

Can a shareholder force the company to provide him with the company's books of account?

The Promotion of Access to Information Act 2/2000 (the Act) is often enforced to gain access to information held by the State, especially for obtaining reasons for decisions made by organs of the State: vertical application.

In the recent case of **Davis v Clutchco (Pty) Ltd 2004 (1) SA 74 (C)** the court confirmed that the Act also entails horizontal application.

A shareholder in a private company brought an application to exercise his right to obtain access to the company's books of account. He was a 30% shareholder in the company and planned to sell his shares. For these purposes he obtained a valuation by the company's auditors, but for various reasons doubted the correctness thereof. He also suspected mismanagement of the company. He approached the company for access to the books, but his request was refused.

He consequently brought an application to obtain the books in terms of the Act which application was granted by the Court.

The same principles will in our view also apply in the case of a close corporation or a trust.