

(1959) 07 MAD CK 0018
In the Madras High Court

In Re: The Cauvery Spinning and Weaving Mills Ltd.

Date of Decision : 24-07-1959

Acts Referred:

Companies Act, 1956 — Section 2(14)
Madras City Civil Courts Act, 1892 — Section 3(2)

Citation : AIR 1960 Mad 79 : (1959) 72 LW 650 : (1960) 1 MLJ 272

Hon'ble Judges : Ramachandra Ayyar, J

Bench : Single Bench

Judgement

Ramachandra Ayyar, J.—This petition has been posted before me for directions as to its transfer to the City Civil Court, Madras. This

petition is u/s 141 of the Indian Companies Act, 1956, for extending the time for registration of the modification of a charge. It was presented in

this Court on 2nd May, 1959. On 29th May, 1959, the Union Government in exercise of the powers conferred by Sub-section (2) of Section 10

of the Companies Act, 1956, empowered all the District Courts in the Union of India to exercise the jurisdiction conferred upon the High Court

under the sections specified in the said Notification. Under the above Notification the District Courts of the State were empowered to exercise

jurisdiction u/s 141 of the Act. The Office of the Registrar seeks the direction of this Court as to whether O.P. No 120 of 1959 could be

transferred to the City Civil Court, Madras, in pursuance of that Notification.

2. Section 10(1) of the Act runs thus:

(1) The Court having jurisdiction under this Act shall be-

(a) the High Court having jurisdiction in relation to the place at which the registered office of the Company concerned is situate, except to the

extent to which jurisdiction has been conferred on any District Court or District

Courts subordinate to that High Court in pursuance of Sub-section (2); and

(b) where jurisdiction has been so conferred, the District Court in regard to matters falling within the scope of the jurisdiction conferred, in respect of companies having their registered offices in the district.

Sub-section (2) so far as it is relevant for our purpose is to the effect:

The Central Government may, by notification in the Official Gazette and subject to such restrictions, limitations and conditions as it thinks fit,

empower any District Court to exercise all or any of the jurisdiction conferred by this Act upon the Court, not being the jurisdiction conferred...

Proceedings u/s 141 would undoubtedly be one of those in respect of which the matter can be heard by the District Court, if so empowered u/s

10(2). Section 2(14) of the Companies Act defines a District Court thus:

"District Court" means the principal Civil Court of original jurisdiction in a district, but does not include a High Court in the exercise of its ordinary original civil jurisdiction.

3. The short question in this case is, whether the Madras City Civil Court would be a "District Court" within the meaning of Section 2(14), so as to

empower it to exercise jurisdiction in respect of matters enumerated therein. It is evident from the definition of "District Court" that it should be the

principal Civil Court of original jurisdiction. The Madras City Civil Court cannot be said to be the principal Civil Court of original jurisdiction. u/s

3(2) of the Madras City Civil Courts Act, 1892, the jurisdiction of that Court is limited. At the present moment, that Court is empowered to try

civil suits of the value of Rs. 50,000 and below. Being a Court of limited jurisdiction, it cannot be held to be the principal Civil Court of original

jurisdiction. In the City of Madras the principal Civil Court of original jurisdiction would be the Original Side of the High Court. I am, therefore, of

opinion that the Madras City Civil Court would have no jurisdiction by virtue of the Notification of the Central Government dated 29th May, 1959

and that the matters covered by Section 10(2) of the Act should be dealt with only by this Court.