

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.03.2021

CORAM

THE HONOURABLE MR.JUSTICE S.M.SUBRAMANIAM

C.M.A.No.3267 of 2014

and

M.P.No.1 of 2014

- 1.Sri Lakshmi Chit Fund Corporation
No.1/A, Sharaff Valayudam Street,
Ambur Town & Taluk,
Vellore District.
 - 2.Sri Padmavathi Chit Fund Private Limited,
No.1/A, Sharaff Valayudam street,
Ambur Town & Taluk,
Vellore District.
 - 3.Tmt.R.Madana @ Madhanammal
 - 4.Thiru.M.S.Ravikumar
- ...Appellants

Vs.

The Competent Authority and
District Revenue Officer,
Collector's Office
Vellore - 9, Vellore District.

...Respondent

Prayer : Civil Miscellaneous Appeal filed under Section 11 of the Tamil Nadu Protection of Interest Depositors Act, against the judgment and decree dated 19.09.2014 in O.A.No.3 of 2013 before the Special Judges Court for the Tamil Nadu Protection of Interest of Depositors Act, 1997 at Chennai.

For Appellants : Mr.R.Subramanian

For Respondent : Mr.Y.T.Aravind Gosh
Additional Government Pleader
(CS)

J U D G M E N T

The Fair and Decreetal order dated 19.09.2014 passed in O.A.No.3 of 2013 is under challenge in the present Civil Miscellaneous Appeal.

2. The appellant collected deposits from the Public and not repaid the deposit even after maturity. The depositors filed a complaint before the Police and the complaint was registered and the Commercial Crime Investigation Wing commenced the investigation. In order to protect the interest of the depositors, the Government issued G.O.Ms.No.914, Home Department dated 30.12.2011, attached the properties by invoking Section 3 of the Tamil Nadu Protection of Interest of Depositors(In Financial Establishments Act) 1997. Accordingly, the properties belong to the appellant were attached.

3. The competent authority filed an application under Section 4, to make the attachment absolute before the Special Court and for consequential sale for the Special Court. The Special Court adjudicated the issues with reference to the documents and by providing opportunity to all the parties. The Special Court made a categorical finding that property was purchased, when the Financial company was functioning. Though it was established that the proceeds were utilized and the fact considered was that the property was purchased when the Financial Company was functioning, then there is every reason to believe that the property should have been acquired from and out of the money collected from the depositors. Thus, the prima facie case was made out and accordingly, the Special Court made the attachment order passed by the Government absolute the permitted for consequential sale of the property in order to repay the deposits. The said order passed by the Special Court is under challenge in the present appeal.

4. This Court is of the considered opinion that the very purpose and object of the TNPID Act is to protect the interest of the depositors and the investigations are in progress and the Criminal case registered against the appellant is also pending. Under these circumstances, if the attachment is raised, there is a possibility of encumbering the property by the appellant in one way or other, which cannot affect the interest of the depositors and therefore, the attachment cannot be raised at this point of time.

5. However, the learned counsel appearing on behalf of the appellants made a submission that the appellants are willing to deposit the entire amount to satisfy the debts due to the depositors. It is contended that already a sum of RS.5,00,000/- was deposited. In this regard, it is left open to the appellants to approach the Special Court by filing the petition under Section 9 of the TNPID Act for the purpose of considering this case. In the event of furnishing complete security in lieu of attachment, the the Special Court has to take a decision and the Special Court has to consider, if any petition is filed by the appellants.

6. Thus, the appellants are at liberty to approach the Special Court for appropriate relief. With these observations, Fair and Decreetal order dated 19.09.2014 passed in O.A.No.3 of 2013 stands confirmed and the Civil Miscellaneous Appeal in C.M.A.No.3267 of 2014 stands dismissed. No costs. Consequently, connected miscellaneous petition is closed.

Sd/-

Assistant Registrar(CS VII)

//True Copy//

Sub Assistant Registrar

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To

The Special Judge, Court for the Tamil Nadu
Protection of Interest of Depositors Act, Chennai.

+1cc to Mr.R.Subramanian, Advocate, S.R.No.16459

+1cc to the Government Pleader, S.R.No.16080

C.M.A.No.3267 of 2014

SMI (CO)
KM(28/04/2021)

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