

Life Insurance Corporation of India

Vs

P. Singaravelu and Others

Civil Appeal No. 2387 of 1980

(D.A. Desai, A. Varadarajan JJ)

24.11.1981

ORDER

1. By consent of parties, Civil Appeal No. 2387 of 1980 is placed on Board and called out for hearing along with Civil Miscellaneous Petition No. 11082 of 1981.
2. Appellant in this appeal made an application under Sections 397 and 398 of the Companies Act, 1956 for certain reliefs in the High Court of Madras. In this petition, Application No. 1790 of 1980 was filed by the appellant under Section 403 of the Companies Act, 1956 praying for certain directions inter alia that the India Cements Limited, a company, do convene an ordinary general meeting for consideration, amongst others, of a resolution to appoint Shri Balan as Director and Managing Director of the Company and for the aforesaid purpose to pass a special resolution for amending Article 165 of the Articles of Association of the Company. The learned Single Judge gave a direction that the general meeting now to be convened on September 26, 1980 shall proceed to consider amongst others the aforementioned items of the Agenda notwithstanding any order of injunction or stay or directions received from any of the civil courts subordinate to the Madras High Court.
3. Respondents 1 to 3 preferred O. S. Appeal No. 82 of 1980 for setting aside the direction given by the learned Single Judge. Civil Miscellaneous Petition No. 9782 of 1980 was moved in that appeal for stay of the operation of the interim order made by the learned Single Judge on September 25, 1980. The Division Bench of the High Court granted the stay prayed for. The present appeal is preferred challenging the order of the Division Bench granting stay of order in appeal before it.
4. When the petition for special leave came up for admission and leave was granted by the court, simultaneously an interim order was made directing the Company to take steps to convene an extraordinary general meeting of the Company. A further direction was given that at such extraordinary general meeting a proposal for appointment of Shri T. V. Balan or any other suitable person, as thought if the in the general meeting, as Director and Managing Director, be considered. Liberty was also reserved to the extraordinary general meeting to consider proposal for amending Article 165 of the Article of Association of the Company so as to enable the Board of Directors to appoint Managing Director and wholetime Director.
5. Pursuant to the order by this Court, an extraordinary general meeting of the Company was held on February 19, 1981 and at this meeting, a resolution appointing Shri T. M. Thomas as Director and Managing Director and resolution for a suitable amendment of Article 165 of the Articles of Association of the Company were unanimously passed.

6. Now that Shri T. M. Thomas has been appointed as Director and Managing Director and Article 165 has been suitably amended there is nothing further required to be done in this appeal.

7. Accordingly this appeal is disposed of in terms of prayer (a) in Civil Miscellaneous Petition No. 11082 of 1981.

8. The High Court may now proceed to dispose of O. S. Appeal No. 82 of 1980 as expeditiously as possible and while disposing the appeal liberty is reserved to press prayer 'b' for the consideration of the High Court and to dispose of it on merits. The appeal and the civil miscellaneous petition stand disposed of with no order as to costs.

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