

Title: Regarding setting up of an Additional Principal Bench of Company Law Board at Chennai.

1208 hours

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RAM JETHMALANI): The Company Law Board, a quasi-judicial body under the administrative control of the Department of Company Affairs, was constituted under sub-section (1) of Section 10(E) of the Companies Act, 1956 (as amended in 1988). Sub-section (2) of Section 10(E) of the Act provides that the "Company Law Board shall consist of such number of members, not exceeding nine, as the Central Government deems fit, to be appointed by that Government by notification in the Official Gazette."

2. The Board presently has a Principal Bench at New Delhi. Besides there are four Regional Benches working at New Delhi, Mumbai, Calcutta and Chennai. The Principal Bench has jurisdiction all over the country. The Regional Benches have somewhat limited jurisdiction. The matters falling under Section 235, 237, 247, 248, 250, 397/398, 408 and 409 of the Companies Act, 1956 and Section 2A of the Monopolies and Restrictive Trade Practices Act, 1969 are dealt with by the Principal Bench. The Regional Benches have jurisdiction within their respective areas. The matters falling under Section 17, 18/19, 58A(9), 80A, 111, 113, 141, 167, 186 and 621A of the Companies Act, 1956 only and under Section 22A of the Securities Contracts (Regulation) Act, 1956 are dealt with by the Regional Benches.

3 There has been a long persistent demand for setting up of an Additional Principal Bench of the Board for Southern States including Pondicherry preferably in Chennai. The matter has been under consideration of the Government for quite some time but no final decision had been taken so far.

4. I am happy to announce that keeping all the relevant facts in view and in larger public interest the Government has decided to set up an Additional Principal Bench of the Company Law Board in Chennai. This will consist of the present judicial Member of the Regional Bench of Chennai and the Vice-Chairman of the Principal Bench. It is proposed to transfer the post and the office of the Vice-Chairman along with the present incumbent to Chennai. The proposed Additional Principal Bench will function under the control, supervision and superintendence of Chairman, Company Law Board.

5. The proposed Additional Principal Bench will have jurisdiction over the States of Tamil Nadu, Karnataka, Andhra Pradesh, Kerala and Pondicherry. With the formation of the said Additional Principal Branch the long pending demand and aspirations of the people of the Southern States will be fulfilled in adequate measure.

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