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Krishna Mills Ltd. Vs. State

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Court : Rajasthan

Decided On : May-21-1956

Reported in : 1956CriLJ1379

Judge : Sharma, J.C.

Appellant : Krishna Mills Ltd.

Respondent : State

Judgement :
ORDER

Sharma, J.C.

1. These are two connected references by the learned Sessions Judge, Shri G. D. Badgel.

2. The Krishna Mills Ltd., Beawer is a company incorporated under the Indian Companies Act, Shri Man Man Bakliwal is the Manager of the said Mills. Sharva Shri Goverdhan Das Kabra and Achaldas were two of the directors. They were due to retire by rotation, but were re-elected at the annual general meeting of the company held on 22-9-1954. Their names were not notified to the Registrar under Section 87(2), Indian Companies Act.

3. The case for the prosecution in brief was that by reason of not notifying the change in the directors, the provisions of Section 87(2), Indian Companies Act

were contravened.

4. The applicants pleaded not guilty. Their contention was that there was no change in the directors as the same two directors were re-elected.

5. The learned Magistrate held that there was a change and was necessary to notify it under Section 87(2), Indian Companies Act.

6. The learned Sessions Judge has made the references on two grounds, (i) as the same directors were re-elected, there was no change and (ii) the default, if any, was not wilful,

7. Under Section 87(1) a company is required to keep at its registered office a register of its directors, managers and managing agents containing with respect to each of them his present name in full, any former name or surname in full, his usual residential address, his nationality and if he holds any other directorship or directorships the particulars of such directorship or directorships. Section 87(2) says that the company shall within the periods respectively mentioned in this sub-section send to the registrar a return in the prescribed form containing the particulars specified in the said register and a notification, in the prescribed form of any change among its directors, managers or managing agents or in any of the particulars contained in the register.

The question is if the re-election of the same directors is any change among the directors. It is a cardinal principle of interpretation that the words in a statute should ordinarily be given their plain and dictionary meaning. The dictionary meaning of the word 'change' is 'to alter' or 'make different'. If the same directors are re-eletced, there is no change in the plain and dictionary meaning of the word, as obviously the directors are neither changed nor made different.

A stress on behalf of the State was laid on Form No. XIII, Col. No. 7 of which is 'date of appointment or change'. It is pointed out that under col. 7, the date of appointment of a director which is the date of his re-election if any should be men-Honed. But the date of appointment has reference to the first appointment of a director as is clearly borne out by the second part of Section 87(2) which says that

the period within which the said return is to be sent shall be a period of fourteen days from the appointment of the first directors of the company and the period within which the said notirication of a change is to be sent shall be fourteen days from the happening thereof. A form although prescribed by statute cannot control the specific language of a particular section of the Act.

8. I agree with the learned Sessions Judge that by re-election of the same directors, there has beer no change in the directorship and it was not necessary to send to the Registrar a notification under Section 87(2).

9. The second ground in support of the reference has no force. Where a statute requires a certain thing to be done and provides for penalties in case there is a default, the default itself entails the penalties and it is immaterial whether it was wilful or otherwise.

10. The references are accepted and the conviction and the sentences of the applicants are set aside

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