

Sugrabai Alibhai and Others Vs. Amtee Properties Pvt. Ltd. and Others

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Court : Mumbai

Decided On : Jun-24-1982

Reported in : [1984]55CompCas734(Bom)

Judge : Sujata V. Manohar, J.

Acts : [Companies Act, 1956](#) - Sections 209

Appeal No. : Company Application No. 11 of 1982, in Company Petition No. 714 of 1981

Appellant : Sugrabai Alibhai and Others; amtee Properties Pvt. Ltd. and Others

Respondent : Amtee Properties Pvt. Ltd. and Others; Sugrabai Alibhai and Others

Judgement :

Mrs. Sujata V. Manohar, J.

1. In this company application, the applicants, who are respondents Nos. 2 to 8 in Company Petition No. 714 of 1981, have asked for inspection of the entire records of the company as per prayer (a) of the judge's summons.

2. The company petition is filed by three petitioners under ss. 397 and 398 of the Companies Act. Admittedly, petitioner No. 2 was in charge of the management of the company from 1967 to July, 1981. The second petitioner has also challenged his removal as managing director of the company from July, 1981. The entire

records of the company is admittedly in the possession of the petitioners. The petitioners hold 1/6th of the issued shares of the company. Respondents Nos. 2 to 7 hold 2/3rds of the issued shares of the company. The business of the company consists of management and dealing in certain immovable properties in Bombay.

3. The petitioners have challenged the right of respondents Nos. 2 to 8 to obtain inspection of the entire records of the company and have submitted that this is merely an attempt on their part to delay the hearing of the Company Petition No. 714 of 1981.

4. The second respondent is admittedly a director of the company. The application for inspection of the entire records of the company is pressed both on behalf of the company and on behalf of the second respondent along with others. Under s. 209 of the Companies Act, a director of the company is entitled to inspect the books of account of the company and other books and papers referred to in that section. In the case of *N. V. Vakharia v. Supreme General Film Exchange Co. Ltd.* [1948] 18 Comp Cas 34 (Bom.) : : AIR1948 Bom301 , our High Court has held that a director is entitled to exercise his right to take inspection of the company's account and other books and papers of the company through an agent, provided the agent gives an undertaking that he will disclose the information so obtained to his principal only. In view of this position in law the second respondent is entitled to take inspection of the books of account and other books and papers of the company either personally or through his agent. Mr. Chinoi who appears for the second respondent states that the second respondent will take such inspection along with his chartered accountant and his advocate on record. Accordingly the following order is passed.

5. The petitioners to give to respondent No. 2 and/or his chartered accountant and/or his advocate, inspection of the entire records of the company for the last 8 years. Chartered accountant and/or advocate so taking inspection will give an undertaking to this court not to disclose the information so gathered by his to any person other than respondent No. 2. The petitioner are directed further to give inspection of all the documents referred to and relied upon by them in their company petition to respondents Nos. 2 to 8.

6. The inspection will be given from day to day forthwith. Respondents Nos. 2 to 8 to file affidavit in reply in Company Petition No. 714 of 1981, within 6 weeks from today. No further adjournments will be granted for this purpose. This time is given on the assumption that inspection will be offered by the petitioners from day to day as provided hereinabove. Respondents Nos. 2 to 8 are, however, required to file their affidavit within 6 weeks irrespective of their completing inspection or otherwise. This, of course is, provided inspection has been offered by the petitioners from day to day.

7. Costs of the company petition will be costs in the cause. Respondents Nos. 2 to 8 to give a copy of their affidavit in reply to the petitioners on or before August 9, 1982, and the petition to be on board for hearing on 11th August, 1982.

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