

SUPREME COURT OF INDIA

Lalita Jalan

Vs.

Bombay Gas Co.Ltd.

S.L.P.(crl.) 679 of 2002

(S. Rajendra Babu and P.Venkatarama Reddi JJ.)

09.09.2002

JUDGMENT

Rajendra Babu, J.

1. This matter involves interpretation as to the scope of Section 630 of the Companies Act, 1956 [hereinafter referred to as 'the Act']. This Court in *Abhilash Vinodkumar Jain (Smt.) vs. Cox & Kings (India) Ltd. & Ors.*¹, has explained that the expression 'officer or employee' used in Section 630 of the Act should be given a broad meaning in the light of the decision of this Court in *Baldev Krishna Sahi v. Shipping Corporation of India Ltd.*², and *Amrit Lal Chum v. Devoprasad Dutta*³. The object of the said provision was explained to be not strictly penal in nature but quasi criminal, the main object being to provide speedy relief to the company where its property is wrongfully obtained or wrongfully withheld by an employee or ex-employee or anyone claiming under them. Indeed this Court explained the position as follows:

"It would defeat the 'beneficent' provision and ignore the factual realities that the legal heirs or family members who are continuing in possession of the allotted property had obtained the right of occupancy with the employee concerned in the property of the employer only by virtue of their relationship with the employee/officer and had not obtained or acquired the right to possession of the property in any other capacity, status or right." [p.741] [emphasis supplied]

2. On that basis ultimately, this Court concluded that the employee would include the legal heirs of the deceased employee.

3. When the matter came up before another bench of this Court in *J.K.[Bombay] Ltd. vs. Bharti Matha Mishra (Mrs.) & Ors.*⁴, it was held that though the expression 'officer or employee of a company' would include past officer or employee of the company or his legal heirs or representatives but does not include other members of his family and further stated that the provision cannot be liberally construed so as to rope in family members, other than the legal heirs or representatives of such past officer or employee.

4. Prima facie, we find that there is an apparent conflict between the two decisions of this Court - one in Abhilash Vinodkumar Jain's case [supra] and the other in J.K.[Bombay] Ltd.'s case [supra], on the interpretation of Section 630 of the Act. Hence we think it appropriate to refer the matter to a larger bench.

¹1995 (3) SCC 732

²1987 (4) SCC 361

³1988 (2) SCR 783

⁴2001 (2) SCC 700