

(1978) 01 P&H CK 0016
In the Punjab And Haryana At Chandigarh
Case No : Company Petition No. 212 of 1977

Ravinder Kumar Jain

APPELLANT

Vs

Punjab Registered (Iron and Steel) Stockholders Association Ltd.

RESPONDENT

Date of Decision : 12-01-1978

Acts Referred:

Companies Act, 1956 — Section 166, 171

Citation : (1978) 48 CompCas 401

Hon'ble Judges : S. Sandhawalia, J

Bench : Single Bench

Advocate : D.R. Nanda and S.P. Jain, for the Appellant; Bhagirath Dass and G.S. Chawla, for the Respondent

Final Decision : Dismissed

Judgement

Sandhawalia, J.—Ravinder Kumar Jain, petitioner, has moved this petition u/s 166 read with Section 171 of the Companies Act, against the Punjab Registered (Iron and Steel) Stockholders Association Ltd., to seek the primary relief that the meeting of the respondent-company held on the 28th September, 1977, be declared illegal and void. The petition is primarily based on the allegations that the notices issued for the calling of the annual general meeting violated the statutory period of 21 clear days. Written statement has been filed and the replication on behalf of the petitioner was also placed on the record. From the pleadings of the parties, the following preliminary issue was struck :

" Whether the present petition u/s 166 read with Section 171 of the Companies Act, 1956, is maintainable in this court in the present form ?"

2. It appears to me that it would be wasteful to dilate on this matter because the same appears to be concluded against the petitioner by a number of judgments of this court. In Panipat Woollen and General Mills Co. Ltd. v. R. L. Kaushik [1969] 39 Comp Cas 249 (Punj), Pandit J., by a considered judgment, came to

the conclusion that the civil courts had jurisdiction to try a suit challenging the validity and regularity of the general meeting of a company and the election of directors held therein. In *Siri Ram v. Edward Ganj Public Welfare Association Ltd.* [1977] 47 Comp Cas 283 (P&H) also the validity of the meeting of a company and the election of its directors therein was sought to be assailed on a variety of grounds. Tuli J., whilst holding that the petition was not maintainable, observed that this was not a matter for decision u/s 186 of the Companies Act.

3. The case which directly covers the point, however, is the categoric opinion of Sharnna J. in *S. Niranjana Singh v. Edward Ganj Public Welfare Association* [1977] 47 Comp Cas 285 (P&H). Therein also the validity of a meeting of the company and the election held therein was sought to be challenged. The learned judge relying on the aforementioned two authorities concluded as follows (page 286):

" In view of this I hold that this petition is not competent before me and the only remedy available to the petitioner is to file a civil suit. This petition is accordingly dismissed."

4. Before me, no cogent argument has been raised to assail the correctness of the view expressed in *Niranjana Singh's* case [1977] 47 Comp Cas 285 (P&H) referred to above. As at present advised, I see no reason to take a contrary view. Following the same it is held that the present petition is not maintainable. The "preliminary issue is decided in favour of the respondent and the petition is dismissed. There will be no order as to costs.