

(1906) 07 MAD CK 0009
In the Madras High Court

Neelamega Sastri

APPELLANT

Vs

S. Appiah Sastri

RESPONDENT

Date of Decision : 16-07-1906

Acts Referred:

Companies Act, 1882 — Section 4

Citation : (1906) ILR (Mad) 477 : (1906) 16 MLJ 385

Judgement

1. We are of opinion that the test to be applied in cases of this class is correctly laid down in Panchena Manchu Nayar v. Gadinhare

Kumaranchath Padmanabhan Nayar I.L.R.(1896) M. 63, viz., "to constitute an association within the meaning of the section, the existence of a

legal relation between more than twenty persons giving rise to joint rights or obligations or mutual rights and duties is absolutely necessary.

2. Applying this test to the instalment in question in the present case we are of opinion that the parties to the instrument are not an association within

the meaning of Section 4 of the Indian Companies Act, 1882. The organisers of the chit fund in question are described in the instrument as agents,

but the terms of the instrument taken as a whole show beyond doubt that they really occupy the position of principals or proprietors.

3. The answer to the question referred to us must be in the negative.