

THE HONOURABLE SRI JUSTICE SANJAY KUMAR

WRIT PETITION NO.11852 OF 2017

ORDER

Challenge in this writ petition is to the attachment before judgment effected by the Deputy Registrar of Chits, Hyderabad, *vide* order dated 13.03.2017 in I.A.No.40 of 2017 in ABR/CF/No.150 of 2017. By the said order, in exercise of power under Section 68(2) of the Chit Funds Act, 1982 (*for brevity*, 'the Act of 1982'), the Deputy Registrar directed withholding of the sum of Rs.11,47,456 out of the VRS/retirement benefits of the second opponent therein, viz., the writ petitioner.

Be it noted that Section 68(2) of the Act of 1982 requires the Registrar or the nominee, while directing the attachment of any property under Section 68(1), to issue a notice calling upon the person whose property is so attached to furnish such security as he thinks adequate within a specified period, and if the person fails to provide such security, the order of attachment may be confirmed.

In the case on hand, the impugned order dated 13.03.2017 demonstrates that the Deputy Registrar did not even call upon the opponents in the case, including the writ petitioner, to furnish security for the amount claimed by the third respondent chit fund company. That apart, Section 60 CPC would also have to be taken into consideration in the light of the fact that the Deputy Registrar was directing withholding of retirement benefits. The order therefore suffers from these irregularities.

However, it may be noted that in terms of Section 68(2) of the Act of 1982, it is for the petitioner to offer security in the event he does not want the attachment to continue. When asked as to whether such security

would be furnished, Sri V.S.R.M.V. Prasad Sanaka, learned counsel for the petitioner, fairly stated that immovable property security or cash security would be offered to cover the claim of the third respondent chit fund company.

Sri K.Chaitanya, learned counsel for the third respondent, stated that he has no objection if such immovable property security is furnished to the satisfaction of the Deputy Registrar.

In the light of the above facts, the writ petition is disposed of directing the Deputy Registrar of Chits, Hyderabad, to lift the order of attachment dated 13.03.2017 in I.A.No.40 of 2017 in ABR/CF/No.150 of 2017 upon the petitioner herein, the second opponent in the said case, furnishing immovable property or any other cash security to the satisfaction of the Deputy Registrar of Chits, Hyderabad, covering the claim of the third respondent chit fund company.

Pending miscellaneous petitions, if any, shall stand closed in the light of this final order. No order as to costs.

20th JUNE, 2019

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SANJAY KUMAR, J