public announcement to acquire shares from the shareholders of Foseco India Ltd. was proper hence was upheld. As far as the direction regarding payment of interest by Appellant from 14.3.2000 till the actual date of public announcement to be held to be untenable and as such the said direction was set aside. However, the Securities Appellate Tribunal has directed that SEBI is at liberty to reexamine and decide the period for which the Appellant can be held to be liable to pay interest and pass suitable orders thereon in accordance with law.

2. Therefore, the only issue on which present Appeal has been filed is with regard to a direction of SEBI directing the Appellant to make a public announcement regarding acquisition of shares from the shareholders of Foseco India Ltd. On this issue, in fact, the learned Counsel for the Appellant could not oppose and virtually conceded that inasmuch as the duty is very much cast on the Appellants to make an offer by way of a public announcement as per the provisions of SEBI Act and the Regulations framed thereunder. As far as the issue of award of interest is concerned the Securities Appellate Tribunal has already set aside the order of SEBI directing the Appellant to pay interest from 14.3.2000 till actual date of public announcement.

3. Under these circumstances, we do not find anything erroneous, unjust or perverse in the reasonings adopted by the Securities Appellate Tribunal in its order dated 7th September, 2001 upholding the order of SEBI with regard to directing the Appellants to make a public announcement regarding the acquisition of shares from shareholders of Foseco India Ltd., which is a statutory obligation cast upon the Appellants.

4. The Appeal is, therefore, devoid of any merit hence the same stands dismissed with costs.

5. After the above order was passed the learned Counsel for Appellants prays for stay of this order for a period of six weeks. He also submitted that the Appellants have already furnished a bank guarantee for the entire amount of interest awardable with the SEBI and the same bank guarantee is still alive and he states that the said bank guarantee will be kept alive for at least a period of eight more weeks. In view of the aforesaid facts and circumstances our order is stayed for a period of six weeks.

6. Personal Assistant to issue an ordinary copy of the order to the parties.

7. Issuance of certified copy expedited.