



*C.R.P.(PD).Nos.2713 to 2717, 2719 & 2720 of 2021*

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02.12.2021

CORAM:

**THE HONOURABLE MR.JUSTICE R.SUBRAMANIAN**

**C.R.P.(PD).Nos.2713 to 2717, 2719 & 2720 of 2021**

**and**

**C.M.P.Nos.19904, 19907, 19910, 19909, 19911, 19914 & 19915 of 2021**  
**C.R.P.(PD).No.2713 of 2021:**

A.S.Senthil Kumar

.. Petitioner

Vs.

The Competent Authority and  
District Revenue Officer,  
Coimbatore.

.. Respondent

**PRAYER:** Civil Revision Petition filed under Article 227 of the Constitution of India, praying to set aside the order dated 22.11.2021 made in unnumbered I.A.No.... of 2021 in O.A.No.3 of 2014 on the file of the Special Judge, Special Court under TNPID Act, Coimbatore.

For Petitioner : Mrs.Chitra Sampath, Senior Counsel  
for Mr.K.S.Karthik Raja in all CRPs

For Respondent : Mr.M.Bindran,  
Additional Govt. Pleader in all CRPs

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*C.R.P.(PD).Nos.2713 to 2717, 2719 & 2720 of 2021*

**COMMON ORDER**

These Revisions are by the petitioner, challenging the orders of the Special Court under the Tamil Nadu Protection of Interests of Depositors (In Financial Establishments) Act, 1997, rejecting the applications filed by the petitioner seeking stay of all further proceedings in O.A.No.23 of 2015 which is a proceeding for attachment of the properties under Section 7 of the Act.

2. Section 4 of the Act enables the Competent Authority to apply to the Special Court within 30 days for making the ad-interim order of attachment made under Section 3 absolute. Sub-Section 4 of Section 4 requires the Competent Authority to file an affidavit stating the grounds on which the belief that the Financial Establishment has committed any default or is likely to defraud, is founded, the amount of money or value of other property believed to have been procured by means of the deposit, and the details, if any, of persons in whose name such property is believed to have been invested or purchased out of the deposits or any other property attached under section 3. Therefore the minimum particulars that are to be placed before the Competent Authority have been set out in sub-Section 4



*C.R.P.(PD).Nos.2713 to 2717, 2719 & 2720 of 2021*

of Section 4 of the Act.

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3. Section 7 of the Act deals with the powers of the Special Court which is empowered to consider the applications filed under Section 4. Under the scheme of Section 7, the Special Court is required to issue notice, to all other, persons represented to it as having or being likely to claim, any interest or title in the property which is sought to be attached. Any person claiming an interest in the property attached or any portion thereof may, notwithstanding that no notice has been served upon him under this Section, make an objection under Sub-Section 3 of Section 7. Under Sub-Section 5 of Section 7, the Special Court is required to conduct an enquiry on the claims made and for the purposes of such enquiry the Special Court is invested with the powers of the civil Court dealing with the suit.

4. The language of Sub-Section 5 of Section 7 is wide enough to include the claims regarding attachment of the property as well as the claim of source of purchase money etc., Upon enquiry, if the special Court arrives at a conclusion that the property has been purchased from and out of the



*C.R.P.(PD).Nos.2713 to 2717, 2719 & 2720 of 2021*

monies of the depositors it can make the attachment absolute and proceed to sell the property. As against the order making attachment absolute under section 6, after enquiry, an appeal is provided for under Section 11 of the Act to this Court.

5. Therefore, the rights of the claimants as well as the Competent Authority are very well insulated. The apprehension of the petitioner is that because the Special Court is dealing with both the criminal case as well as claims to the attached property, as a civil Court, there may be intermingling and the particulars have not been furnished to my mind is not justified.

6. As pointed out, the scope of enquiry under sub-Section 5 of Section 7 takes within itself the rival claims also and there is also a provision for appeal by a person who is aggrieved by the orders passed by the Special Court under sub-Section 6 of Section 7. There is no question of the proceedings being stayed till the completion of the criminal proceedings. The proceeding for attachment are independent of the criminal proceedings. The Act is a self-contained code and therefore the Special Court was



*C.R.P.(PD).Nos.2713 to 2717, 2719 & 2720 of 2021*

justified in rejecting the request for stay which was made invoking Section 10 of CPC . The requirements of Section 10 can never be satisfied in cases like this.

7. Therefore, the Special Court was right in rejecting the application. I do not see any reason to interfere with the order passed by the learned Special Judge. Accordingly, these Civil Revision Petitions are dismissed. No costs. Consequently the connected miscellaneous petitions are closed.

8. It is made clear that the Special Court shall consider the claims opposing the attachment, strictly adhering to the provisions of sub-Section 5 of Section 7 and allowing the parties to lead evidence on their respective claims.

**02.12.2021**

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Index : No  
Speaking order



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*C.R.P.(PD).Nos.2713 to 2717, 2719 & 2720 of 2021*

**R.SUBRAMANIAN, J.**

dsa

To

- 1.The Special Judge, Special Court under TNPID Act,  
Coimbatore.
- 2.The Competent Authority and  
District Revenue Officer,  
Coimbatore.

**C.R.P.(PD).Nos.2713 to 2717, 2719 & 2720 of 2021**

**02.12.2021**