22.12.2025
Ct. No. 06
Sl. No.2
skg

C.O. No. 4338 of 2025
With
IA CAN no. 1 of 2025
CAN 2 of 2025,
CAN 3 of 2025

The Punjab Produce & Trading Co. Pvt. Ltd. & Ors.
Vs.
Birla Corporation Limited & Ors.

Mr. Ratnanko Banerjee, Sr. Adv.
Mr. Anirban Ray, Sr. Adv.
Mr. Suddhasatva Banerjee,
Mr. Naman Chowdhury,
Mr. Subhojyoti Mukherjee,
Ms. Siddhi Agarwal,

.....for the petitioners

Mr. Ranjan Bachawat, Sr. Adv.
MR. Sayan Roy Chowdhury,
Mr. Shaunak Mitra,
Mr. Satyaki Mukherjee,
Mr. Sanket Sarawgi,
Mr. Bhavesh Sarodia,
Mr. Sarmiddha Sen,
Ms. Sriparna Mitra,

....for Birla Corporation

Mr. Krishna Raj Thaker, Sr. Adv.,
Mr. Debartha Chakraborty,

...for the applicant/intervener
In CAN 1 of 2025, CAN 2 of 2025
CAN 3 of 2025

Mr. Abhrajit Mitra, Sr. Adv.,
Mr. Debanjan Mondal,
Mr. Sanju Kumar Trivedi,
Mr. Sarvapriya Mukherjee,
Mr. Soumya Roychowdhury,
Mr. Satadeep Bhattacharyya,
Mr. Sanket Sarawgi,
Mr. Altamash Alim,

....for Harsh Vardhan Lodha

Mr. P.K. Dutt,
Mr. S. K. Dutt,
...for CDSL

1. The plaintiffs in Title Suit no. 1434 of 2025 have challenged an order dated November 21, 2025 passed by the learned Addl. District Judge, 16th Court at Alipore, 24 Paraganas South in Misc. Appeal no. 303 of 2025.

2. By the order impugned, the learned appeal court vacated the ad interim order of injunction passed by the learned Civil Judge (Sr. Div.) 1st Court at Alipore. The learned trial judge had restrained the defendant nos. 1 to 5, who are the opposite parties in this revisional application and/or their men, agents, servants and representatives from giving any effect or further effect to or from holding any voting, including the remote e-voting and from declaring the result in respect of Item no.5 under the head "Special Business" mentioned in the notice of the 105th Annual General Meeting of the defendant no.2/company. The defendant no.5 provides the platform for such e-voting. The said defendant was restrained from taking any steps with regard to the voting in respect of Item no.5 under the head 'Special Business'. All the defendants were restrained from acting and publishing the result, thereof.

3. The learned trial judge was of the view that belated service of the notice of the Annual General Meeting and the relevant document connected to Item No. 5, agenda, “Special Business”, did not permit the plaintiffs adequate opportunity to prepare themselves and effectively participate in the Annual General Meeting.

4. Upon appreciation of the, prima facie, case and balance of convenience and inconvenience of the parties, the learned trial Judge was of the view that, an ad interim order of injunction was necessary, so that the plaintiffs could get an opportunity to prepare themselves and protect their interest in respect of adoption of a new set of Articles of Association,.

5. Aggrieved by the aforementioned ad interim order, Misc. Appeal no. 303 of 2025 was filed by the opposite party No.2. Their contention was that the suit was barred by law. The cause of action in filing the suit were oppression and mismanagement by the defendant No. 1. The allegations were that, the defendant no. 1 who is the Chairman cum Managing Director of the defendant no.2, was misusing his position and trying to adopt a new set of Article of Association, which would be detrimental to the shareholders of the public limited company. The plaintiffs and the other societies who had interest in

the functioning of the company and substantial voting rights, were being denied of fair participation.

6. Further contention of the opposite parties before the learned appellate court was that, the registered office of the company was outside the jurisdiction of Alipore court. The learned trial judge not only lacked subject matter jurisdiction, but also territorial jurisdiction to entertain the suit.

7. The learned appeal court was of the view that the shareholders were the real owners of the public limited company. They had the biggest stake in the functioning of the organization. They had the prerogative to decide the manner in which the company should run. No ground had been put forward by the plaintiffs which would undermine the collective wisdom, conscience and awareness of the majority of the shareholders who attempted to replace the Articles of Association. The allegations fell within the definition of oppression and mismanagement. Thus, the proper remedy of the plaintiffs would be before the National Company Law Tribunal, which was the appropriate forum to decide the issues. According to the learned appeal court, the trial judge had failed to examine the applicability of Section 430, 240 to 244 of the Companies Act. Section 430 of the Company Act struck at the very root of the suit, and as such, the ad

interim order of injunction passed by the learned Trial Judge called for interference by the appeal court.

8. Mr. Nalin Kohli, learned Senior Advocate for the petitioner no.4 and the societies who sought to be impleaded in the suits, submits that, the e-voting which had taken place was vitiated as the report filed by the scrutinizer would indicate that Demat Account of six shareholders, including the societies, had been blocked. This action of the scrutinizer was contrary to the rules. The results were liable to be set aside.

9. Mr. Ratnanko Banerjee, learned Senior advocate submits on behalf of the petitioners that, 100 years old Articles of Association, was sought to be replaced without any consultation with any of the shareholders or promoters. Such action was illegal. The plaintiffs, together with the societies had more than 28% voting right. The learned trial judge had visualised the urgency involved and had rightly stayed the meeting with regard to Item no. 5. The learned appellate court proceeded to decide all the issues on merits and vacated the order of the trial judge. This amounted to disposal of the appeal at the first instance. Moreover, the learned appeal court held a mini trial, which was not permitted at the stage of deciding an ad interim prayer.

10. Both the learned advocates submit that the voting percentage of the plaintiffs along with the societies were adequate to block the passing of the resolution. It is also submitted that, the societies were prevented from casting their votes both remotely and also physically.

11. Mr. Bachawat, learned Senior Advocate appears for Birla Corporation Mr. Mitra, learned Senior Advocate appears on behalf of the opposite party no.2, Mr. Chowdhury, learned Senior Advocate appears on behalf of the opposite party no.4 and Mr. Sayantan Banerjee, learned Advocate appears for the opposite party no.5

12. The issue before this court is whether, the learned appeal court had acted illegally and with material irregularity, in vacating the ad interim order of injunction passed by the learned trial Judge.

13. The learned Senior Advocates for the opposite parties submit that the suit itself is not maintainable. The learned trial Judge did not take this aspect into consideration. The only factor which prevailed upon the learned trial Judge was that, the plaintiff did not get adequate notice and opportunity to go through the voluminous records and as such they were deprived from raising proper protest at the meeting, when the said agenda was sought to be voted for and passed. It

is further submitted that, the plaintiff had 23 days clear notice of the Annual General Meeting and the agenda. This itself was sufficient compliance of the law. The law did not require any extended notice to be given to the shareholders, based on the nature of the agenda. It is also submitted that, the registered office of the company is outside the jurisdiction of the Alipore court and as such the trial judge could not have passed an order of injunction, without appreciating whether the suit was at all maintainable. The averments in the plaint have been pointed out in support of the contentions that, the allegation in the suit against the defendant No. 1, is on oppression and mismanagement. The remedy of the plaintiffs would be before the National Company Law Tribunal. Similar suits were filed earlier, and the plaintiffs were unsuccessful.

14. Such submissions of the learned Advocates for the opposite parties were vehemently denied by Mr. Kohli and Mr. Banerjee. According to them, the prior suits were not on similar causes of action. It is further submitted that the suit is maintainable.

15. Having gone through the order impugned before this court, I find that, the learned appeal court appreciated the issues involved and had passed the order with adequate reasons. The court held that, the averments

in the plaint were based on allegations of oppression and mismanagement. The suit was barred in view of the provisions of the Companies Act. The trial judge did not appreciate the, prima facie, case which was a *sine qua non* for passing an ad interim order of injunction. The notice was issued as per law. Accordingly, the learned appeal court vacated the order of stay.

16. The jurisdiction of this court must be exercised within a very narrow campus. The Misc. Appeal from an order of ad interim injunction is pending final adjudication; Whether the learned Trial Judge had rightly passed the order of injunction will be finally adjudicated in the Misc. Appeal. The Misc. Appeal has not reached a finality

17. Thus, the only error committed by the learned appeal court was that, the final relief was granted to the opposite parties and in effect, it amounted to disposal of the appeal. This court appreciates that, granting an injunction over the agenda in the meeting would amount to interference with a statutory mechanism provided under the companies Act. It will negate corporate democracy. There is no prima facie evidence that the statute was violated by the opposite parties in seeking to amend the Articles of Association. Normally, courts do not interfere with the internal management

of the companies. Thus, the balance of convenience and inconvenience is in allowing the voting to continue and to publish the results.

18. It is true that there are issues raised with regard to maintainability of the suit and the bar of law. However, all such questions raised by the opposite parties are subject to further judicial scrutiny. If the order impugned, as it stands today, is not modified, there is a chance that, the suit will become infructuous. There are also allegations of fraud.

19. Under such circumstances, this court is required to strike a balance. The learned Additional District Judge, 16th Court, Alipore shall dispose of the Misc. Appeal and adjudicate the issues before it. The application with regard to the maintainability of the appeal is pending and the same shall also be disposed of..

20. The voting on Item no.5 (Special Business) has taken place. The result shall be published. As Mr. Bachawat submits that, in the event the agenda is passed by majority, the amended AOA shall not take effect before a month, no further injunction is required to be passed. Within this month, i.e. before the articles of amended AOA Association is given effect to, the learned appeal court must dispose of the Misc. Appeal. The casting of votes, the result and all steps that may

have been subsequent thereto, shall abide by results of the Misc. Appeal. Parties are at liberty to pray for further/other interim orders before the appeal court.

21. The societies can raise all their issues before the appeal court.

22. The revisional application, along with all connected applications, are accordingly dismissed.

23. There shall be no order as to costs.

24. Parties are to act on the server copy of this order.

(Shampa Sarkar, J.)