IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.10.2021

CORAM

THE HONOURABLE MR.JUSTICE S.M.SUBRAMANIAM

W.P. No. 7167 of 2009
and
M.P. No. 1 of 2009

1. Lakshmi Ammal

2. C.Easwariammal

3. C.Karthikeyan

... Petitioners

Vs.

1. Regional Director
Reserve Bank of India
Public Debt Office
Post Box No.40
Fort Glacis
Rajaji Salai
Chennai 600 001.

2. C.Radhakrishnan

3. P.Balakrishnan

4. Tamilarasi

5. Renuka Devi

6. Sangeetha

7. Murali

... Respondents

Petition filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Certiorarified Mandamus, calling for the records pertaining to proceedings PDO (Che) RR/4660/04 001/3009/2007-08 dated 17.06.2008 issued by the first respondent quash the same and direct the first respondent to deposit the proceeds of the Land Reforms Bonds to the credit of O.P. 46/87 on the file of Sub Court, Tiruppattur.

For Petitioner : Mr. Bharath Gowtham
for T.R.Rajaraman

For Respondents : Mr. K.S.Jeya Ganeshan (For R1)
Senior Panel Counsel
R2 to R7 – Given up

O R D E R

The order impugned dated 17.06.2008 issued by the First respondent is sought to be quashed in the writ petition. The order impugned passed by the Reserve Bank of India states that the petitioner was advised to comply with their letter dated 03.03.2008. It is further informed that it is not possible to make part payment of the Land Reform Bonds as per Rules.

2.The counter filed by the Reserve Bank of India provides details regarding the share values in respect of all persons, in paragraph No.7, which reads as follows:-

> "7. It is submitted that by the succession certificate the court has recognized 10 legal heirs for succession to the said Bonds with respective share entitlement as mentioned in the succession certificate vide orders dated 20.01.2006 in Succession Original Petition No. 46/1987. The court has granted the share entitlement to each of the petitioners and respondents and accordingly the Bank has calculated the entitled share value with accrued interest as follows:-

Share of the Legal Heirs	Share of the Principal amount	Interest Component payable on the bond	Legal Heirs
1/5th share	19470	4535	Lakshmi Ammal
1/5th share	19470	4535	C.Eswari Ammal
1/5th share	19470	4534	C.Karthikeyan
1/5th share	19470	4535	C.Radha Krishnan
1/40th share	2433.75	566	Eswari Ammal
1/40th share	2433.75	567	C.Karthikeyan
1/40th share	2433.75	567	C.Radha Krishnan

Share of the Legal Heirs	Share of the Principal amount	Interest Component payable on the bond	Legal Heirs
1/40th share	2433.75	567	P.Balakrishnan
1/40th share	2433.75	567	Tamilarasi
1/40th share	2433.75	567	Renuka Devi
1/40th share	2433.75	567	Sangeetha alias Kalaiarani
1/40th share	2433.75	567	Murali
Total	97350	22674	

It is submitted that the Bonds were issued in denominations viz., Rs.10,000/-, Rs.5,000/-, Rs.1,000/-, Rs.100/- and Rs.50/-. However, as per the succession certificate the share component of 1/5th of the total principal amount is arrived to be Rs.19,470/- and 1/40th share of the total principal amount was arrived to be Rs.2433.75. It is submitted that the Bank vide its letter No. PDO (CHE) REP/04.04.001/300092007-2008 dated June 17, 2008 advised the petitioner No.1 to forward the original succession certificate and the original Bonds duly discharged by all the succession holder to enable the Bank to proceed further in the matter and also advised that it is not possible to make part payment of the bonds under reference. Copies of letter Nos. PDO (CHE) REP/04.04.001/3009/2007-08 and PDO (CHE) RR/4660/04.001 /3009/2007-2008 dated March 08, 2008 and June 17, 2008 respectively.
It is submitted that the TNLRC Bonds were issued as per the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 ('the TN Land Reforms Act') The redemption of bonds and interest calculation has been prescribed in the Madras Land Reforms (Compensation for surplus land) Rules, 1966 ('the Compensation Rules'). Rule 8 of the Compensation Rules provides that save as otherwise provided in section 55 and in these rules, the Bonds are subject to the provisions of Public Debt Act, 1944 and the Public Debt (Compensation Bonds) Rules, 1954. Section 1(2) of the Government Securities Act, 2006 ("GS Act") provides that the said Act applies to Government Securities created and issued whether before or after the commencement of this Act by the Central Government or a State Government. Further Section 31(1) of the GS

Act provides that the Public Debt Act, 1944 shall cease to apply the Government securities to which this Act applies and to all matters for which provisions have been made by the Act. It is further submitted that the compensation bonds are governed by the Public Debt (Compensation Bonds) Rules, 1954 and under Rule 15 of Public Debt (Compensation Bonds) Rules, 1954, the bond shall be presented at the office at which the installment of the bond is payable or at the Public Debt Office and signed by the holder on its reverse. As such, it is submitted that the Bonds are governed by the Government Securities Act, 2006 (GS Act) and GS Regulations, 2007."

3.Learned counsel appearing on behalf of the first respondent reiterated that once the payment is made in favour of one person, the balance amount cannot be retained by the Reserve Bank of India as per Rules. It is to be settled in entirety and therefore, if all the persons are ready and willing to receive the amount, the Reserve Bank of India will do so, without further delay.

4.This being the procedure to be followed, the petitioner can either claim the entire amount as per the share values of respective persons or obtain an appropriate order from the competent civil court of law. However, these disputes cannot be adjudicated by High Court in a writ proceeding under Article 226 of the Constitution of India.

5.The civil rights are to be adjudicated by the competent court of law with reference to documents and evidences produced by parties. This being the factum, the petitioner is at liberty to approach the competent court of law for obtaining appropriate orders in order to claim the amount along with all other persons enabling the Reserve Bank of India to settle the amount as per their respective shares.

6.With the above observations, this writ petition is disposed of. No costs. Consequently, connected miscellaneous petition is closed.

Sd/-
Assistant Registrar(CS-II)

//True Copy//

Sub Assistant Registrar

Maya

To

1. Regional Director
   Reserve Bank of India
   Public Debt Office
   Post Box No.40
   Fort Glacis
   Rajaji Salai
   Chennai 600 001.

+1cc to M/s.K.S.Jeyaganeshan, Advocate, S.R.No.52945

W.P. No. 7167 of 2009

KSM(CO)
SU(02/11/2021)