



W.P.(MD) No.18281 of 2019

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 04.02.2025

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THE HONOURABLE MR.JUSTICE V.LAKSHMINARAYANAN

W.P.(MD) No.18281 of 2019

and

W.M.P.(MD) No.14714 of 2019

The Blessing Agro Farm India Limited
Rep. by its Managing Director
Mr.Joseph Jeyaraj,
S/o.I.Lourdu Pillai,
Having office at No.1-K and 1-E,
Kajiyar Complex, North Gate,
S.S.Colony, Madurai 625 010.

... Petitioner

Vs.

- 1.The Registrar of Companies,
2nd Floor, Shasthri Bhavan,
Haddows Road,
Chennai 600 006.
- 2.The Securities & Exchange Board of India
(SEBI), Rep. by its General Manager,
South Regional Office,
Overseas Towers, 7th Floor, Anna Salai,
Chennai 600 002.
- 3.The Registrar & Recovery Officer,
Securities & Exchange Board of India,
Overseas Towers, 7th Floor, Anna Salai,
Chennai 600 002.

... Respondents



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Prayer: Writ Petition filed under Article 226 of Constitution of India for issuance of a Writ of Mandamus forbearing the first respondent from in any way interfering with the peaceful administration of the petitioner company in furtherance to the proceedings of the first respondent in F.No.ROC – Chn/IPC/70355/2019 [u/s 206(4)] dated 14.05.2019 and consequently directing the first to third respondents not to interfere with the day to day administration of the petitioner company.

For Petitioner : Mr.C.Jeganathan

For R1 : Mr.S.Pon Senthil Kumar

For R2 & R3 : Mr.C.Prasanna Venkatesh
Standing Counsel

ORDER

This Writ Petition seeks for a Writ of Mandamus forbearing the first respondent, the Registrar of Companies, from in any way interfering with the peaceful administration of the petitioner company pursuant to the proceedings of the first respondent in F.No.ROC – Chn/IPC/70355/2019 [u/s 206(4)] dated 14.05.2019.

2. The petitioner is a company registered under the erstwhile Companies Act of 1956. It was collecting deposits from the public without the same being registered with the second respondent, the Securities and Exchange Board of India (SEBI). This constrained the



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second respondent to issue an order on 15.12.2014. In terms of the order,

SEBI had directed the petitioner as follows:

- not to collect any fresh money from investors under its existing scheme;
- not to launch any new schemes or plans or float any new companies to raise fresh moneys;
- to immediately submit the full inventory of the assets owned by BAFIL certified by its statutory auditor;
- not to dispose of any of the properties or alienate the assets of the existing scheme;
- not to divert any funds raised from public at large, kept in bank account(s) and/or in the custody of the company, and
- furnish following information,
 - i. Details of amount mobilized and refunded till date, certified by the Auditor of the company,
 - ii. Scheme wise list of investors and their contact numbers and address and amount invested as on date,
 - iii. PAN of the aforementioned Directors.

3. This order was challenged before the Securities Appellate Tribunal (SAT) in Appeal No. 73 of 2016. The appeal was disposed of on 05.10.2017. Subsequently, a Recovery Certificate was issued by SEBI on 24.01.2019, attaching the properties of the writ petitioner. Due to default in payment of deposits, a criminal complaint was also registered by the Inspector of Police, Economic Offence Wing, Madurai, in Crime No.6 of 2018. This was taken on file by the Special Court for TNPID cases,



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Madurai, as C.C.No.2 of 2019. As the matter involved the Registrar of Companies, proceedings were initiated by the first respondent. The Registrar of Companies issued a notice on 11.03.2019 to the writ petitioner. In the said notice, the Registrar has pointed out that it is invoking Section 206(4) of the Companies Act of 2013, and called upon the writ petitioner to submit a reply to the allegations made in the notice.

4. A detailed reply was also given by the writ petitioner. Subsequently, on 14.05.2019, the Registrar of Companies passed an order stating that it had reviewed the records and that it would invoke Section 207(3) of the Companies Act of 2013, in case, a reply is not issued by the writ petitioner.

5. I should point out the other circumstance in this case. Prior to the filing of this Writ Petition, another Writ Petition came to be filed in W.P. (MD) No.16136 of 2019. In that Writ Petition, the very same writ petitioner sought for a direction to SEBI, to transfer a sum of Rs. 2,91,00,000/- (Rupees Two Crores Ninety One Lakhs only), the sale proceeds of properties of the petitioner company, to the credit of C.C.No.2 of 2019 on the file of the TNPID Court at Madurai.



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6. The Hon'ble Mr.Justice G.R.Swaminathan considered the plea of the writ petitioner as well as the standing counsel for the SEBI and recorded no objection given by SEBI for transfer of amounts from their accounts to the credit of C.C.No.2 of 2019 on the file of the TNPID Court at Madurai.

7. Mr.C.Prasanna Venkatesh, Standing Counsel for SEBI, in this matter states that after deducting the expenses of SEBI, the remaining amounts have been transferred to the file of the TNPID Court at Madurai. Mr.C.Prasanna Venkatesh also states that they are under process of transferring all claims that are pending before SEBI to the file of the Competent Authority under the Tamil Nadu Protection of Interests of Depositors (In Financial Establishments) Act of 1997.

8. Now turning to this Writ Petition, the Registrar of Companies has initiated administrative proceedings pursuant to the report of SEBI. The Tamil Nadu Police have initiated criminal proceedings for the alleged violation of criminal laws. There is no bar for both proceedings to proceed simultaneously.



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9. It is a settled position of law, but I have to reiterate the same that a Writ of Mandamus cannot be issued to restrain a statutory authority from performing its duties. Mandamus cannot be issued contrary to a statute. Whatever defences the writ petitioner has, can be disclosed to the Registrar, pursuant to the two Show Cause Notices. It is for the Registrar to apply his mind to the notices issued by him, the replies given by the writ petitioner and pass orders on the same. The writ petitioner requires no advice from the Court as to how the writ petitioner should present the defenses and how the Registrar should exercise his powers.

10. Leaving it open to the writ petitioner to raise all defenses it has as against the notices issued by the Registrar of Companies, this Writ Petition is dismissed. No costs. Consequently, the connected Miscellaneous Petition is closed.

04.02.2025

Index: Yes/ No
Neutral Citation: Yes / No
Speaking Order / Non-Speaking Order

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Copy To:
1.The Registrar of Companies,
2nd Floor, Shasthri Bhavan,



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Haddows Road,
Chennai 600 006.

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- 2.The Securities & Exchange Board of India
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V.LAKSHMINARAYANAN, J.

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