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W.M.P.No.32674 of 2022 in *Suo Motu* W.P.No.12935 of 2021

W.M.P.No.32674 of 2022

IN

Suo Motu W.P.No.12935 of 2021

RESERVED ON : 23.12.2022

PRONOUNCED ON : 10.01.2023

P.N.PRAKASH, J.

AND

ABDUL QUDDHOSE, J.

ORDER

P.N.PRAKASH, J.

The circumstances under which the Registrar General of this Court has filed this petition for clarification are as under:

- This Special Bench was constituted on the orders of the Hon'ble Chief Justice to audit the motor accident cases funds in all the districts, lodging of criminal complaints against recalcitrant officials and monitoring the investigation in the matters, till filing of the charge sheets in connection with MCOP cases.
- During the course of the proceedings, this Court observed that a total sum of Rs.40,79,12,281/- was available as on 31.07.2021 in the savings bank accounts of various Courts representing accumulation of interest component alone.
- It may be pertinent to extract the observations of this Court in paragraph



Nos.31, 34 and 74(i) of the order dated 17.03.2022:

“31. We found that there is no uniformity in the opening of bank accounts by the MACTs, in that, some MACTs open Savings Bank A/cs and some others open Current A/cs. We also found that many of the MACTs have not opened an exclusive account for depositing the award amounts in the MCOP field alone. This had resulted in depositing of other amounts like arrears of rent, award amounts in land acquisition proceedings, Judges’ bills, contingent bills like electricity charges, etc., along with deposits made in MCOP jurisdiction. The award amounts are not withdrawn by the practitioners immediately on their deposit because of certain other extraneous reasons which we do not want to point out here. Therefore, these amounts accrue interest in the Savings Bank A/cs. It is indeed shocking to note that as on 31.07.2021, we have a whopping figure of Rs.40,79,12,281/- (Rupees Forty Crores Seventy Nine Lakhs Twelve Thousand Two Hundred Eighty One) as accrued interest alone, at our disposal, in various banks pan Tamil Nadu and Puducherry and this amount naturally attracts the attention of fraudsters. If one were to draw a few pails of water from a gushing river, none would ever know. When amounts under various categories, as stated above, are deposited in the Savings Bank accounts, it would be impossible for anyone to apportion the interest component to the respective cases. This accrued interest has to perforce be handed over to the State as “lapse of deposit” and cannot be appropriated by anyone lawfully nor can we permit misappropriation of it by the delinquents. However, if each MACT opens an exclusive Current A/c for itself, the problem of accrual of interest will not arise. But, the MACTs should invest the award amounts deposited by the Insurance Companies/Transport Corporations in Fixed Deposits immediately so that the claimants are also not prejudiced by way of loss of interest.

34. This Special Bench, through the efforts of the District Nodal Officers, was able to figure out that a sum of Rs.40,79,12,281/- is available as accrued interest in various banks in Tamil Nadu and Puducherry. We suggest that the Hon’ble Chief Justice, being the Administrative Head of the State judiciary, may direct the Registrar General to issue a Circular to all the MACTs for lapsing the accrued interest in various banks in Tamil Nadu and Puducherry, to the respective Governments in terms of the extant rules.

74. For the sake of ready reference and also for the purpose of convenience of the Registry in getting appropriate orders from the Hon’ble



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Chief Justice, the suggestions put forth to the Hon'ble Chief Justice in this order and the corresponding requests made to the Hon'ble Portfolio Judges, are set out hereunder:

Suggestions to the Hon'ble Chief Justice:

i. The Hon'ble Chief Justice, being the Administrative Head of the State judiciary, may direct the Registrar General to issue a Circular to all the MACTs for lapsing the accrued interest in various banks in Tamil Nadu and Puducherry, to the respective Governments in terms of the extant rules, *vide* paragraph 34 (*supra*)"

- Pursuant to the directions issued in paragraphs 34 and 74(i) (*supra*), the matter was placed before the Hon'ble Chief Justice for appropriate directions. The Hon'ble Chief Justice placed the matter before the Administrative Committee, which felt that if the amount is credited into the account of the Government, the claimants may not be able to get back their due amounts. That apart, it was felt that the amount cannot be credited into the lapsed deposit account, as only "unclaimed deposit" can be credited into the said account and in the instant case, the accrued interest in the savings bank accounts of the various Courts/Tribunals cannot be termed as "unclaimed deposit". On these reasonings, the instant clarification petition has been filed.

2. Heard Mr.M.Santhanaraman, learned counsel appearing for the



Registrar General of this Court, who reiterated the aforesaid aspects and prayed that this Court could clarify the observations in paragraph Nos.34 and 74(i) of the order dated 17.03.2022 (*supra*).

3. This Court gave its anxious consideration to the aforesaid submission.

4. As submitted by Mr.Santhanaraman, it is true that the interest accrued in the savings bank accounts of the various Courts/Tribunals, cannot be termed as “unclaimed deposit”. However, as pointed out by us in paragraph No.31 of the order (*supra*), the interest accrued in the savings bank accounts are not exclusively from MCOP deposits. We have found that, in the savings bank accounts of the Courts, not only initial remittances by the insurance companies and transport corporations towards MCOP compensation are made, but, other remittances like arrears of rent, award amounts in land acquisition proceedings, Judges' bills, contingent bills like electricity charges also are remitted into the savings bank accounts by the Courts concerned and the interest is calculated for the entire amount lying in the savings bank accounts for a particular period. Therefore, it will be impossible to identify and segregate the interest component *qua* MCOP compensation amounts because, MCOP compensation amounts will be parked in the savings bank accounts only for a short period and thereafter,



they would be deposited into fixed deposits in the name of the claimants. Here, we are not concerned with the interest earned by the fixed deposits, as the interest earned on fixed deposits would automatically go to the claimants, without any demur.

5. The next question is, can this amount be retained by the judiciary ? We are afraid, that cannot be lawfully done, as this amount does not belong to the judiciary, but, by default, it has come into the hands of the judiciary, due to accrual of interest in the various savings bank accounts of the Courts/Tribunals. Just because, we are not able to identify the claimants and hand over the interest component alone to them, that cannot be a reason for us to appropriate this amount to the judiciary.

6. We also have an apprehension that, if we retain this money with us, it would attract the attention of fraudsters and cheats, who may attempt to siphon off this amount by adopting obnoxious techniques, as was done in the III Additional District Court, Pattukottai.

7. Therefore, we direct the Registrar General of this Court to ascertain



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the appropriate head of account and then, direct the Courts/Tribunals to remit the accrued interest component into that account, with a specific direction that, as and when any claimant establishes his right for the interest component, the Government should disburse the same on the orders of the Court concerned.

This Writ Miscellaneous Petition stands disposed of accordingly.

[P.N.P., J.] [A.Q.,J.]

10.01.2023

gya

To

<https://www.mhc.tn.gov.in/judis>



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1.The Registrar General
High Court
Madras

2.The Secretary to Government
Home (Courts-IV) Department
Secretariat, Chennai 600 009

P.N.PRAKASH, J.
AND



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