
(1973) 05 P&H CK 0026
In the Punjab And Haryana At Chandigarh
Case No : Civil Original No. 78 of 1972

Siri Ram and Others

APPELLANT

Vs

Edward Ganj Public Welfare Association Ltd. and Others

RESPONDENT

Date of Decision : 04-05-1973

Acts Referred:

Companies Act, 1956 — Section 186

Citation : (1973) 05 P&H CK 0026

Hon'ble Judges : Bal Raj Tuli, J

Bench : Single Bench

Advocate : Vijay Kumar Jhanji, for the Appellant; R.C. Dogra, for Respondent
Nos. 1, 2, 3 and 8, for the Respondent

Final Decision : Dismissed

Judgement

Bal Raj Tuli, J.—This petition, as originally filed, was u/s 397 and Section 186 of the Companies Act, 1956, for quashing the election of respondents Nos. 2 to 9 as directors of the company and for a further direction to respondent No. 1 to call a meeting of the members for holding fresh elections. When this petition came up for motion hearing before R.S. Narula J., the learned counsel for the petitioners stated that he did not press the petition u/s 397 of the Companies Act and confined himself to the petition u/s 186 of the said Act.

2. Written statement was filed opposing the petition and on January 18, 1973, I framed the following issue :

"1. Is the petition u/s 186 of the Companies Act maintainable ?"

3. Arguments have been heard. Section 186 of the Companies Act is in the following terms :

"186. Power of court to order meeting to be called.--(1) If for any reason it is impracticable to call a meeting of a company, other than an annual general meeting, in any manner in which meetings of the company may be called, or to

hold or conduct the meeting of the company in the manner prescribed by this Act or the articles, the court may, either of its own motion or on the application of any director of the company, or of any member of the company who would be entitled to vote at the meeting,--

(a) order a meeting of the company to be called, held and conducted in such manner as the court thinks fit; and

(b) give such ancillary or consequential directions as the court thinks expedient, including directions modifying or supplementing in relation to the calling, holding and conducting of the meeting, the operation of the provisions of this Act and of the company's articles.

Explanation.--The directions that may be given under this sub-section may include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.

2. Any meeting called, held and conducted In accordance with any such order shall, for all purposes, be deemed to be a meeting of the company duly called, held and conducted."

4. In the petition, not a word has been said that it is for any reason impracticable to call, hold or conduct a meeting of the company. All that has been stated is that a meeting of the members held on September 3, 1972, was not valid because of the following reasons :

1. The meeting was summoned for 11 a.m. but the members who collected till 5 p.m. were allowed to vote. Doors were closed at 5 p.m. and the voting time was extended to 7 p.m.

2. Respondent No. 2 was a tenant of a shop of the company at the rate of Rs. 193.77 per annum, and was not qualified to become or remain a member of the managing committee.

3. Six persons were allowed to vote although they had no right to do so.

4. Eleven persons mentioned in para. 8(v) of the petition had ceased to be members of the company more than a year prior to the holding of the meeting, but still they were allowed to vote.

5. The names of Bhim Sain and Sohan Lal did not exist in the voters lists supplied to the petitioners but they were allowed to vote.

6. Om Parkash, son of Banwari Lal, is a student at Jamshedpur who was not present at the time of poll on September 3, 1972, and somebody else exercised the right of vote in his place.

7. Baldev Krishan, son of Atma Ram, and Kashmiri Lal, son of Kessar Chand, did not own any properties and, therefore, could not become members of the company. They have been illegally allowed to vote at the election.

8. The signatures of Master Mewa Ram, Krishan Lal and Gurdial exist against their names as members at the time of taking ballot papers but they did not exercise the right of vote. Likewise, Hari Singh and Natha Singh were supplied with ballot papers and some other interested persons filled those ballot papers and voted.

9. Teja Singh, Palwa Ram, Paro Bai, Uttar Singh, Pala Singh and Bhola Singh are illiterate and did not vote themselves, but some other interested persons voted for them.

5. It is quite clear from the nature of the objections raised to the conduct of the meeting that it is not a matter for decision u/s 186 of the Companies Act. Under that section, this court can call a meeting of the shareholders of the company other than an annual general meeting, if it is satisfied that, for any reason, it is impracticable for the company to call, hold or conduct a meeting. No such allegation has been made by the petitioners. In my opinion, therefore, this petition is incompetent. It is dismissed with costs.