

A DR. RAJESHWAR KUMAR MALHOTRA
AND ANR. ETC.

v.

M/S LLOYD ELECTRIC ENGINEERING LTD.
AND ORS.

B DECEMBER 20, 1996

[K. RAMASWAMY AND G.T. NANAVATI, JJ.]

C *Injunction—Granted against appellant Company—Permissibility of—Two persons resigned from the respective posts held by them in the company—As a result, they are no longer continuing in the company—Shares held by the different groups, are different and varied—Held no injunction can be granted against the company much less due to the change in the circumstances.*

D CIVIL APPELLATE JURISDICTION : Civil Appeal No. 16989 of 1996.

From the Judgment and Order dated 24.10.96 of the Rajasthan High Court in C.R.P. No. 715 of 1996.

E S.J. Sorabjee, Ravinder Narain, P.P. Tripathi and Ms. Punita Singh for the Appellants.

H.N. Salve, Maninder Singh and Sandil Sethi for the Respondents.

Raju Ramachandran and Sanjay Kaul for the Intervener.

F The following Order of the Court was delivered :

Leave granted.

We have heard learned counsel on both sides.

G Intervention is permitted.

H These appeals by special leave arise from the order of the High Court of Rajasthan, made on October 24, 1996 in Revision Petition No. 715/96. One matter relates to the two individuals, i.e., appellants in appeal arising out of SLP (C) No. 22164, namely, Dr. Rajeshwar Kumar Malhotra and S. Srinivasan. This Court on November 26, 1996 directed as under :

"We do not find any substance in the appeal as regards the injunction against the individual petitioner is concerned. But as regards the injunction against the Company Shri Salve, learned senior counsel appearing for the respondents seeks for and is granted one week's time as to how the injunction requires to be modulated."

Accordingly, the matter was adjourned. Today, Shri Soli J. Sorabjee, learned senior counsel appearing for the appellants in appeal arising out of SLP (C) No. 22769/96, namely, appeal filed by the company has stated that in the rejoinder affidavit, the appellant has stated that the aforestated two persons resigned from the respective posts held by them in the company. As a result, they are no longer continuing in the company. It is also pointed out that shares held by the different groups, as stated at page 148 of the additional paper-book filed in this case, are different and varied. So, no injunction can be granted against the company much less due to the change in the circumstances. We find force in the contention. Though the learned counsel appearing for the respondents, Shri Harish Salve, seeks to contend that the bank had granted loan to the appellants with a condition that the aforestated two persons would be required to continue to work in the company. Therefore, it is only a make-believe show to see that no injunction is granted against the company and the one granted by the High Court is vacated. We do not find any justification for the contention as on today. If the two persons really still work for the company in any form and in any manner, it is open to the respondents to approach the trial Court for appropriate relief. As facts stand today, injunction granted by the High Court against the company is not warranted.

The appeals are accordingly allowed with the above liberty. The injunction order granted against the company stands dissolved. No costs.

T.N.A.

Appeals allowed.