

In Re: P.D. Shamdasani

Court: Bombay High Court

Date of Decision: Oct. 18, 1923

Acts Referred: Companies Act, 1956 " Section 136
Criminal Procedure Code, 1898 (CrPC) " Section 203

Citation: (1924) ILR (Bom) 305

Hon'ble Judges: Lallubhai Shah, J; Crump, J

Bench: Division Bench

Judgement

Lallubhai Shah, Kt., Ag. C.J.

1. This application arises out of the information filed by the present petitioner in the Court of the Third Presidency Magistrate in respect of a default

said to have been committed by the Union Bank of India, Limited, and by their Managing Director or and Agent u/s 136 of the Indian Companies

Act. The default alleged was that in accordance with the requirements of Section 136, Sub-section (1), this limited Banking Company failed to

publish a statement on the-first Monday in February 1922, on the first Monday in August 1922, and on the first Monday in February 1923. The

learned Presidency Magistrate after hearing the parties made this order: ""There is no case for process. Complaint dismissed u/s 203, Criminal

Procedure Code.

2. The present application is made by the original complainant for a revision of this order praying for a further inquiry. We have heard the parties in

connection with the point arising in this application. The learned Government Pleader for the Crown contends that the order of the Magistrate is

wrong, but he informs the Court that under the circumstances he is instructed not to press for any further inquiry into this matter. The learned

Counsel for the opponents, the Company and its officers is unable to satisfy us that the provisions of Section 136 have been complied with. The

explanation offered is that as there was a change in their financial year, in the sense that in 1922 the financial year ended on March 31, 1922, they

put up a statement as required by Section 136 on the first Monday in May 1922, on the first Monday in November 1922, and then lastly, on June

5, 1923. It is conceded, however, by the counsel on behalf of his clients, and quite properly conceded, that it is not possible to justify this kind of

departure from the provisions of Section 136, whatever be the good faith of the officers of the Company in acting upon the view that a change in

their financial year as indicated above would justify their action. The words of Section 136 are clear, and the only complaint in the present case is

that at the proper dates indicated in that section these statements had not been put up. There is no complaint that the statements as put up do not

otherwise satisfy the requirements of that section. We are wholly unable to appreciate the reasons which led. the Magistrate to make the order. In

fact there is no defence to this information, and we cannot understand how this complaint could have been dismissed u/s 203, Criminal Procedure

Code, or how it could be said that there was no case for process. It is quite. clear that the Company and their officers have rendered themselves

liable to the penalty provided in Sub-section (4) of Section 136 of the Act. This is the first case of its kind brought to our notice; and having regard

to the facts stated on behalf of the Company, to the fair attitude taken up on behalf of the Company and its officers and to the fact that the Crown

has not pressed for any further orders, we think that it will be sufficient, under the circumstances of this case, to note that the Company and its

officers have been guilty of a default u/s 136 of the Indian Companies Act and have rendered themselves liable to-be dealt with u/s 136, Sub-

section (4). Beyond this we do not consider it essential, under the special circumstances of this case, to make any further order.