



**HIGH COURT OF JUDICATURE FOR RAJASTHAN
AT JODHPUR**

S.B. Civil Revision Petition No. 223/2026
CNR: RJHC010759572026 | URN: CR / 550U / 2026



1. Gnex Impex Private Limited, Registered Office At R-724M TTC Industrial Area, MIDC Rabale, Navi Mumbai And Also At Gnetimpex Pvt. Ltd., 47-50, Gram Basni Baghela, Luni Road, Jodhpur through Its Director Hemant Kumar Bothra S/o Dhanraj Bothra, aged About 35 Years, R/o Flat No. B-301, Adeshwar Horizon, Shivdeshwar Nagar, Shatabadi Circle, Jhalamand, Jodhpur.
2. Sandeep Patawari S/o Kamal Kishore Patawari, Aged About 46 Years, Director, Gnet Impex Private Limited, Registered Office Atr-724M TTC Industrial Area, MIDC Rabale, Navi Mumbai

-----Petitioners

Versus

M/s Shyam And Shyam Oils Private Limited, Registered Office, 402, Ranbanka Royal, Circuit House, Jodhpur Through Director Shyamsunder Chugani S/o Late Tejumal Chugani, R/o Amardeep, B-43, Shastri Nagar, Jodhpur.

-----Respondent

For Petitioner(s)	:	Mr. Sandeep Saruparia
For Respondent(s)	:	Mr. OP Mehta

HON'BLE MS. JUSTICE REKHA BORANA

Order

15/09/2026

1. The present revision petition has been filed aggrieved of order dated 22.05.2025 passed by District Judge, Jodhpur Metropolitan, Jodhpur (hereinafter referred to as the 'learned Trial Court') in Civil Original Suit Nos.172/2026 whereby application under Order VII Rule 11, CPC as filed on behalf of defendant No.1, stood rejected.



2. Vide the above application, three grounds were raised on behalf of the defendant:

(i). The suit in question being based on an oral agreement between two companies, could not have been maintained. The Companies Act, 2013 (hereinafter referred to as the 'Act of 2013') does not provide for any oral agreement between the companies and in terms of Section 21 of the Act of 2013, an agreement between the companies, if any, has to be in writing.

(ii) No authority letter had been placed on record by the plaintiff to reflect that defendant No.2 had been authorized by defendant No.1 Company to execute any agreement on its behalf. In the absence of any such authority letter, the suit could not have been maintained.

(iii) The notices served by the plaintiff prior to filing of the suit did not whisper a single fact about consideration amount or the advance amount. The plaint is a clear example of clever drafting whereas no cause of action arose in favour of the plaintiff.

3. In response to the above application, it was submitted on behalf of the plaintiff that there is no specific provision barring an oral agreement between the companies. In absence of any barring provision, it is the General Law which would apply and the General Law i.e. the Contract Act does recognize an oral agreement. Further, after the repeal of Section 46 of the Companies Act, 1956 (hereinafter referred to as 'the Act of 1956'), there is no corresponding provision in the Act of 2013.

4. So far as the authorization letter is concerned, the case of the plaintiff is that the same cannot be decided at the stage of Order VII Rule 11, CPC as it has specifically been pleaded in the



plaint that defendant No.2 was authorized by defendant No.1 to execute the agreement on behalf of it. There being a specific pleading to the said effect, it cannot be concluded at this stage that defendant No.2 was not authorized.

5. In support of his submission, Counsel for the petitioners relied upon the Telangana High Court Judgment in **Narne Estates Pvt. Ltd. & Anr. Vs. M/s Bhagya Estates Pvt. Ltd: CRP No.573/2019** (decided on 07.01.2019) while Counsel for the respondent relied upon the Calcutta High Court Division Bench Judgment in **Madhab Chandra Basu Vs. Safikul Molla; FMAT No. 109 of 2026** (decided on 09.04.2026.).

6. Heard the Counsels. Perused the record.

7. Qua the issue - Whether an agreement between two companies can be oral; although in **Narne Estates Pvt. Ltd.** (supra), Telangana High Court held that an oral agreement entered between two juristic persons is not valid, but then the said ratio was laid down while keeping into consideration Section 46 of the Act of 1956. Admittedly, Section 46 stood repealed by the Act of 2013 and there is no corresponding provision to earlier Section 46, in the Act of 2013. While dealing with a similar set of facts and circumstances, the Punjab & Haryana High Court in **M/s. Shorewala Investment & Properties Ltd. Vs. Girish Kumar Jain; 2024 PHHC 113081** (decided on 31.08.2024), held as under:-

"10. The plea is being raised on the basis of Section 46 of the 1956 Act. Judgment passed by Telangana High Court in the case of M/s Narne Estates Pvt. Ltd. (supra) deals with the suit of the year 2009. 1956 Act stands repealed by the



Companies Act of 2013. Section 465 of the 2013 Act specifically provides that the Companies Act, 1956 shall stand repealed subject to certain savings. No provision contained in the saving clause saves import of Section 46 of the 1956 Act. There is no corresponding provision in the 2013 Act to Section 46 of the 1956 Act. In the present suit, the defendant has propounded agreement to sell dated 7th of June, 2019 which would not be governed by the provisions of 1956 Act but shall be governed by the provisions of 2013 Act which came into operation on 3rd of January, 2018. Thus, reliance upon Section 46 of the 1956 Act is misplaced."

8. It is also relevant to note that the order passed in **Narne Estates Pvt. Ltd.** (supra) stood set aside by Hon'ble the Apex Court in **Civil Appeal No. 4570/2023; M/s. Bhagya Estate Ventures Pvt. Ltd. Vs. Narne Estates Pvt. Ltd. & Anr.** (decided on 11.09.2024). Therein, although there was no specific finding on the issue concerned but then, dismissal of the appeal would definitely mean that the order impugned stood affirmed. Meaning thereby, **Narne** (supra) having been set aside, cannot be relied upon.

9. Further, Special Leave to Appeal preferred before Hon'ble the Apex Court against the order passed in **M/s. Shorewala Investment & Properties Ltd.** (supra) stood dismissed. Therein too, there is no specific finding on the issue involved, but then, dismissal of the appeal definitely would mean affirmation of the order.



10. In view thereof, the learned Trial Court rightly observed that in absence of any specific barring clause in the Act of 2013, it is the General Law which would apply.

11. So far as the General Law is concerned, it is not in dispute that the Indian Contract Act does recognize an oral agreement. As held by Division Bench of Calcutta High Court in **Madhab Chandra Basu** (supra), there is no statute which mandates every agreement for sell to be reduced in writing. Therein, the Court while dealing with a similar objection held as under:

"14. We take note of the fact that there is no statute which mandates every agreement for sale to be reduced to writing. Rather, the language of Section 10 of the Indian Contract Act is wide enough to encompass any sort of reciprocal promises within the ambit of a concluded contract between the parties, without putting any restriction regarding such contract being mandatorily to be in writing. Hence, the ratio of the cited reports is not applicable to the present case in such light as well."

12. So far as Section 21 of the Act of 2013 is concerned, it merely stipulates as to who can be authorized to sign a document/ agreement on behalf of the Company, which is essentially required to be in writing. The said provision cannot be read to conclude that it bars any oral agreement. Mere stipulation regarding the authorization of a person to sign a document cannot be interpreted in the manner that it bars an oral agreement.

13. Coming on to the second ground pertaining to the absence of authority letter, as rightly observed by the learned Trial Court, the said issue could not be decided at the stage of Order 7 Rule 11,





CPC. Once, a pleading to the effect had been made in the plaint, the fact whether the said pleading was correct or valid could be adjudicated only after the evidence being led qua the said issue. The ground to the said effect has rightly been rejected by the learned Trial Court.

14. In view of the above observations and analysis, no case for interference in the impugned order is made out. The revision petition is hence, **dismissed**.

15. Stay applications and all pending applications, if any, stand **disposed of**.

(REKHA BORANA),J

170/Rahul