

Amulya Charan Sur Vs The Coral Engineering Works, Ltd.

Court: Calcutta High Court

Date of Decision: Nov. 27, 1928

Acts Referred: Limitation Act, 1963 " Section 19

Citation: 115 Ind. Cas. 177

Hon'ble Judges: George Claus Rankin, C.J

Bench: Single Bench

Judgement

George Claus Rankin, C.J.

This is a case in which a Company was registered under the Indian Companies Act and it appears that the

plaintiff supplied certain goods to the Company. Certain sums became due from the Company and the Company found it inconvenient to pay in

full. Accordingly what happened was that the plaintiff got the bill made out showing how the accounts stood. Certain payments had been made and

certain sums were due on a given date, namely, the 23rd August, 1924. There was a debt which was at one time Rs. 372 which had been reduced

to Rs. 35-12 and there was another, namely, a sum of Rs. 48 of which nothing was paid at all. The document sets out this sum of Rs. 83-12

described in this way: "The above amount Rs. 83-12 (eighty-three and annas twelve) stands as nett dues this day." Below this there is an one anna

stamp upon which the date is put 25th August, 1924. By the side of this stamp it is written "Correct." Then in rubber stamp the words "The Coral

Engineering Works Ltd." and "Director" appear and in between these two lines of the rubber stamp comes the signature of a gentleman Mr. G. G.

Aich who is admittedly one of the three Directors of the Company. When the plaintiff brings his suit against the Company and produces this

document it is contended and successfully contended that this is not a sufficient acknowledgment within Section 19 of the Limitation Act, because

Mr. S.C. Aich was only one of the three Directors and had not got the authority of the other two Directors to do anything in the matter. There was

evidence on the part of the plaintiff that this Mr. S.C. Aich was the man who had made payments on behalf of the Company and had given orders

and had received money on behalf of the Company and although the Company's rubber stamp with room for the name of one Director only had

been employed, the defendants succeeded. The Directors and the Judge seem to have got confused between the Company's seal and an ordinary

rubber stamp.

2. The present question has nothing to do with the seal of the Company. Apart altogether from things which require a formal resolution of a Board

of Directors most Companies who conduct business have to employ one of their Directors as Manager to do the ordinary acts necessary in the

conduct of the business. No one can conduct business by having everything signed by three Directors. There is ample evidence that in the course

of business carried on this Company could not manage to pay the money which was to have been paid and got time by acknowledging that the

amount was due.

3. In my judgment the Rule must be made absolute and judgment must be entered for the full amount of the claim with costs both in this Court and

in the Court below. Hearing fee in this Court is assessed at one gold mohur.