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A.No.405 of 2023

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in
C.S.(Comm.Div.)No.16 of 2022

C.SARAVANAN, J.

This application has been filed by the first defendant for framing an additional issue as to whether the person, who has signed and verified the the plaintiff is competent to file the suit and therefore, whether the suit itself was maintainable or not.

2. The learned Counsel for the applicant/first defendant has placed reliance on the decision of the Hon'ble Supreme Court in **State Bank of Travancore Vs M/s.Kingston Computers India Private Limited**, (2011) 11 SCC 524. A specific reference is made to Paragraph 14 from the said Judgment, which reads as under:-

"14. In our view, the judgment under challenge is liable to be set aside because the respondent had not produced any evidence to prove that Shri Ashok K.Shukla was appointed as a Director of the Company and a resolution was passed by the Board of Directors of the Company to file a suit against the appellant and authorised Shri Ashok K.Shukla to do so. The letter of authority issued by Shri Raj K.Shukla, who described himself as the Chief Executive Officer of the Company, was nothing but a scrap of paper because no resolution was passed by the Board of Directors delegating its powers to Shri Raj



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K.Shukla to authorise another person to file a suit on behalf of the Company."

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3. On the other hand, the learned Counsel for the first respondent/plaintiff has placed reliance on the decision of the Hon'ble Supreme Court in **Union Bank of India Vs Naresh Kumar and others** in Civil Appeal No.11884 of 1986, wherein, in Paragraph 10, the Court after examining Order VI Rule 14 of C.P.C read with Order 29 Rule 1 of C.P.C, held as under:-

"10. It cannot be disputed that a company like the appellant can sue and be sued in its own name. Under Order 6 Rule 14 of the CPC a pleading is required to be signed by the party and its pleader, if any. As a company is a juristic entity it is obvious that some person has to sign the pleadings on behalf of the company. Order 29 Rule 1 of the CPC, therefore, provides that in a suit by or against a corporation the secretary or any Director or other Principal Officer of the corporation who is able to depose to the facts of the case might sign and verify on behalf of the company. Reading Order 6 Rule 14 together with Order 29 Rule 1 of the CPC it would appear that even in the absence of any formal letter of authority or power of attorney having been executed a person referred to in Rule 1 of Order 29 can, by virtue of the office which he holds, sign and verify the pleadings on behalf of the corporation. In addition thereto and de hors Order 29 Rule 1 of the CPC, as a company is a juristic entity, it can duly authorise any person to sign the plaint or the written statement on its behalf and this would be regarded as sufficient compliance with the provisions of Order 6 Rule 14 of the CPC. A



person may be expressly authorised to sign the pleadings on behalf of the company, for example by the Board of Directors passing a resolution to that effect or by a power of attorney being executed in favour of any individual. In absence thereof and in cases where pleadings have been signed by one of its officers a Corporation can ratify the said action of its officer in signing the pleadings. Such ratification can be express or implied. The Court can, on the basis of the evidence on record, and after taking all the circumstances of the case, specially with regard to the conduct of the trial come to the conclusion that the corporation had ratified the act of signing of the pleading by its officer."

4. In my view, the prayer for framing an additional issue is unwarranted and unnecessary as the doctrine of indoor management applies in the case of a Company. Even if there is no authorization, it can be ratified by the management.

5. That apart, the cause title in the plaint itself indicates that the suit has been filed by the Managing Director Mr.A.Perikaruppan. At the time of trial, the person, who deposes the evidence will also have to file a document to substantiate his position as an exhibit.



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6. That apart, the suit documents filed by the first respondent/plaintiff indicates that the said person A.Perikaruppan has signed the Agreement of Lease in his capacity as the Managing Director of the plaintiff Company.

7. The power supply agreement dated 23.07.2016 signed with M/s.Tulip Renewable Powertech Private Limited is also signed by the same person in his capacity as the Managing Director. Therefore, there is no necessity to frame an additional issue on an issue, which is not an issue at all.

8. Accordingly, this Application stands dismissed.

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