



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 01.06.2018

CORAM

THE HONOURABLE MR.JUSTICE M.V.MURALIDARAN

W.P.(MD) Nos.11818 to 11821 and 11833 to 11836 of 2018
and

W.M.P.(MD) Nos.10754 to 10757 and 10770 to 10773 of 2018

AVUDAIAPPAN FOUNDATION

REP. BY ITS TRUSTEE A.SENTHILVELU,

S/O.AVUDAIPANDIAN,

B-4, RAJA PARI'S PADMAM APARTMENTS,

THEEKATHIR, MADURAI-14. ... Petitioner W.P.(MD) No.11818 of 2018

A.SELVAKUMAR ... Petitioner in WP(MD). 11819/ 2018

S.UMA ... Petitioner in WP(MD). 11820/ 2018

APSAL FINANCE AND INVESTMENTS INDIA LIMITED,

REP. BY ITS MANAGING DIRECTOR,

A.SENTHILVELU, S/O. AVUDAIPANDIAN,

B-4, RAJA PARIS PADMAN APARTMENT,

THEEKATHIR, MADURAI -14. ... Petitioner in WP(MD). 11821/ 2018

APSAL CHITS PRIVATE LIMITED.,

REP.BY ITS MANAGING DIRECTOR,

A.SENTHILVELU, S/O.AVUDAIPANDIAN,

B-4, RAJA PARIS PADMAM APARTMENTS,

THEEKATHIR, MADURAI-14. ... Petitioner in WP(MD). 11833/ 2018

APS AG TECH LIMITED,

REP.BY ITS MANAGING DIRECTOR,

A.SENTHILVELU, S/O.AVUDAIPANDIAN,

B-4, RAJA PARIS PADMAM APARTMENTS,

THEEKATHIR, MADURAI-14. ... Petitioner in WP(MD). 11834/ 2018

A.SENTHILVELU ... Petitioner in WP(MD). 11835/ 2018

APS LIFE SCIENCES PVT LTD.,

REP. BY ITS MANAGING DIRECTOR,

A.SENTHILVELU, S/O.AVUDAIPANDIAN,

B-4, RAJA PARIS PADMAM APARTMENTS,

THEEKATHIR, MADURAI - 14. ... Petitioner in WP(MD). 11836/ 2018



- Vs. -

1. The Secretary to Government,
Finance Department,
Government of Tamil Nadu,
St.George Fort, Chennai.

2. The Deputy Superintendent of Police,
Economic Offences Wing-II,
Madurai.

3. The Inspector of Police,
Economic Offences Wing-II,
Madurai.

... RR1 to 3 in all WPs

4. The Branch Manager,
Axis Bank,
Madurai Branch,
Madurai.

... R4 in WPs 11818, 11819,
11821, 11833, 11834 & 11836/2018

THE BRANCH MANAGER,
HDFC BANK, BYE PASS ROAD BRANCH,
MADURAI.

THE BRANCH MANAGER,
AXIS BANK, MADURAI BRANCH,
MADURAI.

... 4th and 5th Respondents in WP(MD). 11820/ 2018

THE BRANCH MANAGER,
HDFC BANK, BYE PASS ROAD BRANCH,
MADURAI.

... 5th Respondent in WP(MD). 11833/ 2018

THE BRANCH MANAGER,
INDIAN OVERSEAS BANK,
VISHVANATHAPURAM BRANCH,
MADURAI.

... 5th Respondent in WP(MD). 11834/ 2018

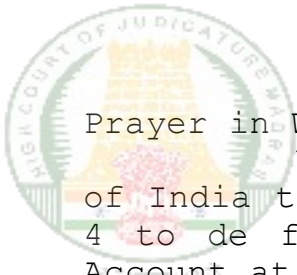
THE BRANCH MANAGER,
HDFC BANK, BYE PASS ROAD BRANCH,
MADURAI.

THE BRANCH MANAGER,
AXIS BANK, MADURAI BYE PASS ROAD BRANCH,
MADURAI - 625 010.

... 4th and 5th Respondents in
WP(MD).No.11835/2018

THE BRANCH MANAGER,
INDUS IND BANK, RAMNAGAR BRANCH,
COIMBATORE.

... 5th Respondent in WP(MD). 11836/ 2018



Prayer in WP(MD). 11818/ 2018 :

Writ petition filed under Article 226 of the Constitution of India to issue a Writ of Mandamus, directing the respondents 3 & 4 to de freeze the account of the petitioner company in Current Account at Axis Bank, Madurai Branch, No.913020048861215.

WEB COPY

Prayer in WP(MD). 11819/ 2018 :

Writ Petition is filed under Article 226 of the Constitution of India, praying this Court To issue a Writ of Mandamus directing the respondents 3 & 4 to de freeze the account of the petitioner company in Current account at Axis Bank, Madurai Branch, No.913010042056184.

Prayer in WP(MD). 11820/ 2018 :

Writ Petition is filed under Article 226 of the Constitution of India, praying this Court To issue a writ of mandamus directing the respondents 3 to 5 de freeze the account of the petitioner company in current account at Axis Bank, Madurai Branch, No. with respect to the account 913010039971173 and in No.24091930000198 of HDFC Bank.

Prayer in WP(MD). 11821/ 2018 :

Writ Petition is filed under Article 226 of the Constitution of India, praying this Court To issue a Writ of Mandamus directing the respondents 3 and 4 to de freeze the account of the petitioner company in Current account at Axis Bank, Madurai Branch with respect to the account No. 913020026394595.

Prayer in WP(MD). 11833/ 2018 :

Writ Petition is filed under Article 226 of the Constitution of India, praying this Court To issue a Writ of Mandamus directing the respondents 3 to 5 to de-freeze the account of the petitioner company in Current account at Axis Bank, Madurai Bye pass road Branch, with respect to the account No.915020044254998, 917020020566521 and the 5th respondent bank HDFC, Bye pass road Branch, Madurai in Account Number 50200023685247 and allow the properties of the petitioner company for further registration .

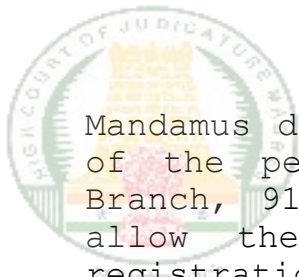
Prayer in WP(MD). 11834/ 2018 :

Writ Petition is filed under Article 226 of the Constitution of India, praying this Court To issue a Writ of Mandamus directing the respondents 3 & 5 to de-freeze the account of the petitioner company in Current account at Axis Bank, Madurai Branch, with respect to the account No.910020023075946, 1340020000001356 of Indian Overseas Bank, Vishwanathapuram Branch, Madurai and allow the properties of the petitioner company for further registration and pass any further orders

Prayer in WP(MD). 11835/ 2018 :

<https://hcservices.ecourts.gov.in/hcservices/>

Writ Petition is filed under Article 226 of the Constitution of India, praying this Court To issue a Writ of



Mandamus directing the respondents 3 to 5 to de-freeze the account of the petitioner account at Axis Bank, Madurai Bye Pass Road Branch, 913010040045821 and in No.24091930001121 of HDFC Bank and allow the properties of the petitioner company for further registration.

WEB COPY

Prayer in WP(MD). 11836/ 2018 :

Writ Petition is filed under Article 226 of the Constitution of India, praying this Court To issue a writ of mandamus directing the respondents 3 to 5 de freeze the account of the petitioner company in current account at Axis Bank, Madurai Bye Pass Road Branch, to freeze all actions with respect to the account No.913020026394595 and No.259578118888 of Indus Ind Bank, Ramnagar, Coimbatore.

For Petitioners : Mr.M.Gururaj in all W.Ps.

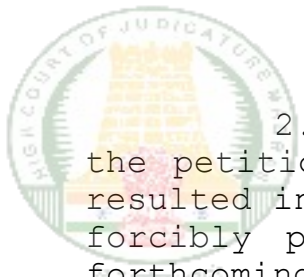
For R1 to R3 : Mr.K.Saravanan
Govt. Advocate

C O M M O N O R D E R

Mr.K.Saravanan, learned Government Advocate takes notice for R1 to R3. By consent, all these writ petitions are taken up together for final disposal, as the issue involved in these writ petitions are one and the same. For the sake of brevity, the facts are being taken from W.P.(MD) No.11833 of 2018.

2. The Managing Director of Apsal Chits Private Limited has filed the writ petition on behalf of the company, stating that he has been running several companies involving financial investments and he has business transactions with investors and beneficiaries for many years without any blemish. On 09.06.2017, the 3rd respondent had registered a suo motu case against his companies for defrauding the local public by enticing them and collecting money from them.

2.1. The 3rd respondent, having registered a case against his companies, issued a paper publication, calling upon complaints from the public, who had invested money in the company, against the Director and his companies. In addition to the above, the 3rd respondent has also informed the Bank / 4th respondent to freeze all transactions with respect to Account No. 913020048861215, with further direction to the Sub Registrar Offices to stop registration of documents in respect of the properties belonging to the petitioner company.



2.2. The act of the 3rd respondent freezing the accounts of the petitioner company without giving any prior notice to them had resulted in huge financial constraint and the petitioner company was forcibly prevented from disbursing amounts to customers for the forthcoming month of June, 2018. The petitioner company has been paying the profits to the beneficiaries without any break and though the petitioner has sent several representations to the 3rd and 4th respondents in this regard, no efficacious steps have been taken to de-freeze the account of the petitioner company. Hence, the petitioner is before this with the above prayer.

3. Learned Government Advocate appearing for R1 to R3 has contended that the petitioners have collected money from various public by falsely promising to offer huge profits and subsequently, they failed to maintain their promise, which resulted in receipt of several complaints from the affected parties, pursuant to which, the Inspector of Police, Economic Offences Wing has registered complaints against them, besides freezing their accounts held in various Banks in order to stop them from utilizing the public money for their own use.

4. Heard the learned counsel for the petitioners and the learned Government Advocate appearing for R1 to R3.

5. It is the case of the petitioners that they are into the business of financial investments and invested huge amount in it. They have gained public's confidence by repaying the profits in time without any default and all of a sudden, the 3rd respondent had frozen their accounts without any notice and without seeking any explanation from them in writing.

6. When this Court posed a question to the learned Government Advocate as to whether any notice had been issued to the petitioners before freezing their accounts, he has not shown any piece of documentary evidence to that effect and therefore, in the considered opinion of this Court, the act of the 3rd respondent in freezing their accounts is against law and violation of principles of natural justice.

7. When the Bank was apprised to freeze the accounts, it is equally incumbent upon the 3rd respondent to give intimation to the concerned account holders to that extent by adhering to the relevant provisions of law and the failure to do so will automatically give right to the petitioners to operate their accounts. Therefore, this Court is of the view that the petitioners are entitled to the relief sought for in these writ petitions and their accounts are liable to be de-frozen.

8. In fine, all these writ petitions are disposed of and the Inspector of Police, Economic Offences Wing-II, Madurai and the concerned respondent Banks are directed to de-freeze the accounts of the petitioners, within a period of one week from the date of



receipt of a copy of this order and permit them to have financial / business transactions therefrom. No costs. Consequently, connected miscellaneous petitions are closed.

Sd/-
Vacation Officer

WEB COPY /True Copy/

Sub Assistant Registrar

To:

1. The Secretary to Government,
Finance Department,
Government of Tamil Nadu,
St.George Fort, Chennai.
2. The Deputy Superintendent of Police,
Economic Offences Wing-II,
Madurai.
3. The Inspector of Police,
Economic Offences Wing-II,
Madurai.

+1cc to M/S.M.Gururaj, Advocate SR.No. 66487

+1cc to Special Government Pleader, SR.No. 66530 & 66531

W.P.(MD) Nos.11818 to 11821
and 11833 to 11836 of 2018
01.06.2018

ar

JM/SKN RSK/SAR 4/07.06.2018/6P/6C