



CRL.O.P (MD) No.13125 of 2022

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 21.07.2022

CORAM

THE HONOURABLE MR. JUSTICE V.SIVAGNANAM

CRL.O.P (MD) No.13125 of 2022

1.Kariamal

2.Paramasivam

...Petitioners

Vs.

1.The Superintendent of Police,
Dindigul District,
Dindigul.

2.The Inspector of Police,
Thandikudi Police Station,
Thandikudi,
Kodaikanal Taluk.

...Respondents

Prayer: Criminal Original Petition is filed under Section 482 Cr.P.C., praying to direct the respondents not to interfere the civil, money dispute cases by way of Katta Panchayat as against the petitioner and his family members.

For Petitioner : Mr.S.Sivaprakash

For Respondents : Mr.A.Albert James
Government Advocate (Crl.side)

ORDER

This petition has been filed to direct the respondents not to interfere the civil, money dispute cases by way of Katta Panchayat as against the petitioner and his family members.



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2.The learned counsel appearing for the petitioners submitted that the petitioners are working as an agent at PACL Limited and collecting money from the customers and they were deposited in customers policy account alone. In these circumstances, the PACL Limited was taken over by the SEBI due to some malpractice. Therefore, the SEBI had passed an order dated 22.08.2014 directing the first respondent/PACL Limited to refund the money to the investors. The said order was challenged by PACL Limited by way of an Appeal before the Securities Appellate Tribunal (SAT) and by order dated 14.08.2015, SAT upheld the order of SEBI. Aggrieved by the order of SAT, the PACL Limited filed an Appeal before the Hon'ble Apex Court. The Hon'ble Apex Court vide order, dated 02.02.2016 *inter alia* directed SEBI to constitute a committee with the Hon'ble (Retd.) Mr.Justice R.M.Lodha (Former Chief Justice of India) as the Chairman of the said Committee, for disposing of the lands purchased by the PACL, so that the sale proceeds can be paid to the investors, who have invested their funds in PACL Limited. SEBI had filed an application in I.A.No.5 of 2016 in Civil Appeal No.13301 of 2015 before the Apex Court praying for a direction for restraining all Civil Courts in India from entertaining any claim relating to PACL. The Apex Court, vide order dated 02.05.2016 had allowed the prayer of SEBI by passing an interim order and directed that no Court or other Authority or Forum shall entertain any suit or other legal proceedings in respect of any claim or related mater pertaining to



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PACL Ltd., and/or its Directors/Promoters/Group Companies/Entities/ individuals etc. arraying therein as parties is appointed as the Chairman of the Committee constituted for disposing of the lands purchased by PACL Limited, the petitioner has to make an application before the Administrator of the said Committee for refund of the amount. In these circumstances, the respondent harassed the petitioner for re-paying the money collected by the customers. Hence, he filed this petition.

3.In support of his contention, the learned counsel for the petitioner placed reliance on the following decisions:-

(i) **Arnesh Kumar vs. State of Bihar and another** (2015-1-L.W.(CrI.) 318),

(ii) **L.N.Nithyanantham vs. the State and others** (CrI.O.P(MD)No.1776 of 2021,

(iii) **Dorand and others vs. the Superintendent of Police, Nagercoil and other another** [2016(2)CTC 286: (2016)2 MLJ CRL 437],

(iv) **Shanmugavadivel and others vs. The Superintendent of Police, Theni District, Theni and another** [2015-2-L.W.(CrI.) 627],

(v) **Jagdish Shrivastav vs. the State of Maharashtra and another** [S.L.P (CrI.)No.1758 of 2022] and

(vi) **Abhyanand Sharma @ Tinku Sharma**



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vs. State of Bihar and another [W.P.(CrI)No.420 of 2021]

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4.The learned Government Advocate (CrI.side) appearing for the respondent police conceded to give advise to the respondent police to follow the directions of the Hon'ble Supreme Court.

5.I have considered the matter in the light of the submissions made by the learned counsel for the petitioner and the learned Government Advocate (CrI.Side) appearing for the respondent police

6.A perusal of records reveals the fact that petitioners are working as a agent at PACL Limited and collecting money from the customers and they were deposited in customers policy account alone. Based on the complaint of malpractice of PACL Ltd., SEBI had passed an order, dated 22.08.2014 directing the first respondent/PACL Limited, to refund the money to the investors, which was challenged by PACL Limited, by way of an Appeal before the Securities Appellate Tribunal (SAT) and by order, dated 14.08.2015, SAT upheld the order of SEBI. Aggrieved by the order of SAT, the PACL Limited filed an Appeal before the Hon'ble Apex Court and the said Court vide order, dated 02.02.2016, directed SEBI to constitute a committee with the Hon'ble (Retd.) Mr.Justice R.M.Lodha (Former Chief Justice of India) as the Chairman



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of the said Committee, for disposing of the lands purchased by the PACL, so that the sale proceeds can be paid to the investors, who have invested their funds in PACL Limited. SEBI had filed an application in I.A.No.5 of 2016 in Civil Appeal No.13301 of 2015 before the Apex Court and the same was allowed on 02.05.2016 and directed that no Court or other Authority or Forum shall entertain any suit or other legal proceedings in respect of any claim or related mater pertaining to PACL Ltd. Further it is noticed that on 01.07.2022 the Committee headed by the Hon'ble (Retd.) Mr.Justice R.M.Lodha has issued public notice had called for original PACL Registration Certificates from eligible investors with claim between Rs.10,001/- and Rs.15,000/- and extended the last date for submission of original PACL Registration Certificate to August 31, 2022.

7.The inherent power under Section 482 Cr.P.C envisages three circumstances, under which, inherent jurisdiction may be exercised, namely, (1) to give effect to an order under the Code, (2) to prevent abuse of the process of the Court and (3) to otherwise secure ends of justice. The rule of inherent power has its source in the maxim "*Quando lex aliquid alique, concedit conceditur et id sine quo res ipsa esse non potest*" it means that when the law gives a person anything, it gives him that without which the thing itself cannot exist.



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8. The power of investigation officer is statutory one. The power to investigate into the cognizable offence is to be legitimately exercised in strict compliance with the provision of Chapter XII of the Code. There is no unlimited discretion to act according to one's own choice. The power to investigate must be exercised strictly on the condition of which that power is granted by the Code itself. Further, the investigation officer is empowered to collect evidence/material during investigation and arrive at a conclusion independently. This Court would not ordinarily interfere with the functioning of an Investigating Agency. It may do so only in exceptional circumstances.

9. In **Lalithakumari vs. State of U.P** [AIR 2014 SC 187], the Hon'ble Constitution Bench of the Hon'ble Supreme Court summarized law and gave following directions with regard to registration of F.I.R. For better appreciation, it is reproduced hereunder:-

(i) Registration of FIR is mandatory under Section 154 of the Code, if the information discloses commission of a cognizable offence and no preliminary inquiry is permissible in such a situation.

(ii) If the information received does not disclose a cognizable offence but indicates the necessity for an inquiry, a preliminary inquiry may be conducted only to ascertain whether cognizable offence is disclosed or not.



(iii) If the inquiry discloses the commission of a cognizable offence, the FIR must be registered. In cases where preliminary inquiry ends in closing the complaint, a copy of the entry of such closure must be supplied to the first informant forthwith and not later than one week. It must disclose reasons in brief for closing the complaint and not proceeding further.

(iv) The police officer cannot avoid his duty of registering offence if cognizable offence is disclosed. Action must be taken against erring officers who do not register the FIR if information received by him discloses a cognizable offence.

(v) The scope of preliminary inquiry is not to verify the veracity or otherwise of the information received but only to ascertain whether the information reveals any cognizable offence.

(vi) As to what type and in which cases preliminary inquiry is to be conducted will depend on the facts and circumstances of each case. The category of cases in which preliminary inquiry may be made are : (a) Matrimonial disputes/family disputes (b) Commercial offences (c) Medical negligence cases (d) Corruption cases (e) Cases where there is abnormal delay/*laches* in initiating criminal prosecution, for example, over 3 months delay in reporting the matter without satisfactorily explaining the reasons for delay. The aforesaid are



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only illustrations and not exhaustive of all conditions which may warrant preliminary inquiry.

(vii) While ensuring and protecting the rights of the accused and the complainant, a preliminary inquiry should be made time bound and in any case it should not exceed 7 days. The fact of such delay and the causes of it must be reflected in the General Diary entry.

(viii) Since the General Diary/Station Diary/Daily Diary is the record of all information received in a police station, all information relating to cognizable offences, whether resulting in registration of FIR or leading to an inquiry, must be mandatorily and meticulously reflected in the said Diary and the decision to conduct a preliminary inquiry must also be reflected, as mentioned above.

11. Further, the Hon'ble Apex Court in **Arneshkumar vs. State of Bihar and another** [2015-1-L.W. (Crl.) 318] has directed the police officer to follow up the provisions of 41A Cr.P.C and do not arrest the accused unnecessarily and gave the following directions:-

(1) All the State Governments to instruct its police officers not to automatically arrest when a case under Section 498-A of the IPC is registered but to satisfy themselves about the necessity for arrest under



the parameters laid down above flowing from Section 41, Cr.PC;

(2) All police officers be provided with a check list containing specified sub-clauses under Section 41(1)(b)(ii);

(3) The police officer shall forward the check list duly filed and furnish the reasons and materials which necessitated the arrest, while forwarding/producing the accused before the Magistrate for further detention;

(4) The Magistrate while authorising detention of the accused shall peruse the report furnished by the police officer in terms aforesaid and only after recording its satisfaction, the Magistrate will authorise detention;

(5) The decision not to arrest an accused, be forwarded to the Magistrate within two weeks from the date of the institution of the case with a copy to the Magistrate which may be extended by the Superintendent of police of the district for the reasons to be recorded in writing;

(6) Notice of appearance in terms of Section 41A of Cr.PC be served on the accused within two weeks from the date of institution of the case, which may be extended by the Superintendent of Police of the District for the reasons to be recorded in writing;



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(7) Failure to comply with the directions aforesaid shall apart from rendering the police officers concerned liable for departmental action, they shall also be liable to be punished for contempt of court to be instituted before High Court having territorial jurisdiction.

(8) Authorising detention without recording reasons as aforesaid by the judicial Magistrate concerned shall be liable for departmental action by the appropriate High Court.

12.The learned Government Advocate (Crl.Side) brought to the knowledge of this Court to the consolidated instructions given to the police officer by the Director General of Police, Chennai in Rc.No.521017/Crime 3(2)/2020 dated 25.01.2021.

13.On perusal of the consolidated instructions, it is seen that the Director General of Police, Chennai gave instructions to all the police based on the Judgments of the Hon'ble Supreme Court in the cases of **D.K.Basu vs. State of West Bengal** [AIR (1997) SC 610] and **Arneshkumar vs State of Bihar** (supra) and also referred the order of this Court in **Crl.O.P.(MD)Nos.12665 and 12666 of 2020** with regard to treating the common man who approached the police station and handling the complaint given by the aggrieved person and



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the procedure to be followed in the arrest of accused as per Section 41(1)(b)

Cr.P.C.

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14.This Court, by its order dated 01.02.2016 in CrI.O.P(MD)No.1727 of 2016 considered the similar prayer for the direction. The learned Judge of this Court in this case, observed the Code of Criminal Procedure “nowhere contemplates the remedy of title not to harass”. For better appreciation, para 6 of the order is extracted hereunder:-

“6.When someone lodges a complaint, the bonafides of which is doubted by the Police Officer, he may choose to make a preliminary enquiry. This happens mostly in cheating cases, because, experience shows that, people frequently rush to the police for help even in purely civil and commercial transaction. If Police do not register an FIR immediately, the complaint rushes to this Court under Section 482 Cr.P.C for a direction to the register an FIR. When a direction to enquire is issued by this Court on the complainant's petition, the Police perforce will have to call the adverse party for enquiry. Immediately, the adverse party rushes to this Court with a? Not to Harass? Petition. If a? Not to Harass? order is passed, that is used as a shield by the adverse party to avoid appearance for police enquiry. On one hand, this Court directs Police to conduct an enquiry on the complaint of a person and in the same breath, if



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a? Not to harass? order is passed, at the instance of the adverse party, the Police will only be in a quandary.”

15.In view of the above legal and factual position, I hereby direct the respondent police to follow the directions given by the Hon'ble Apex Court in the case of **Arneshkumar** (supra) with regard to handling the complaint and follow the guidelines stated by the Hon'ble Apex Court in the case of **D.K.Basu** (supra) and the Consolidated Instructions dated 25.01.2021 issued by the Director General of Police, Chennai. If the police is not following the above legal principles, it is inevitable to meet the consequences of violation of law.

16.With the above directions, this Criminal Original Petition is disposed of.

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Index :Yes/No

Internet:Yes/No

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To

1.The Superintendent of Police,
Dindigul District, Dindigul.

2.The Inspector of Police,
Thandikudi Police Station,
Thandikudi, Kodaikanal Taluk.

3.Additional Public Prosecutor,
Madurai Bench of Madras High Court,
Madurai.



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V.SIVAGNANAM, J.

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