NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) No. 168 of 2026

(Arising out of Impugned Order dated 06.03.2026 passed by National Company Law Tribunal, Division Bench, Court - 1, Ahmedabad in Comp. Appeal No. 31 of 2025)

IN THE MATTER OF:

Titus Babu,
Illathumepurathu Bungalow,
Venmony P 0, Alappuzha District,
PIN - 689509, Kerala **... Appellant**

VERSUS

Sintex Industries Limited,
KALOL, Lower Ground Floor Acropolis Mall,
Nr. Thaltej Metro Station Entry Gate,
Thaltej, S.G Highway,
Ahmedabad - 380054, Gujarat, India **... Respondent**

Present:

For Appellant	Mr. George Mathai, Advocate.
For Respondent	Mr. Raheel Patel, Mr. Himanshu Satija, Mr. Anshul Rao, Mr. Suyash Shrivastava, Advocates.

J U D G E M E N T
(21 .08.2026)

NARESH SALECHA, MEMBER (TECHNICAL)

1. The present appeal is filed by the Appellant i.e., Titus Babu under Section 421 of the Companies Act, 2013 ("**Companies Act 2013**") arising out of Impugned Order dated 06.03.2026 passed by the National Company Law

Tribunal, ("**The Tribunal**") Bench Court -1, Ahmedabad in Comp. Appeal No. 31 of 2025.

Sintex Industries Limited (**SIL**), who is the Corporate Debtor, is the Respondent herein.

2. The Appellant submitted that he had purchased 1,35,000 equity shares of SIL during the period from 31 October 2017 to 30 January 2023, prior to the delisting of the Company's equity shares on 30 March 2023 pursuant to the capital reduction process undertaken under the approved Resolution Plan. The Appellant stated that upon discovering that his entire shareholding had been cancelled, he immediately addressed an email dated 10 April 2023 to SIL seeking clarification regarding the cancellation of his shares, to which SIL responded on 11 April 2023 confirming that the said shares stood cancelled. The Appellant further contended that he lodged a complaint before his Depository Participant, Geojit, on 31 March 2023, and eventually received a reply on 11 June 2024 stating that the cancellation of his 1,35,000 shares was a consequence of the capital reduction process.

3. The Appellant submitted that, with a view to protecting his legal rights, he approached several statutory and regulatory authorities including NSDL, NSE and RBI. The Appellant stated that NSDL, by its communication dated 9 August 2024, advised him to approach SIL and its Registrar and Transfer Agent for further clarification. The Appellant contended that NSE, by its reply dated 3 April 2023, advised him to approach the Tribunal, whereas RBI, by its communication dated 19 June 2024, directed him to seek relief before SEBI. The Appellant further submitted that SIL, through its communication dated 13 June 2024, reiterated that his 1,35,000 equity shares had been cancelled. Thereafter, the Appellant filed a complaint on the Share Samadhan Portal on 5 August 2024 and even became a Gold Member by paying the prescribed membership fee. However, the said complaint was closed on 4 November 2025 solely on the ground that SIL had already been delisted pursuant to the Resolution Plan. The Appellant further stated that he also lodged complaints before the SEBI SCORES and SMART ODR Portal on 23 October 2025, but was merely advised to approach the Tribunal, thereby leaving his grievance unresolved despite exhausting every available administrative remedy.

4. The Appellant contended that despite making repeated representations before various authorities, none of them discharged their statutory obligation to fairly resolve the dispute concerning the cancellation of his shares and his membership rights. The Appellant stated that, having exhausted all alternative remedies, he filed Company Appeal No. 31 of 2025 before the Tribunal, , seeking recognition and enforcement of his rights as a Member of SIL since 2017. The Appellant submitted that the Tribunal, by the impugned order dated 06.03.2026, dismissed the appeal as not maintainable and rejected all the reliefs sought without properly examining the statutory rights asserted by the Appellant. Being aggrieved by the said order, the Appellant has preferred the present Appeal before this Appellate Tribunal.

5. The Appellant submitted that he has been a Member of SIL since the year 2017 and not merely a shareholder. The Appellant contended that this distinction between a "Member" and a "Shareholder" is fundamental to the controversy involved in the present Appeal. The Appellant stated that before the Tribunal he had specifically pleaded that he was a Member of SIL and had reiterated the same in his Rejoinder. However, the Tribunal failed to examine this specific contention and erroneously proceeded on the assumption that the cancellation of the Appellant's shares under the Resolution Plan automatically extinguished his membership rights.

6. The Appellant submitted that the Resolution Plan approved by the Tribunal on 10.02.2023 expressly provides in Paragraph 4(iv) that the approved Resolution Plan shall be binding upon the Corporate Debtor, its employees, members, creditors, guarantors and other stakeholders. The Appellant contended that since he admittedly falls within the category of a Member, the Resolution Plan was required to be implemented in a manner that protected and recognised his rights. The Appellant further submitted that the Resolution Order nowhere provides that the liquidation value of all Members of SIL stood reduced to NIL. Rather, only the promoter group shareholders/members were assigned NIL liquidation value. The Appellant therefore contended that the Resolution Plan can never extinguish the rights of public Members such as the Appellant. The Appellant further stated that although payments under the Resolution Plan were made to employees, creditors, guarantors and other stakeholders, no payment whatsoever was made to the Members/ Shareholders of SIL, despite Members being specifically recognised under Paragraph 4(iv) of the approved Resolution Plan.

7. The Appellant submitted that the list of equity shareholders as on 31.03.2023 does not conform to the approved Resolution Plan and is consequently invalid and liable to be rejected. The Appellant further contended that SIL deliberately used the expressions "Member" and "Shareholder" interchangeably in the Annual Returns to justify differential treatment and to favour a particular class of persons.

8. The Appellant submitted that, in terms of BSE Notice No. 20230303-49 and NSE Circular No. 0282/2023 dated 03.03.2023, the equity shares of SIL stood delisted with effect from 10.03.2023. The Appellant contended that although he acquired a substantial portion of his shares during the period 01.01.2023 to 10.03.2023, the Company submitted the shareholding pattern only up to 31.12.2022, thereby completely omitting the transactions undertaken during the crucial period immediately preceding delisting. The Appellant stated that the omission of these transactions resulted in his beneficial ownership never being reflected in the Register of Members, despite his continuous status as a Member since 2017.

9. The Appellant submitted that he has never challenged the approved Resolution Plan. The Appellant contended that his grievance is confined solely to the implementation of the Resolution Plan in so far as it concerns his statutory rights as a registered Member of SIL. The Appellant further stated that the judgments relied upon by the Tribunal relate to challenges against approved Resolution Plans or disputes concerning creditors, and therefore have no application to a case involving the independent statutory rights of a Member under the Companies Act, 2013.

10. The Appellant submitted that his rights as a registered Member have never been extinguished. The Appellant contended that he is not seeking restoration of an extinguished shareholding but is seeking recognition and enforcement of his continuing membership rights arising under the Companies Act, 2013. The Appellant further stated that the Tribunal erroneously concluded that no case of omission from the Register of Members had been established. The Appellant submitted that the Company deliberately omitted his name from the Register of Members and failed to carry forward his name in the subsequent Annual Returns despite his beneficial ownership of 1,35,000 equity shares.

11. The Appellant submitted that the Tribunal incorrectly treated the dispute as one arising exclusively under Section 59 of the Companies Act, 2013. The Appellant contended that he had specifically invoked Sections 2(55)(ii) & (iii), 59, 88(1)(a), 88(2), 88(3), 378B(1)(d), (e), (i), (j) & (k), 378ZB(2) and Rule 5(3) of the Companies (Management and Administration) Rules, 2014, all of which collectively establish the statutory rights of a Member, the obligation of the Company to maintain a proper Register of Members, and the legal consequences flowing from wrongful omission of a Member's name. The Appellant contended that the Tribunal failed to examine these statutory provisions especially Section

59 of the Companies Act, 2013 specifically provides a remedy where the name of a person has been wrongfully omitted from the Register of Members or where there has been a failure to record the fact that a person has become a Member. The Appellant contended that his case squarely falls within the ambit of Section 59 of the Companies Act, 2013 since the Company either failed to properly enter his name in the Register of Members or subsequently omitted it without sufficient cause.

12. The Appellant further submitted that Section 2(55)(iii) of the Companies Act, 2013 recognises as a Member every person holding shares whose name appears as a beneficial owner in the records of the depository. The Appellant stated that his shares were held in dematerialised form and duly reflected in the records of the depository, thereby conferring upon him the status of a Member. The Appellant also relied upon judicial precedents to contend that a person who has acquired the right of membership may continue to be recognised as a Member even if his name is not reflected in the Register maintained by the Company.

13. The Appellant submitted that Section 88 of the Companies Act, 2013 imposes a mandatory obligation upon every company to maintain a proper Register of Members and further provides that the register maintained by the depository shall be deemed to be the Register of Members for the purposes of the Companies Act, 2013. The Appellant further contended that Rule 5(3) of the Companies (Management and Administration) Rules, 2014 mandates consequential entries in the Register of Members within seven days of any reduction, cancellation or reconstitution of shares. However, despite the cancellation of the Appellant's shares pursuant to the capital reduction, the Company neither made the necessary statutory entries nor issued any fresh shares or compensation to the Appellant.

14. The Appellant submitted that the reliefs sought by him are not confined to mere rectification of the Register of Members but concern the recognition, declaration and enforcement of his statutory membership rights, which squarely fall within the jurisdiction of the Tribunal. The Appellant further contended that the statutory framework of the Insolvency and Bankruptcy Code, 2016 (the Code) does not prohibit a Member from establishing his independent statutory rights and that any interpretation resulting in the complete denial of those rights, in the absence of an express provision in the Resolution Plan, is contrary to law.

15. The Appellant submitted that the finding of the Tribunal that no surviving rights remained with the Appellant is legally unsustainable. The Appellant contended that his membership rights continue to subsist and remain enforceable notwithstanding the cancellation of the existing shareholding. The Appellant further submitted that the finding regarding lack of jurisdiction is equally erroneous because the present dispute extends beyond rectification and concerns the adjudication of substantive statutory rights under the Companies Act, 2013. Consequently, the Appellant contended that the dismissal of Company Appeal No. 31 (AHM) of 2025 as not maintainable and the rejection of all reliefs sought by him are arbitrary, unreasonable and contrary to the material placed on record.

16. Concluding the arguments, the Appellant requested this Appellate Tribunal to allow his appeal and dismiss the Impugned order.

17. Per contra, the Respondent denied all the averments made by the Appellant as misleading and baseless. The Respondent submitted that the Appeal is entirely misconceived, as it is premised on the erroneous belief that the Appellant continues to enjoy enforceable rights as a shareholder and member of SIL despite the complete extinguishment of the pre-resolution equity share capital under the approved Resolution Plan. The Respondent contended that the entire equity share capital comprising 59,92,49,762 equity shares stood lawfully cancelled in accordance with the Resolution Plan approved by the Adjudicating Authority on 10 February 2023, and consequently no legal right, title or interest survived in favour of the Appellant. It was further submitted that the Appellant's contention is contrary to the statutory framework of the Code, particularly Sections 31 and 32A, and runs contrary to the settled principles governing corporate insolvency resolution.

18. The Respondent submitted that the approval of the Resolution Plan under Section 31(1) of the Code renders the Plan binding upon every stakeholder connected with the Corporate Debtor, including shareholders, members, creditors and guarantors. The Respondent stated that, being an erstwhile shareholder, the Appellant cannot seek exemption from the consequences flowing from the approved Resolution Plan, which has already attained finality and stands completely implemented. It was contended that the Hon'ble Supreme Court in *Ghanashyam Mishra & Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.(2021)9 SCC 657* and *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta (2020)8 SCC 531* has unequivocally recognised that an approved Resolution Plan binds every stakeholder, extinguishes all claims not incorporated therein, and enables the Successful Resolution Applicant to acquire the Corporate Debtor on a "clean slate." The Respondent therefore submitted that the Appellant is precluded from reopening or questioning the legal consequences of the approved Resolution Plan.

19. The Respondent further submitted that the Resolution Plan specifically contemplated the cancellation of the entire existing equity share capital without payment of any consideration by way of capital reduction, followed by the issuance of fresh securities in accordance with the terms of the Plan. It was stated that, upon implementation of the Resolution Plan, the Appellant's shareholding stood completely extinguished and, with it, every consequential right arising from such shareholding also came to an end. The Respondent contended that the Appellant cannot claim restoration of shares, rectification of records, compensation, or any other consequential relief, since no legal right survived after the cancellation of the equity shares.

20. The Respondent submitted that the attempt to invoke Section 59 of the Companies Act, 2013 is legally untenable. The Respondent contended that the Register of Members faithfully records the cancellation of the Appellant's shares in accordance with the Resolution Plan and therefore discloses no error warranting rectification. It was further submitted that the Appellant's monetary claim of approximately Rs. 82.3 crores (claimed as approximately ₹110 crores with interest) are wholly foreign to proceedings under Section 59 of the Companies Act, 2013, which neither contemplates adjudication of damages nor confers jurisdiction to award compensation.

21. The Respondent further submitted that the distinction sought to be drawn by the Appellant between a "member" and a "shareholder" has no legal basis, as both expressions are interchangeably as by virtue of Section 2(55) of the Companies Act, 2013, membership is inseparably linked to ownership of shares, while Section 88 of the Companies Act, 2013 requires maintenance of only one Register of Members and does not envisage any independent register of shareholders. The Respondent therefore contended that once the Appellant's shares stood extinguished pursuant to the Resolution Plan, his status as a member simultaneously came to an end, leaving no independent membership rights capable of enforcement.

22. The Respondent further submitted that the present proceedings are nothing but an indirect attempt to challenge the Resolution Plan and the Approval Order dated 10 February 2023 after both have attained finality. It was stated that following the approval of the Resolution Plan, the cancellation of shares was duly implemented, the company was delisted and appropriate public disclosures were made. The Respondent contended that if the Appellant was aggrieved by the approval of the Resolution Plan, the only statutory remedy available was an appeal under Section 61 of the Code, which was required to be filed within the prescribed limitation period. Having failed to avail the remedy provided under the Code, the Appellant cannot now circumvent the statutory scheme by resorting to proceedings under Section 59 of the Companies Act, 2013. Such proceedings, it was submitted, constitute a collateral attack on a concluded insolvency resolution and amount to a clear abuse of the judicial process, which, if permitted, would seriously undermine the certainty and finality intended under the IBC.

23. Without prejudice to the foregoing submissions, the Respondent stated that the Appellant is not entitled to any relief even on the merits of the case. The Respondent submitted that the distribution mechanism prescribed under Sections 30(2)(b) and 53 of the Code makes it abundantly clear that even dissenting financial creditors cannot receive more than the liquidation value payable to them, whereas equity shareholders become entitled to any distribution only if surplus assets remain after satisfying the claims of every class of creditor. It was contended that, in the present case, the financial creditors themselves did not recover their dues in full and the liquidation value attributable to the equity shareholders was admittedly nil. Consequently, the cancellation of the Appellant's shares without payment of any consideration was entirely consistent with the scheme and object of the Code. The Respondent further submitted that, having neither objected to the Resolution Plan during the CIRP nor challenged the Approval Order within the statutory period, the Appellant cannot now seek to create a monetary claim by invoking rectification proceedings under the Companies Act, 2013.

24. Concluding his arguments, the Respondent requested this Appellate Tribunal to dismiss the present appeal.

Findings

25. The Appellant claims to have purchased 1,35,000 equity shares of SIL, in tranches, between 31.10.2017 and 30.01.2023, through his demat account maintained with Geojit Financial Services Limited.

26. We note that SIL underwent CIRP under the Code and the Resolution Plan submitted by the Successful Resolution Applicant was approved by the NCLT, Ahmedabad, by order dated 10.02.2023 in IA 275 of 2022 in CP (IB) No. 848/NCLT/AHM/2019, under Section 31 of the Code ("Approval Order"). Clause 6.1 of the Resolution Plan records that the existing equity shareholders would not be paid any amount, the liquidation value of the Corporate Debtor being inadequate to make any payment to such persons. Paragraph 4(iv) of the Approval Order makes the Plan binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders; paragraph 4(viii) of the approved order extinguishes, from the date of the order, all claims against the Corporate Debtor except those provided for in the Plan.

27. We are conscious of the fact that on implementation of the Resolution Plan, the entire pre-existing issued equity share capital of SIL i.e 59,92,49,762 equity shares of Re. 1/- each — stood cancelled and extinguished without payment of any consideration, and the shares were delisted from the BSE and the NSE in March 2023, vide BSE Notice No. 20230303-49 and NSE Circular No. 0282/2023.

28. From pleadings before us, we note that on being informed by SIL (by communications dated 11.04.2023 and 13.06.2024) that his shares stood cancelled pursuant to this capital reduction, the Appellant raised the matter, between 2023 and 2025, with the Depository Participant (Geojit), NSDL, NSE, the RBI, and thereafter with the SEBI SCORES/SMART ODR portal and a private grievance-redressal platform, without success. Further on 09.12.2025, the Appellant filed Comp. Appeal No. 31 of 2025 before the NCLT, Ahmedabad, under Section 59 of the Companies Act 2013 read with Sections 2(55), 88(1) and 378 B (1), 378 ZB (2) of the Act and Rule 5(3) of the Companies (Management and Administration) Rules, 2014 — praying, inter alia, for: (a) compensation of Rs. 82.3 crore, computed as his proportionate share of the Rs. 3,651.32 crore infused by the Resolution Applicant, Reliance Industries Limited ("RIL"); (b) interest thereon @ 10% p.a. from 10.02.2023; (c) issuance of fresh equity shares equivalent to his extinguished 1,35,000 shares; (d) damages for mental suffering; and (e) a consolidated sum of approximately Rs. 110 crores.

29. We also take into consideration that SIL contested the petition by its reply dated 20.02.2026, contending that it was not maintainable as it sought, in substance, to reopen the approved Resolution Plan; that the extinguishment of the entire pre-CIRP equity capital, without consideration, was uniform and covered the Appellant's holding; and that Section 59 of the Companies Act, 2013 does not empower revival of extinguished share capital or an award of compensation of the nature claimed.

30. By the Impugned Order, the Tribunal held that the omission of the Appellant's name from the Register of Members was not "without sufficient cause"; that the Resolution Plan, once approved under Section 31 of the Code, bound the Appellant as a member/stakeholder; that Section 59 of the Companies Act, 2013 did not permit revival of extinguished capital or grant of the reliefs claimed and that the appeal was accordingly not maintainable. All reliefs were rejected.

31. The Appellant tries to impress us with the arguments that the Tribunal erred in law and in fact, and that principles of natural justice were violated. The Appellant contended that paragraph 4(iv) of the Approval Order rendered the liquidation value "NIL" only for shareholders forming part of the promoter group, and that the Appellant, being a non-promoter Member, stands outside that extinguishment. Reliance is placed by the Appellant on the shareholding figures disclosed in SIL's Annual Returns for FY 2022-23 and FY 2024-25 — showing 31+1 and 25+1 "Public Shareholders"/"Members" respectively, including 25 secured financial creditors to contend that certain persons were preferentially retained as members/shareholders while the Appellant's rights were treated as extinguished, and that the terms "Shareholder" and "Member" have been used inconsistently to SIL's advantage.

32. The Appellant also contended that the Section 59 is not confined to clerical correction and that Section 88 of the Companies Act, 2013 casts a continuing statutory duty on SIL to maintain an accurate Register of Members and the proposition of the Appellant is that membership, once acquired, is not lightly divested. Sections 378B(1)(d), (e), (i), (j), (k) and 378ZB (2) of the of the Companies Act, 2013, and Rule 5(3) of the Companies (Management and Administration) Rules, 2014, are invoked in support of the reliefs claimed by the Appellant.

33. It is the case of the Appellant that the ratio of case of Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta and Ghanashyam Mishra & Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd., relied upon by the Tribunal, concern the rights of creditors and have no bearing on a claim founded on membership rights. The Appellant reiterated that the Appellant does not challenge the Resolution Plan but seeks only its "execution" qua his rights as a registered Member, and that the compensation of Rs. 82.3 crore, computed at 0.023% of the funds infused by RIL, together with interest, represents a just and reasonable relief.

34. On the other hand, Supporting the Impugned Order, the Respondent submitted that the Resolution Plan, having been approved under Section 31 of the Code, is binding on the Corporate Debtor and all its stakeholders, including members, and that Section 238 of the Code gives it overriding effect over anything inconsistent in the Act. The Respondent further submitted that cancellation of the entire pre-existing equity share capital, without consideration, was a uniform incident of the approved Plan and did not single out the Appellant; the shareholding disclosed in the post-implementation Annual Returns pertains to the restructured capital issued under the Plan and has no continuity with the extinguished pre-CIRP holding.

35. The Respondent that the present appeal is a disguised attempt to reopen a Resolution Plan that has attained finality, and that the reliefs of compensation, interest, fresh share issuance, and damages for mental suffering all fall outside the summary, rectificatory scope of Section 59.

36. Having heard the parties and perused the record including the Impugned Order, the pleadings before the Tribunal, the Resolution Plan and Approval Order, and the judgements cited, the following Issues arise for determination:

(i) Whether the omission of the Appellant's name from the Register of Members of SIL was "without sufficient cause" within the meaning of Section 59(1) of the Companies Act 2013?

(ii) Whether the Appellant possesses any surviving membership or enforceable right in SIL, distinct from his extinguished pre-CIRP shareholding, by virtue of the terminology used in the Approval Order and SIL's post-implementation Annual Returns?

(iii) Whether Sections 2(55), 88, 378B and 378ZB of the Companies Act 2013, Rule 5(3) of the Companies (Management and Administration) Rules, 2014, assist the Appellant?

(iv) Whether the reliefs of compensation, interest, issuance of fresh equity shares and damages for mental suffering are grantable in proceedings under Section 59 of the Companies Act 2013?

(v) Whether there is any violation of natural justice or other infirmity vitiating the Impugned Order?

37. Now we will deal all issues hereinafter:

Issue No (I) Whether the omission of the Appellant's name from the Register of Members of SIL was "without sufficient cause" within the meaning of Section 59(1) of the Companies Act 2013.

38. We note that Section 59 of the Companies Act, 2013 is a narrow, summary and rectificatory provision, intended solely to correct clerical or procedural errors, wrongful entries or omissions in the Register of Members. It is not a substitute for a suit and cannot be invoked to adjudicate seriously disputed questions, to revive or restore extinguished equity share capital, to compel issuance of fresh shares pursuant to a concluded insolvency resolution, or to award monetary compensation, interest or damages. The Register of Members correctly reflects the extinguishment effected under the Resolution Plan, and there is no “error” to rectify. The relief claimed by the Appellant, Rs. 82.3 crores (approx. Rs. 110 crores with interest), is speculative, wholly alien to Section 59, of the Companies Act, 2013 and cannot be granted in a rectification proceeding.

39. We would reiterate that Section 59(1) of the Companies Act, 2013 affords a remedy where a name is entered, or omitted, "without sufficient cause". The material on record is unambiguous: the Appellant's shares stood cancelled and his shareholding stood extinguished as an incident of Clause 6.1 of the Resolution Plan and paragraphs 4(iv) and 4(viii) of the Approval Order, applied uniformly to the entire pre-existing equity share capital of SIL. An omission that flows, as a matter of law, from a Resolution Plan duly approved under Section 31 of the Code cannot be said to be "without sufficient cause"; the cause is the Approval Order itself, which the Appellant does not and, by virtue of Sections 31 and 238 of the Code, cannot collaterally challenge in these proceedings. No infirmity is found in the conclusion of the Tribunal on this aspect.

Issue No (II) Whether the Appellant possesses any surviving membership or enforceable right in SIL, distinct from his extinguished pre-CIRP shareholding, by virtue of the terminology used in the Approval Order and SIL's post-implementation Annual Returns?

40. The distinction sought to be drawn by the Appellant between a "Shareholder of the promoter group" (whose liquidation value alone is said to have been made NIL) and a "Member" simpliciter (whose rights allegedly survive) does not bear scrutiny. Under Section 2(55) of the Companies Act 2013, a person becomes a member of a company having share capital by holding shares and having his name entered in the register (or as a beneficial owner under the Depositories Act, 1996); for such a company, "member" and "shareholder" are not two distinct legal categories but two descriptions of the same status. Clause 6.1 of the Resolution Plan speaks of "existing equity shareholders" not being paid any amount; paragraph 4(iv) of the Approval Order makes the Plan binding on, inter alia, "members". Read together, these provisions cover every person who held equity shares of SIL prior to implementation of the Resolution Plan, including the Appellant and do not carve out a residual class of "Members" whose shareholding survives extinguishment while only "promoter-group Shareholders" are affected. Therefore, we find that the appeal proceeds on a premise that is not borne out by the record.

41. We also note that the figures relied upon by the Appellant from SIL's Annual Returns for FY 2022-23 and FY 2024-25, do not assist the Appellant. Those returns, as argued by the Appellant record the shareholding pattern after implementation of the Plan, reflecting the restructured capital issued under it, including equity allotted to erstwhile secured financial creditors as part of the approved restructuring and not a continuation of the pre-CIRP shareholder base of over four lakh members that stood extinguished. The Appellant has placed no material to show that he was allotted, or was entitled to be allotted, any shares under the approved Plan; the numerical coincidence in a return filed for a period ending 31.03.2023 (contemporaneous with implementation) is not, without more, evidence of continuity of his own, extinguished, pre-CIRP holding. No case of discriminatory retention of the Appellant's specific shareholding is made out.

Issue No (III) Whether Sections 2(55), 88, 378B and 378ZB of the Companies Act 2013, Rule 5(3) of the Companies (Management and Administration) Rules, 2014, assist the Appellant?

42. We observe that Sections 2(55) and 88 of the Companies Act 2023 are definitional and administrative in character. They identify who is a member and cast a duty to maintain the register, but do not, by themselves, confer a right that survives a statutory extinguishment of share capital validly effected under an approved Resolution Plan under the Code.

43. Moreover, it can be said that under the Companies Act, 2013, in a company limited by shares the expressions "member" and "shareholder" are legally synonymous and interchangeable. Section 2(55) defines a "member" to include every person holding shares and whose name is entered as a beneficial owner in the records of a depository, and Section 88 mandates a single Register of Members, there being no separate register of "shareholders". Membership flows from, and is inseparable from, shareholding. Consequently, once the equity shares stood extinguished under the Resolution Plan, the Appellant ceased to be both a shareholder and a member; no independent or abstract "membership" right survives the extinguishment of shareholding.

44. We also note that Sections 378B and 378ZB of the Companies Act 2013 occur in Chapter XXIA, which governs "Producer Companies" as defined in

Section 378A(l) bodies corporate formed for the objects specified in Section 378B and registered as such. There is no averment, and no material on record, that SIL is or was ever registered as a Producer Company. The invocation of Sections 378B (1) and 378ZB (2) — which govern the objects and patronage-linked share capital of Producer Companies — is misconceived and has no bearing on the rights of a shareholder of an ordinary company such as SIL. The same holds for Rule 5(3) of the Companies (Management and Administration) Rules, 2014, which merely prescribes a seven-day period for making entries consequent upon a reduction of capital approved by the Board or committee, a procedural timeline that creates no substantive entitlement independent of the underlying corporate action, here the Court-sanctioned Resolution Plan. Thus, we are of view that the Appellant has not been able to make out any case.

Issue No (IV) Whether the reliefs of compensation, interest, issuance of fresh equity shares and damages for mental suffering are grantable in proceedings under Section 59 of the Companies Act 2013?

45. We note that Section 59(2) of the Companies Act 2013 confines the power of the Tribunal, on an appeal for rectification, to dismissing the appeal, directing registration of a transfer or transmission, or directing rectification together with damages "sustained by the party aggrieved" that is, damages flowing from the wrongful entry or omission itself, such as loss occasioned by delay in recording a valid transfer. It does not contemplate a free-standing claim for compensation computed as a proportion of funds infused by a resolution applicant into the corporate debtor, nor a direction for issuance of fresh equity share capital, nor damages for mental suffering. The jurisdiction under Section 59 of the Companies Act 2013, though it may extend to questions incidental and peripheral to rectification, remains anchored to rectification and does not become a vehicle for adjudicating substantive monetary claims of the magnitude sought here.

46. Independently, and more fundamentally, the reliefs claimed are barred by the binding and overriding effect of the approved Resolution Plan. Section 31 of the Code renders the Plan binding on the Corporate Debtor and all its stakeholders, including members; Section 238 gives the Code overriding effect over anything inconsistent contained in any other law, including the Companies Act, 2013. It is well settled that once a Resolution Plan is approved, it cannot thereafter be reopened at the instance of any stakeholder, and that claims not provided for in the Plan stand extinguished so that the successful resolution applicant may take over the corporate debtor on a clean slate in terms of Ratio of case , Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta, (2020) 8 SCC 531, and Ghanashyam Mishra & Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd., (2021) 9 SCC 657. The Appellant's own case is that his shares, along with the entire pre-existing equity capital of SIL, were extinguished under the Plan; a claim for compensation, interest and fresh shares in lieu of that extinguished holding is, in substance, inconsistent with the approved Resolution Plan and is barred by this settled position, irrespective of whether it is founded on Section 59 of the Companies Act 2013 or otherwise.

Issue No (V) Whether there is any violation of natural justice or other infirmity vitiating the Impugned Order?

47. The Appellant was represented by counsel throughout, filed a rejoinder to SIL's reply, and has not identified any specific procedural opportunity that was denied to him. The Impugned Order records and deals with the rival contentions, the Resolution Plan, the Approval Order and the relevant statutory provisions. The grievance, on a fair reading of the grounds of appeal, is against the conclusion reached on merits and not against the process by which it was reached. No violation of natural justice is made out.

Conclusions

48. We may conclude noting the undisputed fact that Section 238 accords the Code primacy over all other laws inconsistent with it, including the Companies Act, 2013, so that no company-law remedy may be deployed to unsettle a concluded resolution. Section 32A of the Code reinforces the clean-slate principle by providing that the liabilities of SIL for the pre-resolution period cease upon approval and implementation of the Plan and the resultant change in management and control. Any attempt to resurrect pre-resolution shareholders' rights through company law remedies is impermissible.

49. For the reasons recorded above, we find no error of law, fact or jurisdiction in the Impugned Order. We hold that the Tribunal correctly held that the Appellant has no surviving membership or enforceable right in SIL independent of his extinguished pre-CIRP shareholding, that the appeal under Section 59 of the Companies Act 2013 was not maintainable, and that the reliefs claimed were beyond the scope of that provision and, in any event, barred by the binding and overriding effect of the approved Resolution Plan under Sections 31 and 238 of the Code.

50. In view of the above detailed discussions, the appeal fails and stands rejected. No order as to cost. IA, if any, stand closed.

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

[Mr. Naresh Salecha]
Member (Technical)

Sim