



**IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO.....OF 2026  
(ARISING OUT OF SLP (C) NO. 1182 OF 2023)**

**HINDUSTAN MEDICAL INSTITUTION      ...APPELLANT(S)**

**VERSUS**

**BIRLA CORPORATION LIMITED & ORS....RESPONDENT(S)**

**WITH**

**CIVIL APPEAL NO.....OF 2026  
(ARISING OUT OF SLP (C) NO. 1183 OF 2023)**

**AND**

**CIVIL APPEAL NO.....OF 2026  
(ARISING OUT OF SLP (C) NO. 23145 OF 2022)**

**AND**

**CIVIL APPEAL NO.....OF 2026  
(ARISING OUT OF SLP (C) NO. 1185 OF 2023)**

**AND**

**CIVIL APPEAL NO.....OF 2026  
(ARISING OUT OF SLP (C) NO. 1187 OF 2023)**

**AND**

**CIVIL APPEAL NO.....OF 2026  
(ARISING OUT OF SLP (C) NO. 22799 OF 2022)**

## **J U D G M E N T**

### **VIKRAM NATH, J.**

1. Leave granted.
2. The present appeals arise out of the common judgment and order dated 26.09.2022, as corrected by order dated 27.09.2022, passed by the Division Bench of the High Court (hereinafter referred to as “Division Bench”) at Calcutta in APOT Nos. 180, 181 and 182 of 2022. By the impugned order, the Division Bench disposed of the said appeals and affirmed the orders dated 16.09.2022 passed by the Single Judge of the High Court (hereinafter referred to as “Single Judge”) in G.A. No. 1 of 2022 in C.S. Nos. 212, 213 and 214 of 2022. The appellants in SLP (C) No. 1182 of 2023, SLP (C) No. 1183 of 2023 and SLP (C) No. 23145 of 2022 are, respectively, Hindustan Medical Institution, Eastern India Educational Institution and Belle Vue Clinic. Each of them is a society registered under the West Bengal Societies Registration Act, 1961 (hereinafter referred to as the “1961 Act”). The appellant in SLP (C) No. 1185 of 2023, SLP (C) No. 1187 of 2023 and SLP (C) No. 22799 of 2022 is Ms. Anamika Lodha. Respondent No. 1 in each of the three suits is Birla Corporation Limited (hereinafter referred to as the “BCL”). SLP (C) No. 1183 of 2023 arises out of APOT No. 180 of 2022 in C.S. No. 212 of 2022 concerning Eastern India Educational Institution. SLP (C) No. 1182 of 2023 arises out of APOT No.

181 of 2022 in C.S. No. 213 of 2022 concerning Hindustan Medical Institution. SLP (C) No. 23145 of 2022 arises out of APOT No. 182 of 2022 in C.S. No. 214 of 2022 concerning Belle Vue Clinic. The connected appeals by Ms. Anamika Lodha, namely, SLP (C) No. 1185 of 2023, SLP (C) No. 1187 of 2023 and SLP (C) No. 22799 of 2022, correspond respectively to APOT Nos. 180, 181 and 182 of 2022. All six appeals are directed against the same impugned order and arise out of the three suits instituted in relation to the exercise and consideration of voting rights attached to the shares held by the three societies in BCL. For the sake of convenience and clarity, SLP (C) No. 1182 of 2023 shall be treated as the lead matter, and the facts shall be noticed principally from the record of the said appeal except where a distinct fact from the connected matters requires specific reference.

3. The facts giving rise to the present appeals are as follows:
  - 3.1. The appellants in SLP (C) No. 1182 of 2023, SLP (C) No. 1183 of 2023 and SLP (C) No. 23145 of 2022 are, respectively, Hindustan Medical Institution, Eastern India Educational Institution and Belle Vue Clinic. Each of them is a society registered under the 1961 Act. Each of them holds shares in BCL. The shareholding placed on record in relation to BCL is 9.30 per cent in the case of Hindustan Medical Institution, 4.36 per cent in the case of Eastern

India Educational Institution and 0.23 per cent in the case of Belle Vue Clinic. The record further shows that, under the constitutive documents of the societies, the movable and immovable properties of the societies vest in the trustees, and the managing committee is to exercise only such powers as are delegated by the trustees. The by-laws relied upon before the High Court also contemplate delegation of authority by a resolution evidenced in writing under the hands of the majority of the trustees.

3.2. Priyamvada Devi Birla died on 03.07.2004. Testamentary proceedings in relation to her estate are pending before the High Court at Calcutta. By a judgment and order dated 23.08.2012, the Division Bench appointed an Administrators Pendente Lite Committee (hereinafter referred to as the “APL Committee”) for the administration, preservation and protection of the estate during the pendency of the testamentary proceedings. It is also on record that this Court, by order dated 26.11.2012, declined to interfere with the said judgment and order dated 23.08.2012.

3.3. On 18.09.2020, the Single Judge passed an order in the testamentary proceedings. The said order was appealed and, by order dated 01.10.2020, the Division Bench declined interim stay and clarified certain aspects of the directions issued by the Single Judge. The parties before us have relied upon these orders for different purposes,

including on the question of the role of the APL Committee and the effect, if any, of the restraints recorded in the testamentary proceedings upon the holding of offices and the exercise of rights in entities associated with the M. P. Birla Group.

3.4. Disputes thereafter arose in relation to the internal governance of each of the three societies and, in particular, as to the authority to act on behalf of each society in relation to the shares held by it in BCL. It is the case of the societies that resolutions were passed on 04.03.2021 by circulation by their trustees. The societies rely upon those resolutions, among other matters, to contend that changes were effected in their boards of trustees and managing committees and that authorisations to act on behalf of the societies were thereafter issued in accordance with their respective Rules and Regulations. It is the case of Ms. Anamika Lodha, on the other hand, that the said resolutions and the changes asserted on behalf of the societies are disputed and that there were, consequently, rival claims within each society as to who was entitled to issue authorisations and cast votes. It is also the case of the societies that the resolutions dated 04.03.2021 were acted upon and continued to remain operative. The record further shows that Ms. Anamika Lodha instituted separate proceedings challenging the said resolutions, being Title Suit No. 357 of 2021 in relation to Hindustan Medical

Institution, Title Suit No. 358 of 2021 in relation to Eastern India Educational Institution and Title Suit No. 359 of 2021 in relation to Belle Vue Clinic. In the said proceedings, applications seeking ad interim stay of the resolutions dated 04.03.2021 were declined on 10.03.2021, and no interim order in appeal was granted in her favour.

- 3.5. The immediate controversy in the present proceedings concerns the exercise and consideration of the voting rights attached to the shares held by the three societies in BCL for successive annual general meetings. In relation to the annual general meeting held in 2021, it is stated that votes were cast on behalf of the societies through remote electronic voting and that the scrutiniser treated such voting as invalid on the ground of claims and counterclaims. BCL thereafter issued notice convening its annual general meeting to be held on 27.09.2022. The societies also placed on record communications addressed by the APL Committee in September 2022 in relation to the manner in which, according to it, the voting rights attached to the relevant shareholding were to be exercised.
- 3.6. In this backdrop, the three societies instituted suits on the Original Side of the High Court, being C.S. Nos. 212, 213 and 214 of 2022, along with interlocutory applications, seeking interim and ad interim protection in relation to the exercise and consideration of voting rights attached to

their shares in BCL for the annual general meeting scheduled on 27.09.2022. The principal reliefs were framed as injunctions against BCL to act in accordance with the decisions stated to have been taken within each society for authorising representatives to attend and vote and to restrain BCL from preventing such representatives from attending and voting. Since SLP (C) No. 1182 of 2023, relating to Hindustan Medical Institution, has been treated as the lead matter, it would be apposite to reproduce the principal prayers in C.S. No. 213 of 2022. The plaintiff therein prayed as follows:

- “a) Decree of mandatory injunction directing the defendant no. 1 or its men, agents, servants and assigns to abide and act in terms of the decisions taken by Hindustan Medical Institution, the plaintiff by its Board of Trustees in majority, inter alia, with regard to the shares held by the plaintiff in the defendant no. 1 and the exercise of rights in respect thereof;*
- b) Decree for perpetual injunction restraining the defendant no. 1 and/or its men, agents, servants and assigns from preventing the representatives/proxies nominated by the Board of Trustees of the plaintiff to attend the Annual General Meetings and/or Extra Ordinary General Meetings of the company or from voting in the same;*
- c) Decree for mandatory injunction against the defendant no. 1 or its men, agents, servants and assigns directing them to abide by the decisions taken by the plaintiff by its Board of Trustees in regard to the shares held by the plaintiff in the defendant no. 1 in the matter of voting in the Annual General Meeting of 2022 or any other Annual General Meeting or General Meeting;*
- d) Injunction;*

- e) Receiver;
- f) Attachment before Judgment;
- g) Judgment upon admission;
- h) Costs;
- i) Further and/or other relief or reliefs.”

3.7. By three separate orders dated 16.09.2022, the Single Judge declined to grant ad interim relief in G.A. No. 1 of 2022 in each of the three suits and directed exchange of affidavits. The Single Judge held, in substance, that it was for the plaintiff society itself to decide who would exercise the voting rights attached to its shares and that BCL had no role in deciding such internal questions of authority. The Single Judge further held that the scrutiniser, upon being faced with rival claims in relation to the same shareholding, could not be directed at the ad interim stage to accept one claim and reject the other since that would necessarily involve an adjudication upon the correctness of rival authorisations. The Single Judge also declined to grant preventive relief on a *quia timet* basis, holding that the facts as then presented did not justify such ad interim intervention. The Single Judge also noted that, although the plaintiffs relied upon the rejection of votes at the 2021 annual general meeting, they had not challenged the scrutiniser’s report except by writing letters and had waited for about a year before instituting the suits.

3.8. Aggrieved by the orders dated 16.09.2022, the three societies preferred APOT Nos. 180, 181 and 182 of 2022.

By the common judgment and order dated 26.09.2022, the Division Bench disposed of the three appeals while affirming the orders of the Single Judge. The Division Bench referred to the relevant clauses of the by-laws of the societies which provide for delegation of authority by a resolution evidenced in writing under the hands of the majority of trustees. It nevertheless proceeded to rely upon Section 48 of the Indian Trusts Act, 1882 (hereinafter referred to as the “Trusts Act”) and the decision of this Court in ***Janakirama Iyer v. Nilakanta Iyer***<sup>1</sup> and concluded that trustees must act in consonance and not in contradiction and that if any one of the trustees had not joined in the decision, the same could not be treated as a decision of the board of trustees. The Division Bench further referred to Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter referred to as the “2014 Rules”) and held that once an electronic vote is cast, the same person or entity cannot be permitted to cast the vote again. It also observed that the scrutiniser is to count the vote cast and has no authority to invalidate a vote already cast on the basis of a communication received later in point of time. On that reasoning, the Division Bench disposed of the appeals by affirming the orders of the Single Judge with a caveat that the vote cast first by the plaintiff society, irrespective of whether it is cast by a

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<sup>1</sup> 1961 SCC OnLine SC 112

member of the managing committee or by the board of trustees, shall be taken into consideration and that no subsequent communication shall be entertained by the scrutiniser to invalidate such vote. On 27.09.2022, a correction order was passed directing that the citation of **L. Janakirama Iyer (supra)** be inserted in the order dated 26.09.2022.

- 3.9. The annual general meeting of BCL was held on 27.09.2022. It is stated that disputes again arose at the stage of attendance and voting and that the scrutiniser invalidated the votes in relation to the shares held by the societies on the ground of rival claims and counterclaims. BCL thereafter submitted the voting results together with the scrutiniser's report on 29.09.2022.
4. The three societies have approached this Court by Civil Appeals arising out of SLP (C) Nos. 1182 of 2023, 1183 of 2023 and 23145 of 2022. They assail the impugned order dated 26.09.2022, as corrected on 27.09.2022, principally on the ground that the High Court misread the governing by-laws of the societies and wrongly applied Section 48 of the Trusts Act and the decision in **L. Janakirama Iyer (supra)** to hold that trustees must act in consonance and that the absence of unanimity defeats a decision. They also challenge the direction which accords primacy to the vote cast first and contend that the validity of a vote must depend upon lawful authorisation under the governing rules of the societies and

the statutory framework regulating voting, and not upon priority in point of time. Ms. Anamika Lodha has approached this Court by Civil Appeals arising out of SLP (C) Nos. 1185 of 2023, 1187 of 2023 and 22799 of 2022. Her principal grievance is directed against the caveat in the impugned order which accords primacy to the vote cast first. According to her, neither the Companies Act, 2013 nor the 2014 Rules permit the counting of a vote merely because it was cast first, irrespective of whether it was validly cast.

5. On 04.01.2023, this Court passed an interim order in the connected matters staying the operation of the impugned judgment to the extent that it directed or held that the decision of the trustees would be binding only if they act in consonance and not in contradiction. This Court clarified that a decision by the majority of the trustees will be treated as the decision of the trustees. This Court further clarified that the interim order would not affect resolutions or decisions taken prior to 04.01.2023 and that any pending proceedings relating to or questioning such earlier resolutions or decisions would continue and be examined on their own merits and in accordance with law without being influenced by the impugned judgment or by the interim order. This Court also directed that the observation in the impugned judgment, to the effect that the submissions made on behalf of the APL Committee did not commend to the Division Bench, shall not

be treated as binding observations or findings operating as *res judicata*.

6. Before proceeding further, it is necessary to define the limits of the present adjudication. The appeals before this Court arise from orders passed at the *ad interim/interlocutory* stage. The suits instituted before the High Court, as well as the proceedings in which the resolutions dated 04.03.2021 and subsequent authorisations are directly in issue, remain to be decided in accordance with law. We are therefore not called upon to pronounce upon the factual validity of any particular resolution, authorisation, cessation, nomination or appointment. At the same time, the impugned appellate order rests upon certain legal premises, namely, that the trustees could act only in consonance, that the Board of Trustees and the Managing Committee could be treated alike for the purpose of voting authority, and that the vote cast first would prevail irrespective of the source of authority. These premises form the basis of the operative directions under challenge. Their correctness necessarily arises for consideration in the present appeals. Our examination is confined to those legal premises and shall not be understood as a final adjudication upon the factual disputes pending before the competent forum.
7. Having heard the learned counsel for the parties and having perused the material on record, we find that the controversy before us lies in a narrow compass. The issues which arise

for consideration are whether the Division Bench was justified in holding that the trustees must act in consonance, whether the governing structure of the societies permitted the matter of voting authority to be approached in the manner adopted in the impugned judgment, and whether the direction that the vote cast first would prevail, irrespective of the source of authority, is sustainable in law. It is these issues which we now proceed to examine.

**Issue I- Whether the Division Bench was justified in holding that the trustees must act in consonance and that, if any one trustee had not joined in the decision, the same could not be treated as a decision of the Board of Trustees.**

8. Since the first issue turns upon the manner in which authority is structured and exercised within the three societies, it is necessary to first notice the relevant provisions of their constitutive by-laws. The by-laws form part of the internal governing framework of the societies and regulate, among other matters, the manner in which the trustees may act, regulate their proceedings, and delegate authority. The record shows that the clause dealing with these matters is materially identical in all three societies. Since the present controversy centres on whether a decision evidenced under the hands of the majority of the trustees can validly bind the society, Clause 24 of the by-laws is extracted below:

*“24. The trustees may regulate their meetings, proceedings, and discharge of duties in such manner as they may decide. The trustees may, by resolution, authorize any one or more of them to do or execute any act, deed, or thing required to be done or executed on their behalf, and any such act, deed, or thing done or executed pursuant to such resolution shall be as valid and effectual as if it had been done or executed by all the trustees. Such delegation of authority may be made by a general or special resolution passed without any meeting of the trustees and evidenced in writing under the hands of the majority of the trustees, and it shall be as valid and effectual as a resolution passed at a meeting of the trustees.”*

9. A proper construction of Clause 24 of the by-laws must begin with the clause as a whole. It is a settled principle of interpretation that a provision is not to be construed by isolating a part of its language from the rest, but by reading the text in its setting and in the context of the scheme to which it belongs. In ***Reserve Bank of India v. Peerless General Finance and Investment Co. Ltd. and Others***<sup>2</sup>, this Court emphasized that interpretation must depend upon

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<sup>2</sup> (1987) 1 SCC 424

both the text and the context, and that neither can be ignored since each furnishes the meaning of the other. The relevant portion from the same is reproduced hereunder:

*“9. There will be complete harmony however if we hold instead that clause 5(a) will apply in all other cases of proposed dismissal or discharge except where an inquiry is pending within the meaning of clause 23. We reach the same result by applying another well known rule of construction that general provisions yield to special provisions. The learned Attorney-General seemed to suggest that while this rule of construction is applicable to resolve the conflict between the general provision in one Act and the special provision in another Act, the rule cannot apply in resolving a conflict between general and special provisions in the same legislative instrument. This suggestion does not find support in either principle or authority. The rule that general provisions should yield to specific provisions is not an arbitrary principle made by lawyers and Judges but springs from the common understanding of men and women that when the same person gives two directions one covering a large number of matters in general and another to only some of them his intention is that these latter directions should prevail as regards these while as regards all the rest the earlier direction should have effect. In *Pretty v. Solly* (quoted in *Craies on Statute Law* at p.m. 206, 6th Edn.) Romilly, M.R., mentioned the rule thus: “The rule is, that whenever*

*there is a particular enactment and a general enactment in the same statute and the latter, taken in its most comprehensive sense, would overrule the former, the particular enactment must be operative, and the general enactment must be taken to affect only the other parts of the statute to which it may properly apply". The rule has been applied as between different provisions of the same statute in numerous cases some of which only need be mentioned : De Winton v. Brecon , Churchill v. Crease, United States v. Chase and Carroll v. Greenwich Ins. Co. 10. Applying this rule of construction that in cases of conflict between a specific provision and a general provision the specific provision prevails over the general provision and the general provision applies only to such cases which are not covered by the special provision, we must hold that clause 5(a) has no application in a case where the special provisions of clause 23 are applicable."*

10. Applying the above principle in the present case, Clause 24 of the by-laws first enables the trustees to regulate their meetings, proceedings and discharge of duties in such manner as they may decide. It next provides that the trustees may, by resolution, direct any act, deed or thing required to be done or executed by them to be done or executed by any one or more of them. The clause then makes a specific provision as to the manner in which such delegation may be affected, namely, by a general or special resolution passed without any meeting of the trustees and evidenced in writing

under the hands of the majority of the trustees. It finally declares the consequence of such a resolution by providing that it shall be as valid and effectual as a resolution passed at a meeting of the trustees. The structure of the clause is therefore deliberate and complete. It confers the power, prescribes the mode, and attaches legal efficacy to the act so done.

11. The meaning of Clause 24 of the by-laws becomes clearer when each part of it is given its due weight. The clause does not merely say that the trustees may discuss matters or express views by majority. It expressly recognizes that delegation of authority may be evidenced in writing under the hands of the majority of the trustees, and that a resolution so made shall be as valid and effectual as one passed at a meeting of the trustees. These are words of legal consequence. In **J.K. Cotton Spinning & Weaving Mills Co. Ltd. v. State of U.P.**<sup>3</sup>, this Court held that, in construing a provision, the Court must adopt an interpretation which gives effect to all its parts, and must avoid a construction which renders any word or expression redundant or otiose. If the interpretation adopted by the Division Bench were to be accepted, the words “under the hands of the majority of the trustees” and the further declaration that such resolution shall be “as valid and effectual” as a resolution passed at a

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<sup>3</sup> 1960 SCC OnLine SC 16

meeting would be stripped of operative content. Such a construction would reduce express language in the by-laws to redundancy, which the law of interpretation does not permit.

12. Clause 24 of the by-laws, therefore, cannot be read as insisting upon unanimity for every act of delegation or authorization by the trustees. On the contrary, it incorporates a clear rule of efficacy in favor of a written resolution supported by the majority of the trustees. The deeming effect built into the clause is crucial. It places an act done pursuant to such majority-backed resolution on the same legal footing as a resolution passed at a meeting of the trustees. The correct interpretation of Clause 24 of the by-laws thus is that, where the by-laws contemplate delegation or authorization by the trustees, the same may validly be accomplished through a resolution evidenced in writing under the hands of the majority of the trustees, and once so made, it cannot be disregarded merely because all trustees have not concurred in it.
13. It is only after Clause 24 of the by-laws is thus understood that the relevance of Section 48 of the Trusts Act needs to be examined. Section 48 of the Trusts Act, which has been reproduced hereunder:

*“48. Co-trustees cannot act singly.*

*When there are more trustees than one, all must join in the execution of the trust, except where the instrument of trust otherwise provides.”*

14. It is evident that Section 48 of the Trusts Act lays down that when there are more trustees than one, all must join in the execution of the trust, except where the instrument of trust otherwise provides. The exception is not incidental. It is built into the statutory rule itself. The provision therefore does not enact an absolute requirement of unanimity in every case. It recognises that the governing instrument may prescribe a different mode. In such a case, effect must be given to the governing instrument. The statutory text itself thus makes the instrument primary where it provides otherwise.
15. The next step, therefore, was to examine whether, in the present case, the governing instrument did otherwise provide. In our view, the answer to that inquiry is clearly in the affirmative. Clause 24 of the by-laws, which forms part of the by-laws of the societies, expressly permits delegation by a resolution evidenced in writing under the hands of the majority of the trustees and declares such delegation to be valid and effectual. Once that position emerges from the governing instrument itself, Section 48 of the Trusts Act could not have been applied by the Division Bench as though it imposed an overriding requirement that all trustees must act in consonance and that absence of joinder by even one

trustee would defeat the decision. Such an approach reads the exception out of Section 48 of the Trusts Act and, at the same time, deprives Clause 24 of the by-laws of its operative force. That construction cannot be accepted.

16. The Division Bench also placed reliance upon the decision of this Court in **L. Janakirama Iyer (supra)**. That decision undoubtedly explains the general principle underlying Section 48 of the Trusts Act. However, it cannot be read divorced from the statutory language itself. If Section 48 of the Trusts Act applies except where the instrument otherwise provides, then any precedent explaining Section 48 of the Trusts Act must also be read subject to that same qualification. **L. Janakirama Iyer (supra)** could not therefore have been relied upon to nullify an express provision in the by-laws which permits majority-backed delegation and gives it legal effect. The error in the impugned judgment lies in lifting the general rule from Section 48 of the Trusts Act and **L. Janakirama Iyer (supra)** without giving due effect to the express exception and to the societies' own governing framework.
17. Applying the aforesaid principles to the present case, we are unable to sustain the view taken in the impugned judgment that all trustees had to act in consonance and that, if any one trustee had not joined in the decision, the same could not be regarded as a decision of the Board of Trustees. In the case of the present societies, the governing by-laws themselves

recognise and validate delegation evidenced in writing under the hands of the majority of the trustees. Once that is so, a majority-backed decision falling within that framework cannot be disregarded merely because there is dissent or non-joinder on the part of one or more trustees. The first issue is answered accordingly.

**Issue II- Whether the governing structure of the societies permitted the matter of voting authority to be approached in the manner adopted in the impugned judgment.**

18. Having concluded that a decision evidenced under the hands of the majority of the trustees is capable in law of binding the society in terms of Clause 24 of the by-laws, the next question is whether, under the governing structure of the societies, the authority in relation to the exercise of voting rights attached to the shares held by them in BCL inhered in the Board of Trustees or could be approached on the footing that the Managing Committee stood on the same plane.
19. The second issue must likewise be examined in the light of the constitutive documents of the three societies. The Memorandum of Association is one of the foundational documents of a society and indicates, among other matters, the framework within which its affairs are to be conducted. The Rules and Regulations operate with it and govern the internal distribution and exercise of powers. Since the

present issue concerns the relationship between the Board of Trustees and the Managing Committee, it becomes necessary to notice the relevant provisions contained in these documents. In the case of Hindustan Medical Institution and Eastern India Educational Institution, the relevant provisions are contained in Clause V of the Memorandum of Association and Rule 23 of the Rules and Regulations. In the case of Belle Vue Clinic, the corresponding provisions are contained in Clause VI of the Memorandum of Association and Rule 24 of the Rules and Regulations. Though differently numbered, these provisions are materially to the same effect:

*“V/VI a) (i) All properties movable and immovable belonging to the Society shall vest in the Trustees.*

*(ii) Notwithstanding any decision by members in any general meeting, the Trustees will have power to nominate the members of the Managing Committee and delegate such authority or authorities in the Managing Committee in relation to the management of the affairs of the Society as they may deem fit and the Managing Committee will be entitled to exercise only such powers as are delegated by the Trustees from time to time.*

*(b) Subject to Sub-clause (a), the management of the whole of the affairs of the Society shall be entrusted to*

*the Managing Committee consisting of not less than five and not more than fifteen persons.”*

*“Rule 23/24. Notwithstanding any decision by members in any general meeting, the Trustees will have power to delegate such authority or authorities in the Managing Committee in relation to the management of the affairs of the Society and the Managing Committee will be entitled to exercise only such powers as are delegated by the Trustees from time to time.”*

20. The language of the above provisions leaves little room for doubt as to the internal governance structure of the societies. First, all movable and immovable properties of the societies vest in the trustees. Second, the power to nominate the members of the Managing Committee and to delegate authority to it is vested in the trustees, and that too “notwithstanding” any decision by members in any general meeting. Third, the Managing Committee is expressly stated to be entitled to exercise only such powers as are delegated by the trustees from time to time. Fourth, even the clause entrusting management of the affairs of the society to the Managing Committee is made “subject to” the preceding sub-clause. These expressions are of decisive significance. The use of the words “notwithstanding” and “subject to” is not accidental. The former gives overriding force to the authority of the trustees in the field specified, while the latter makes

the managerial authority of the Managing Committee subordinate to that overriding position. Equally, the word “only” in the expression “only such powers as are delegated” is a clear textual limitation and not a matter of mere drafting surplusage.

21. Read together, these provisions establish a two-tier structure in which the Board of Trustees is the source body and the Managing Committee is a body of delegated administration. The trustees are not merely one organ among several. The properties of the societies vest in them. The Managing Committee does not enjoy an independent or co-equal reservoir of authority in relation to such properties. Its authority is derivative and circumscribed by delegation. Therefore, the constitutive documents do not permit the Board of Trustees and the Managing Committee to be treated as interchangeable bodies for all purposes. To do so would be to ignore the express textual arrangement created by the Memorandum of Association and the Rules and Regulations themselves.
22. This distinction assumes particular importance in the present case because the controversy concerns the exercise of voting rights attached to the shares held by the societies in BCL. Those shares form part of the assets and properties of the societies. Once the constitutive documents declare that the properties of the societies vest in the trustees, the authority to determine the manner in which rights flowing

from those properties are to be exercised cannot be detached from that vesting. In such a situation, the source of authority must be traced to the trustees, unless there is a valid and demonstrable delegation in favour of the Managing Committee. The societies have consistently asserted that the power to appoint authorised representatives to attend annual general meetings and to exercise voting rights on the shares held by them had never been delegated by the Board of Trustees to the Managing Committee and had, since inception, been exercised by the trustees themselves. Whether every factual element of that assertion is ultimately established in every forum is not the immediate point. The point is that, under the governing documents, the inquiry into voting authority had to begin with the trustees and with the existence or absence of delegation. It could not begin by assuming that the Managing Committee stood on the same footing.

23. It is precisely here that the infirmity in the impugned judgment becomes evident. The Division Bench itself noticed that the properties of the societies vest in the trustees, that the Managing Committee derives authority through delegation, and that the by-laws contemplate delegation by the trustees. Yet, while framing the operative caveat, it directed that the vote cast first by the plaintiff society, irrespective of whether it was cast by a member of the Managing Committee or by the Board of Trustees, shall be

taken into consideration. In doing so, the Division Bench effectively treated the Board of Trustees and the Managing Committee as standing on the same plane for the purpose of exercising voting rights attached to the assets of the societies. That approach is not borne out by the constitutive documents. Once the source of authority under the Memorandum of Association and the Rules and Regulations is identified, the Board of Trustees and the Managing Committee cannot be collapsed into one undifferentiated category.

24. We are therefore of the view that the governing structure of the three societies did not permit the question of voting authority to be approached in the manner adopted in the impugned judgment. The correct approach was first to identify, from the constitutive documents, the body in which authority inhered in relation to the shares and the rights flowing therefrom, and thereafter to examine whether and to what extent such authority stood delegated. Instead, the impugned judgment proceeded on a footing which treated the Managing Committee and the Board of Trustees as if they were normatively interchangeable for the purposes of authorising the vote of the society. That approach is inconsistent with the scheme of the societies' own governing framework. The second issue is answered accordingly.

**Issue III- Whether the direction that the vote cast first would prevail, irrespective of the source of authority, is sustainable in law.**

25. The third issue must be examined in the light of the statutory framework governing the exercise of voting rights by electronic means at a general meeting of a company. Section 108 of the Companies Act, 2013 enables members to vote by electronic means, and Rule 20 of the Companies (Management and Administration) Rules, 2014 prescribes the procedure in accordance with which such voting is to be conducted. Since the impugned direction concerning the vote cast first must necessarily be tested against that framework, it also becomes necessary to notice the Notice dated 08.08.2022 issued by BCL convening its 102nd Annual General Meeting to be held on 27.09.2022, for the said notice sets out the procedure for remote e-voting and voting at the meeting in implementation of the statutory scheme. The relevant part of the notice reads as follows:

***“21. Instructions for Members for Remote e-Voting are given below:***

*a) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, SS-2 and Regulation 44 of the Listing Regulations and in terms of*



*Meeting but shall not be entitled to cast their vote again at the Meeting.”*

26. The notice also contained specific instructions for non-individual shareholders. These provisions assume significance in the present case because the members whose votes were in dispute were not natural persons but societies. The notice stated:

***“i. Additional Facility for Non-Individual shareholders and Custodians For Remote Voting only.***

*5. It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.*

*6. Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company... for the scrutinizer to verify the same.”*

27. The significance of the above provisions is twofold. First, once the vote on a resolution is cast by the member through remote

e-voting, the member cannot change that vote subsequently and cannot vote again at the meeting. Secondly, in the case of a non-individual shareholder, the voting process itself proceeds on the basis that the scrutiner is to verify the Board Resolution or authority letter under which the vote is cast. In other words, the statutory and procedural framework does not treat chronology as the source of validity. It treats authority as anterior to, and foundational for, the act of voting. A vote cast first in point of time is protected against duplication or subsequent alteration only if it is, in law, the vote of the member. In the case of a society or other non-individual shareholder, that condition can be fulfilled only where the vote is cast by a person authorised in accordance with the governing documents of that entity and the authority is capable of verification by the scrutiner under the prescribed procedure.

28. The scrutiner's own role, as reflected in the record, is consistent with the above understanding. The scrutiner's report placed on record states that his responsibility was restricted to making a consolidated scrutiner's report of the votes cast in favour or against the resolutions contained in the notice of the annual general meeting, based on the reports generated from the e-voting system and the voting through ballot or polling papers at the venue of the meeting. The same report records that the Company had provided the facility of voting through remote e-voting and voting through ballot or

polling papers in compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The statutory scheme therefore contemplates scrutiny of the voting process in a fair and transparent manner. It does not contemplate that validity may be made to depend upon a race between rival claimants purporting to act for the same juristic member.

29. It is here that the infirmity in the impugned judgment becomes evident. The Division Bench, after observing that once an electronic vote is cast, the same person or entity cannot be permitted to cast the vote again, and after further observing that the scrutiniser has no authority to invalidate a vote already cast on the basis of a communication received later in point of time, proceeded to direct that the vote cast first by the plaintiff society, irrespective of whether it was cast by a member of the Managing Committee or by the Board of Trustees, shall be taken into consideration. This direction introduces into the statutory process a rule which neither Section 108 of the Companies Act, 2013 nor Rule 20 of the Companies (Management and Administration) Rules, 2014 nor the annual general meeting notice contemplates. The statute and the rules recognise a valid vote of the member and prohibit its duplication or later alteration. They do not enact that whichever rival claimant acts first for the member must necessarily prevail, regardless of whether such person

was lawfully authorised to represent the member. The impugned caveat, therefore, substitutes chronology for authority.

30. This Court has repeatedly held that where a statute prescribes the manner in which a thing is to be done, it must be done in that manner or not at all. In *Babu Verghese v. Bar Council of Kerala*, (1999) 3 SCC 422, this Court reiterated that where the law requires a particular act to be done in a particular manner, the requirement must be strictly followed and cannot be displaced by a procedure not contemplated by the statute. Applying that principle here, once Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the procedure framed thereunder govern the field of remote e-voting, the Court could not have engrafted an additional norm that the vote cast first would prevail irrespective of the source of authority. Such a rule is not borne out by the statutory text. On the contrary, the procedural requirements for non-individual shareholders, including production and verification of Board Resolution or authority letter, show that authority is not incidental to the voting process but integral to it. A vote cast first but without lawful authority cannot become valid merely by reason of priority in time. The law protects the first valid vote of the member against duplication or change. It does not validate the first unauthorised act of a rival claimant.

31. We are also unable to sustain the direction in the impugned judgment that the vote cast first by the plaintiff society, irrespective of whether it was cast through the Managing Committee or the Board of Trustees, shall be taken into consideration. That direction could not have been justified even as an interim arrangement. The dispute before the High Court did not arise from any difficulty in counting votes already validly cast. It arose because rival persons asserted competing authority to vote on behalf of the same society. In such a situation, the Court could not resolve the matter by according primacy to the vote cast first in point of time. To do so was, in effect, to substitute chronology for authority. Such an approach not only travels beyond the statutory framework governing remote e-voting but also disregards the internal hierarchy of authority established under the constitutive documents of the societies, as already discussed while dealing with the second issue.
32. For the aforesaid reasons, we are of the view that the direction contained in the impugned judgment that the vote cast first would prevail, irrespective of the source of authority, is unsustainable in law. The statutory framework prevents the same member from changing its vote or voting again once a valid remote e-vote has been cast. It does not authorise the Court to hold that priority in point of time, by itself, determines the validity of a vote cast on behalf of a juristic member. The third issue is answered accordingly.

33. Insofar as the connected appeals preferred by Ms. Anamika Lodha are concerned, her challenge to the direction in the impugned judgment that the vote cast first would prevail must also succeed for the reasons recorded while dealing with the third issue. However, to the extent any submission was advanced on her behalf in support of the view taken by the Division Bench that the trustees must act in consonance or that the matter of voting authority could be approached without due regard to the governing structure of the societies, the same cannot be accepted for the reasons already recorded while dealing with the first and second issues.
34. For the reasons recorded above, the impugned judgment cannot be sustained. The Division Bench erred in construing the by-laws of the societies as requiring trustee action only in consonance, in approaching the question of voting authority without due regard to the governing structure of the societies, and in directing that the vote cast first would prevail irrespective of the source of authority.

### **Conclusion**

35. In view of the foregoing discussion, the Civil Appeals arising out of SLP (C) No. 1182 of 2023, SLP (C) No. 1183 of 2023 and SLP (C) No. 23145 of 2022, preferred respectively by Hindustan Medical Institution, Eastern India Educational Institution and Belle Vue Clinic, are allowed.

36. The Civil Appeals arising out of SLP (C) Nos. 1185 of 2023, 1187 of 2023 and 22799 of 2022, preferred by Ms. Anamika Lodha, are allowed to the limited extent with respect to her challenge to the direction in the impugned judgment that the vote cast first would prevail must also succeed for the reasons recorded while dealing with the third issue. However, insofar as the impugned judgment was supported by her on the basis that the trustees could bind the societies only if they acted in consonance or that the matter of voting authority could be approached without due regard to the governing structure of the societies, the same cannot be sustained for the reasons already recorded.
37. The common judgment and order dated 26.09.2022, as corrected by order dated 27.09.2022, passed by the Division Bench in APOT Nos. 180, 181 and 182 of 2022, is set aside. Consequently, the orders dated 16.09.2022 passed by the Single Judge in G.A. No. 1 of 2022 in C.S. Nos. 212, 213 and 214 of 2022 are also set aside.
38. It is held that, in the case of the present societies, a decision or delegation evidenced in writing under the hands of the majority of the trustees, in terms of Clause 24 of the by-laws, is capable in law of constituting a valid decision or authorization on behalf of the society. The contrary view taken in the impugned judgment, namely, that the trustees could bind the society only if they acted in consonance and

that absence of joinder by even one trustee would defeat the decision, is unsustainable and stands set aside.

39. It is further held that the direction in the impugned judgment that the vote cast first by the plaintiff society, irrespective of whether it was cast through the Managing Committee or through the Board of Trustees, shall be taken into consideration, is unsustainable in law and is set aside. The validity of a vote cast on behalf of a society cannot be determined merely by priority in point of time and must rest upon lawful authority traceable to the governing documents of the society and the statutory framework governing voting.
40. We clarify that we have not adjudicated upon the factual or ultimate legal validity of any particular resolution, including the resolutions dated 04.03.2021, or of any subsequent authorisation said to have been issued on behalf of any of the three societies. We have also not adjudicated upon the validity of any alleged cessation, removal, nomination or appointment of any trustee or member of the Managing Committee. All such questions, including the maintainability of the suits and the entitlement of any particular person to act on behalf of the societies, shall be decided by the competent forum on their own merits and in accordance with law. The present judgment is confined to the legality of the reasoning and directions contained in the impugned interim appellate order.

41. The suits and interlocutory applications out of which the present appeals arise shall stand restored to the file of the High Court. The Single Judge shall proceed to consider the same afresh, if anything survives for consideration, in accordance with law and in the light of the observations made in the present judgment.
42. There shall be no order as to costs.
43. Pending application(s), if any, shall stand disposed of.

.....**J.**  
**[VIKRAM NATH]**

.....**J.**  
**[SANDEEP MEHTA]**

**NEW DELHI;**  
**MAY 26, 2026**