



WEB COPY



1

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.06.2023

CORAM

THE HON'BLE **MR.JUSTICE M.DHANDAPANI**

W.P.Nos.5720 of 2020 and 9671, 9680 & 9682 of 2021
and WMP.Nos.6679 of 2020 and 10249, 10252,
10256,10260,10261,10262,10264, 10265 and 10268 of 2021

W.P.No.5720 of 2020:

M/s.Attur Thuluva Vellalar Sangam Chit funds (Pvt.) Ltd.,
Represented by its Foreman Selvakumar,
S/o. Arjunan, No.101,
Thayumanvar, Attur, Salem District.

... petitioner

-Vs-

1. The District Registrar (Administration)
Salem East, Salem - 636 108.

2. The Deputy Registrar of Chits,
Salem (East), Salem -636 108.

3. Gopal @ A.S.Sellamuthu

4. Selvamathi

... Respondents

Prayer: Petition filed under Article 226 of the Constitution of India, for issuance of Writs of Certiorari to call for the records of the proceedings in Na.Ka.No.4565/A2/2019, dated 20.01.2020 on the file of 1st Respondent and quash the same and all proceedings in furtherance thereof.



For petitioner : Mr. N.Baskaran
For M/s.Eswar Kumar and Rao

For Respondent : Mr.R.Rajarajan RR3 & 4
Mr.Alagu Goutham, GA RR1 & 2

W.P.nos.9671, 9680 & 9682 of 2020:

1. A.S.Gopal alias A.S.Chellamuthu (Died)

... Petitioners in W.P.nos. 9680 & 9682 of 2020

2. G.SELVAMATHI

3. SENTHIL VADIVU

4. SATHYAMURTHY

(P2 TO P4 SUBSTITUTED as Lrs of the deceased
sole petitioner vide order dated 08.06.2023 made in
WMP.No.7107 of 2022 in W.P.no.9671 of 2021 by this Court)

... Petitioners in W.P.Nos.9671, 9680 & 9682 of 2020

Vs.

1. The Inspector General of Registration,
Santhome High Road,
Mylapore, Chennai 600 004.

2. The District Registrar (Administration)
Salem East, Salem 636 108.

3. The Deputy Registrar of Chits
Salem East, (Arbitrator), Salem 636 108.

4. P.Senthil Kumar
Assistant Office of the Sub Registrar
Thammampatti, Salem District.



5. Attur Thuluva Vellalar Sangm
Chit Funds (Private) Ltd.
Attur Rep. by its Foreman
A Selvakumar
S/o.Arjunan
No.101, Thayumanavar,
Attur Post and Taluk,
Salem District.

6. V.Sri Ram
Director,
Attur Thuluva Vellalar Sangam Chit Funds (private) Ltd.,
No.101 Thayumanavar,
Attur Post and Taluk,
Salem District.

7. The Sub Registrar
Office of the Sub Registrar,
Attur, Salem District.

...Respondents in W.P.Nos.9671, 9680 & 9682 of 2020

Prayer in W.P.Nos.9671, 9680 & 9682 of 2020: Petition filed under Article 226 of the Constitution of India, for issuance of Writs of Certiorari Calling for the records in Award dated 17/10/2017 in A.O.P. No.10, 11 & 12 of 2017 on the file of the 3rd respondent and quash the same.

For petitioner : Mr. R.Rajarajan

For Respondent : Mr.Alagu Goutham, GA RR1,2,3, and 7

COMMON ORDER



Since the facts leading to the present round of litigation are one and the same, these writ petitions are taken up and disposed of by this common order.

2. For the sake of convenience, the petitioner in W.P.No.5720 of 2020 is called to Chit Funds Company and the petitioners in W.P.Nos.9671, 9680 and 9682 of 2021, are called Subscribers.

3. The petitioner Chit Funds Company is a registered under Chit Funds Act 1982. The petitioner in W.P.no.9671, 9680 and 9682 is the Subscriber with the Chit Company. Since there were defaults in payment of the chits by the subscriber, the Chit Funds Company has invoked the Arbitration proceedings with the Deputy Registrar of Chits, Salem. The Deputy Registrar, being the Arbitrator, passed awards on 17.10.2017. Challenging the same, the Subscribers has filed a petition with the first respondent/District Registrar, Salem and the same was allowed by cancelling the awards passed by the second respondent vide order dated 20.01.2020. Challenging the same, the Chit Funds Company has filed a writ petition in W.P.No.5720 of 2020.

4. In the meanwhile, the Subscribers have filed writ petitions in



W.P.Nos.9671, 9680 and 9682 of 2021 challenging the consequential orders dated 17.10.2017 as the arbitral proceedings are misusing and abusing the official positions of the 4th respondent/Assistant, Sub Registrar, Thammampatti, Salem District.

5. The learned counsel for the subscribers submitted that the 4th respondent/Assistant is only working as an Assistant in the office of the 3rd respondent/Deputy Registrar. The 4th respondent was not give any authority or power under the provisions of the Chit Funds Act, 1982 to act as an Arbitrator to settle the dispute between the foreman of the chits and the subscribers. The 4th respondent/Assistant without having any official authority and without any jurisdiction, passed the impugned order dated 17.10.2017. Therefore, the impugned awards passed on 17.10.2017 are illegal, arbitrary and unfair and the same is liable to be set aside. Therefore, this Court may remand the matter back to the concerned authorities and direct the official respondents to resolve the proceeding for fresh consideration.

6. The learned counsel appearing for the Chit Funds company has not raised any serious objection as the submission made by the learned counsel for



the subscribers. The learned counsel submitted that this Court may direct the Subscribers, shall not sell their property till the conclusion of the arbitral proceedings.

7. Heard the learned counsel on either side and perused the materials available on record.

8. In view of the limited request made by the learned counsel for the subscribers and the fair submission made by the learned counsel for the Chit Funds Company, this Court, without expressing any opinion on the merits of the case and without interfering with the impugned orders, remand the matters back to the Deputy Registrar of Chits, Salem East (Arbitrator) Salem, who shall consider the same and pass appropriate orders, after providing opportunity to the either side, within a period of four months from the date of receipt of a copy of this order. Till the conclusion of the said proceedings, the Subscribers shall not to alienate the property.

9. With the above observation, W.P.Nos.9671, 9680 and 9682 of 2021 are allowed and W.P.No.5729 of 2021 is disposed of. No costs. Consequently,



connected miscellaneous petitions are closed.

WEB COPY

19.06.2023

rli

To

1. The District Registrar (Administration)
Salem East, Salem - 636 108.

2. The Deputy Registrar of Chits,
Salem (East), Salem -636 108.

3. The Inspector General of Registration,
Santhome High Road,
Mylapore, Chennai 600 004.

4. The Sub Registrar
Office of the Sub Registrar,
Attur, Salem District.



WEB COPY



M.DHANDAPANI, J.

rli

W.P.Nos.5720 of 2020 amd 9671,
9680 & 9682 of 2021

19.06.2023