BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Reserved on: 20.06.2023	**Pronounced on:** 14.07.2023

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

C.R.P.(PD).(MD).No.1480 of 2021
and
C.M.P.(MD).Nos.8211 & 9096 of 2021

1.Ben Agro and Dairy Farms (P) Limited,
Plot No.3, Alagarraja Nagar,
Maruthankulam,
Alagercoil Main Road,
Madurai – 14.

2.Josva

3.Shilviya .. Petitioners

Vs.

1.Balasubramanian

2.Vincent Raja

3.Kumarasamy

4.Blessing Agro Firm India Limited Company,
(Registration No.CIN.UO1210TN2009PLC 070355),
Represented by Managing Director,
1K, Kajiya Complex North Vasal,
S.S.Colony, Madurai – 10.

5.Joseph Jeyaraj

6.Jeyam Promoters,
96, Railway Station Opposite,

Kovilpatti Town Main Road,
Kovilpatti,
Tuticorin.

7.Jecob Rajamani

8.Shilin Rasathi

9.The District Revenue Officer,
District Revenue Office,
Madurai. .. Respondents

Prayer: Civil Revision Petition filed under Article 227 of the Constitution of India, praying to set aside the order in I.A.No.37 of 2021 in O.A.No.9 of 2020 dated 04.09.2021 on the file of the Special Judge, Special Court under TNPID Act Cases, Madurai.

For Petitioners	:	Mr.K.P.S.Palanivel Rajan Senior Counsel for Mr.R.Velmurugan
For RR 1 to 3	:	Mr.A.Saravana Kumar
For RR 4 & 5	:	Mr.V.Ramakrishnan
For RR 6 & 7	:	Mr.Manikandan for Mr.M.Sivakumar
For R8	:	No appearance
For R 9	:	Mr.S.Kameswaran Government Advocate

O R D E R

The petitioners are aggrieved by the impugned order dated 04.09.2021 passed in I.A.No.37 of 2021 in O.A.No.9 of 2020 on the file of the Special Judge, Special Court under TNPID Act Cases, Madurai.

2.The petitioners who are the purchasers of the property filed I.A.No.37 of 2021 under Order 7 Rule 11 of Code of Civil Procedure, 1908 to reject the O.A.No.9 of 2020. The Special Court, Madurai, by the impugned order dated 04.09.2021, has dismissed I.A.No.37 of 2021, against which, the present Civil Revision Petition has been filed.

3.By the impugned order, the Special Court for TNPID Act Cases, Madurai has dismissed IA.No.37 of 2021 filed by the petitioners herein by invoking the powers under Order VII Rule 11 of CPC. The operative portion of the impugned order reads as under:

> "*...In this case, as already decided by the Hon'ble Madurai Bench of Madras High court in the case of P. Ravindaran Nair /vs/ The Principal Secretary to Government, Home(Police XIX) Department, Chepauk, Chennai and others has clearly held that the application u/s 8 of TNPID Act by one of the depositor is maintainable. So application in O.A.No.2/2020 is not barred by any law.*

Regarding the other aspect of disclosing cause of action the prayer in O.A.No.9/2020 is as follows:

'மனுவில் கண்ட சொத்து விபரங்களின் படி சொத்துக்களை 1,2 எதிர்மனுதாரர்கள் சேர்ந்து கொண்ட 3ம் எதிர்மனுதாரர்க்கும் மேலும் 3ம் எதிர்மனுதாரர் 8ம் எதிர்மனுதாரருக்கு விற்பனை செய்து கிரையமாக பதிவு செய்த ஆவண எண். முறையே 66/2018 1564/2019 உள்ள விற்பனை செய்த சொத்துக்கள் கெட்ட எண்ணத்துடன் விற்பனை செய்யப்பட்டது என்றும் சட்டப்படி செல்லத்தக்கதல்ல என்றும் (Malafide transfer) என்ற பரிகார உத்தரவு வழங்கியும் மேற்படி சொத்துக்களை ஜப்தி செய்யும்படி உத்தரவு வழங்குமாறு மிகவும் பிரார்த்தித்து கேட்டுக் கொள்கிறேன்.'

It is clearly seen from the averments in the affidavit and prayer in O.A.No.9/2020 that the respondents malafidely transferred the property by executing documents No.66/2018 and 1564/2019 not on good faith. So the above allegations are sufficient to take cognizance of the matter and this court is of the view that the application clearly disclosed the cause of action to maintain the application w/s 8 of TNPID Ac.

16) Hence from the above discussion, it is clear that this petition is devoid of merits and has to be dismissed.

In the result, this petition is dismissed with costs of the respondents No.1 to 3 and 9."

4.This case was earlier dismissed on 15.06.2023 .The case was specially listed at 2.15 p.m. for hearing at request of the senior counsel for the petitioners. However, the learned senior counsel for the petitioner was not present. The learned senior counsel for the petitioner was also unable to assist the Court. Thereafter, a request was made for recalling the order, so that, the issue can be decided once for all on merits and in accordance with the provisions of the Tamil Nadu Protection of the Depositors Act, 1997 [hereinafter referred to as “TNPID Act, 1997”] and law settled by this Court. Thus order dated 15.06.2023 was recalled on 20.06.2023. After hearing the senior counsel for the petitioner and the learned counsel for the respondents, the case was reserved.

5.Heard at length Mr.K.P.S.Palanivel Rajan, the learned senior counsel for the petitioners, Mr.A.Saravana Kumar, the learned counsel for the three depositors namely the respondents 1 to 3, Mr.V.Ramakrishnan, the learned counsel for the 4th and 5th respondents, Mr.Manikandan the learned counsel, for the 6th and 7th respondents and Mr.S.Kameswaran, the learned Government Advocate for the 9th respondent. There was no representation for the 8th respondent.

6.Leading the arguments on behalf of the petitioners, the learned senior counsel submits that law on the subject is very clear. It is submitted that the first to third respondents who are the depositors in the 4th respondent company cannot maintain a petition under Section 8 of the TNPID Act, 1997. It is submitted that the first to third respondents had deposited a sum of Rs.25,00,000/- with the fourth respondent who had defaulted in repaying the amounts deposited by them.

7.The learned senior counsel for the petitioners submits that the provisions are sequential. It is submitted that unless interim attachment of property of the 4th respondent was made by the Government under Section 3 of the TNPID Act, 1997 and the competent authority is appointed for this purpose under Section 4 of the TNPID Act, 1997 and approaches the Special Court constituted under Section 6 of the TNPID Act, the question of attaching property of 4th respondent finally cannot be countenanced. It is submitted that although the 4th respondent is a "Financial Establishment", within the meaning of Section 2(3) of TNPID Act, 1997, the application under Section 7(2) of TNPID Act, 1997 was not maintainable.

8.It is submitted that as long as Government has not initiated any action or the matter has not been entrusted to competent authority, Special Court also cannot deal with the case.

9.It is submitted that the Government has to satisfy itself that the Financial Establishment is acting in a calculated manner in collusion with an intention to defraud the depositors. Secondly, the Government has to satisfy that such Financial Institution is not likely to return the amounts to the depositors after maturity or fails to pay interest on deposit or to provide the service for which deposit was made. Only when the above two contingencies are satisfied, the Government can pass an ad-interim order to protect the interests of the depositors.

10.It is further submitted that under Section 3 of the TNPID Act, 1997 the Government has to form an opinion before attaching the property. It is submitted that the competent authority has to apply to the Special Court within 30 days for making the order of attachment absolute under section 7. It is submitted the order can be made absolute only after giving opportunity to the persons whose property was attached by the Government under section 4(3) of the TNPID Act, 1997.

11.The learned senior counsel for the petitioners drew attention to the decision of the Principal Bench of this High Court in **Kamalamma** Vs. **T.Murugan and others**, 1999 (1) CTC 364, wherein, it has been held as under:-

> “8. Before a special court, no suit could be instituted. Reading of Sections 3 and 4 makes clear that after attachment of property and entrusted the matter to the competent authority, competent authority shall apply to Special Court for necessary action. **An individual cannot file suit before Special Court and nowhere I find that institution of suit is prohibited under the Act**.
>
> 9. So far as the present claim is concerned, there is nothing on record that there had been complaints received from number of depositors or that the Government has reason to believe about the proposed fraud or any action by the Government. So long as Government has not initiated any action, nor the matter has been entrusted to competent authority, Special Court also cannot deal with the case now instituted by petitioner.”

12.The learned senior counsel for the petitioners has also drew attention to the decision of Hon'ble Division Bench of this Court in **Sivabala Auto Finance** Vs. **State of Tamil Nadu and others**, dated 21.08.2017, in W.A.(MD) No.768 of 2012, wherein, it was held as under:-

> “3. We find it very difficult to accept the said

contention. Section 3(ii) comes under Chapter-II. Section 3(ii) states that action can be taken if the Government has reason to believe that any Financial Establishment is acting in a calculated manner with an intention to defraud the depositors. Therefore, firstly, the Government has to satisfy itself that the Financial Establishment is acting in a calculated manner in collusion with an intention to defraud the depositors. Therefore, the reason to believe the Government is with respect to the intention of the Financial Institution to defraud the depositors. Secondly, the Government hereafter has to satisfy that such Financial Institution is not likely to return the depositors, or to make payment of interest or to provide the service. Therefore, under this Clause, the Government as to satisfy that the Financial Institution mentioned earlier for which the Government has to draw a reason to believe, is not likely to return the depositors or to make payment of interest or to provide the service. When two contingencies are satisfied, then the Government may, in order to protect the interests of the depositors, pass an ad-interim order attaching the money or any other mode available, which has been mentioned therein. Therefore, the said provision cannot be invoked at the instance of the appellant. This is for the reason that the satisfaction of the Government and which is the subjective and a decision to arrive at a belief that the Institution acting in a calculated manner with an intention to defraud the depositors, are mandatory. Once this is satisfied, then the mode of recovery including attachment and others would come into play. Section 5 coming under the Chapter-III deals with the consequence of a failure to deposit the payment of interests, being penal in nature. Hence, the said provision also cannot be pressed fields with their own separate object and intent. The learned counsel for the appellant placed reliance in (2017) 3 MLJ (Crl) 282 (SC) LNIND 2017 SC 265 (State of Madhya Pradesh and others Vs. Smt.Kallo Bai).

13.The learned senior counsel for the petitioners further drew attention to the decision of the Principal Bench of this High Court at Madras in **C.Sukumaran and another** Vs. **The Competent Authority and**

District Revenue Officer and another, 2013 (1) CTC 326, wherein, it was held as under:-

> 8. Section 8 deals with attachment of property of mala fide transferees and when the Special Court is satisfied by affidavit or otherwise that there is reasonable cause for believing that the financial establishment has transferred any of the property otherwise than in good faith and for consideration, the Special Court may, by notice, require any transferee of such property to appear on a date to be specified in the notice and show cause why so much of the transferee's property as is equivalent to the proper value of the property transferred should not be attached. As per section 8(2), if the transferee does not appear and show cause within a specified date, or where the Special Court is satisfied after investigation that the transfer of property was not in good faith and for consideration, the Special Court shall order the attachment of so much of the transferee's property as in the opinion of the Special Court equivalent to the proper value of the property transferred.
>
> 9. Therefore, a reading of sections 3, 7 and 8 makes it clear that the Government has to form an opinion for attaching the property alleged to have been procured either in the name of the financial establishment or in the name of any other persons from and out of the deposits collected by the financial establishment and pass an order of ad interim attachment. Thereafter, the competent authority shall apply to the Special Court within 30 days for making the order of attachment absolute and under section 7, the order can be made absolute after giving opportunity to the persons whose property is attached by the Government under section 6(3).

15. Further, as per section 8 of the Act, in case of mala fide transfers, when the Special Court is satisfied that there is reasonable cause for believing that the financial establishment transferred any of the property otherwise in good faith and for consideration, the Special Court may, by notice, require any transferee of the property to appear on a date to be specified in the notice and show cause why so much of the transferees property as is equivalent to the proper value of the property transferred should not be attached. Therefore, when the property has been transferred by the financial establishment or by the persons associated with the financial establishment such as Directors, Partners, etc., and when the Special Court on being satisfied that there is reasonable cause that the transfers are otherwise in good faith and for consideration, the Special Court may, by notice, require any transferee to show cause why the attachment shall not be made in respect of those properties.

16. Therefore, even in the absence of any objection raised by the persons who purchased the property before the order of attachment and before those properties are to be attached, the Special Court has to satisfy itself that the property was transferred otherwise than in good faith and for consideration and thereafter, notice has to be issued to the person to show cause why his property should not be attached and even as per section 7(5), the order of attachment shall be made absolute only after examining those parties and the Special Court has to follow the procedure contemplated as provided in the Code of Civil Procedure. Therefore, in respect of the properties owned by third parties, a duty is cast upon the Special Court to issue show cause notice to such

> persons after being satisfied that the transfers were not made in good faith and for consideration and only thereafter pass the order of attachment. Therefore, a reading of sections 7 and 8 of the Act would make it clear that even though the attachment order was made absolute, so far as the third parties are concerned, without hearing them, the property shall not be attached."

14.The learned senior counsel for the petitioners has also drawn attention to the decision of this Court rendered in **P.Ravindran Nair** Vs. **The Principal Secretary to Government and others**, dated 15.04.2019 in W.P.(MD) No.4619 of 2019, wherein, it was held as under:-

> "4.I am of the view that the petitioner also would have the *locus standi* to invoke the jurisdiction of the Special Court under Section 8(1) of the Act. As and when such an application is filed by the petitioner herein, the learned Special Judge is directed to take the same on file and deal with it in accordance with law."

15.The learned senior counsel for the petitioners submits that as per Section 8(1) of the TNPID Act, where the assets available for attachment of a Financial Establishment or other person referred to in section 3 are found to be less than the amount or value which such Financial Establishment is required to repay to the depositors and where the Special Court is satisfied by affidavit or otherwise, that there is reasonable cause for believing that the said Financial Establishment has transferred any of the property whether after the commencement of this Act or not or otherwise than in good faith and for consideration, the Special Court may after notice, require any transferee of such property (whether or not he received the property directly from the said Financial Establishment) to appear on a date to be specified in the notice to show cause as to why so much of the transferee's property as is equivalent to the proper value of the property transferred should not be attached.

16.The learned senior counsel further submits that as per Section 8(2) of the TNPID Act, only when the transferee does not appear and fails to show cause on the specified date or where after investigation in the manner provided in sub-section (5) of section 7 and where the Special Court is satisfied that the transfer of the property to the said transferee was not in good faith, the Special Court can order the attachment of so much of the property of the said transferee as is in the opinion of the Special Court equivalent to the proper value of the property transferred.

17.It is submitted that the market value of the land is estimated to be above Rs.15 Crores on the date of sale on 17.01.2018. It is further submitted that the sale was effected by the fourth respondent with a view to defraud the depositors who had deposited their hard earned money with the fourth respondent along with thousands of other innocent investors who were duped by the respondents 4 &5 in collusion with the petitioner's herein.

18.The learned senior counsel for the petitioners further submits that though the property was the subject matter of attachment by an order dated 11.02.2016 of the Securities and Exchange Board of India (SEBI) in WTM/SR/CIS-SRO/114/12/2014, the petitioner was unaware of the order passed on 11.02.2016, wherein, the SEBI has passed the following orders:-

> i.**Blessing Agro Farm India Limited and its directors namely Mr.Innsaipillai Lurdpillai Joseph Jeyaraaj, Mrs.Prakasam Sagaya Packia Santhi, Mr. Irudayaraj Manickam Pillai Jeyabalan and Mr. Santhanapeter shall not alienate or dispose off or sell any of the assets of Blessing Agro Farm India Limited except for the purpose of making refunds to its investors as directed above**

19.The learned senior counsel for the petitioners has relied on the following decisions:-

(i) **Kamalamma** Vs. **T.Murugan and others**, 1999 (1) CTC 364.

(ii)**C.Sukumaran and another** Vs. **The Competent Authority and District Revenue Officer and another**, 2013 (1) CTC 326.

(iii) **Sivabala Auto Finance** Vs. **State of Tamil Nadu and others**, dated 21.08.2017, in W.A.(MD) No.768 of 2012.

(iv) **P.Ravindran Nair** Vs. **The Principal Secretary to Government and others**, dated 15.04.2019 in W.P.(MD) No.4619 of 2019.

(v) **K.Akbar Ali Vs. K.Umar Khan & Others** dated 12.02.2021 in SLP(Civil) No.31844 of 2018.

(vi) **Dahiben Vs. Arvindhbai Khalyanji Bhanusali (GAJRA) dead Through Legal Representatives and others**, (2020) 7 SCC 366.

20.Per contra, the learned counsel for the first to third respondents submits that there is embargo under Section 8 of the TNPID Act which would disentitle the innocent depositors from approaching the Special Court constituted under Section 6 of the TNPID Act for protecting the interest of the depositors. It is submitted that even if the Government or Competent Authority fails to exercise their power under the Act, there is no embargo on the depositors to approach the Special Court for attaching the property of the company where the depositor have deposited money.

21.The learned counsel for the first to third respondents Mr.A.Saravana Kumar submits that the application filed under Section 8 of the TNPID Act, 1997 was within jurisdiction of the Tribunal. It is specifically submitted that the land in question including the factory and machinery were sold for a paltry amount of Rs.28,36,811/- by the fourth respondent to the petitioner which was far below than the market value of the assets.

22.In this connection, the learned counsel for the first to third respondents referred a decision of this Court in **P.Ravindran Nair** referred to *supra* which was cited by the learned senior counsel for the petitioners. That apart, the learned counsel for the first to third respondents submits that an FIR came to be filed on 28.05.2018 and Cr.No.6/2018 was registered, wherein, the petitioner and the fourth respondent and its directors have been arrayed as accused persons and after investigation, final report was filed and a charge sheet has been filed on 21.02.2019. It is further submitted that the case has now been transferred to the Special Court, Madurai in C.C.No.2/2019.

23.It is submitted that it is in the interregnum, the first to third respondent have filed O.A.No.9 of 2020 under Section 8 of the TNPID Act to attach the properties which are said to have been transferred to the petitioner with a view to defraud the depositors like the first to third respondents herein.

24.On behalf of the fourth and fifth respondents, the learned counsel submits that no doubt the amounts were borrowed from the public and the fourth respondent defaulted in repaying the amount to its depositors. It is submitted that the fourth respondent had borrowed a sum of Rs.25,00,000/- from the Directors of the petitioner company and in consideration thereof the fifth respondent executed a Power of Attorney on 11.01.2018 in favour of the sixth respondent represented by seventh respondent. It is submitted that the said Power of Attorney executed on 11.01.2018 was given as a security to the petitioner and not with an intention to transfer the property.

25.It is submitted that based on the Power of Attorney dated 11.01.2018, the seventh respondent executed a Sale Deed dated 17.01.2018 on the guideline value of Rs.28,36,811/- in favour of the petitioners. Therefore, a legal notice was issued by the fourth respondent to the petitioners and since the petitioners failed to act in accordance with legal notice, the fourth respondent has filed O.S.No.142 of 2020 before the District Court, Madurai for the following relief.

> "Therefore it is humbly prayed that this Hon'ble court may graciously pleased to pass a judgment and decree in favour of the plaintiffs by
>
> a) Granting a decree of cancellation of the sale deed dated 17.01.2018 executed by the defendants 1 and 2 in favour of the 4th defendant registered as Document No:66 of 2018 in Sub Registrar Office, Vadipatti which is a product of fraud and deceit;
>
> b) Granting a decree of cancellation of the deeds of mortgage bearing Nos:1565 of 2019 to 1569 of 2019 dated 02.08.2019 registered in the office of Sub Registrar office, Vadipattt alleged to have been executed by the defendants 3 to 8 in favour of the defendants 9 to 13;
>
> c) Granting a decree of declaration that the 1st plaintiff is the absolute owner of the suit item No:I namely the land and for a consequential injunction of restraining the defendants, their men, servants, agents and all those who are claiming under them from in any way interfering the peaceful possession and enjoyment of the plaintiffs over the suit item No.I
> d) Granting a decree of permanent injunction restraining the defendants, their men, servants, agents and all those who are claiming under them from in any way interfering the peaceful possession and enjoyment of the plaintiffs over the suit item Nos.II and III
>
> e) Granting a decree of permanent injunction restraining the defendants, their men, servants, agents and all those who are claiming under them from in any way creating any alienation or

encumbrance over the suit properties

f) directing the defendants herein to pay to the plaintiffs the costs of this action and

g) Granting such other further reliefs which this Hon'ble Court may be deem fit and proper in the circumstances of the case and thus render justice.”

26.That apart, it is submitted that the petitioners had also issued ten cheques for Rs.6 Crores. However, all cheques were dis-honoured by the petitioners. It is submitted that a case in S.T.C.No.415 of 2022 is pending before the Fast Track Court (STC) No.II for dishonour of cheque under the provisions of the Negotiable Instruments Act, 1881.

27.It is submitted that police complaint is pending against the petitioners and its directors for defrauding the properties of the fourth respondent. The learned counsel for the fourth and fifth respondents further submits that during the course of proceedings, petitioners had paid a sum of Rs.1,18,50,000/- after adjustment of Rs.25,00,000/- as against Rs.15 Crores.

28.It is submitted that Section 8 of the TNPID Act does not put an embargo on depositors to attach the property if the circumstances so warrant for such attachment. It is submitted that the provisions are sequential. It is further submitted that the Government can order interim attachment under

Section 3 of the Act and appoint a Competent Authority under Section 4 of the Act and initiate proceedings to make the interim order of attachment absolute before a Special Court under Section 6 of the Act.

29.On behalf of the ninth respondent, the learned Government Advocate has drawn attention to the recent order passed by the Government under Section 3 of the Act on 10.04.2023 in G.O.Ms.No.162, Home (Police-XIX) Department, wherein, some of the properties of the 4th respondent which are subject matter of the suit initiated by the fourth respondent in O.S.No.142 of 2020 before the District Court, Madurai have been attached.

30.It is submitted that the fourth respondent had borrowed a sum of Rs.36,61,27,370/- between 2009 and 2015 from 14,200 depositors and failed to repay the same and therefore investigation was taken up. That apart, it is submitted that Criminal Proceedings in C.C.No.2/2019 is pending before the Special Court. It is submitted that C.C.No.2/2019 was filed on 20.12.2018 and a second charge sheet was filed on 10.12.2020. In the said proceedings, the fourth respondent and its directors have been arrayed as accused persons. It further emerges that SEBI has also initiated the proceedings on 11.07.2018.

31.The point that arises for consideration in the background of the case is whether the provisions of Order 7 Rule 11 of the Code of Civil Procedure, 1908 is applicable to the provisions of TNPID Act, 1997 or not and whether the proceedings initiated by some of the depositors namely, the first to third respondents in O.A.No.9 of 2020 in C.C.No.2 of 2019 was maintainable as the Government Authorities failed to protect their interest by attaching the properties. The fourth respondent has sold the assets lower than the market value.

32.I have considered the arguments advanced by the learned Senior Counsel for the petitioner and learned counsel for the respondent. I have also perused the provisions of The Tamil Nadu Protection of Interests of Depositors Act, 1997 (hereinafter referred to as "TNPID Act, 1997") and the rules made thereunder and the decisions cited by the learned senior counsel on behalf of the petitioner.

33.I have also considered the arguments advanced by the learned counsel for the respondents 1 to 3, 4 & 5, 6 & 7 and 9. IA.No.9 of 2020 was filed by the respondents 1 to 3 in CC.No.2 of 2019 to investigate into the affairs of the 4th respondent company.

34.The Government has failed to take immediate steps to protect the interest of the innocent depositors like respondents 1 to 3 by attaching the property of the 4th respondent under Section 3 of the TNPID Act, 1997. Thus, by failing to take immediate steps under Section 3 of the TNPID Act, 1997, the very purpose for which it was enacted in the year 1997 was defeated. As far as respondents 1 to 3 and other innocent depositors, it has resulted in sham and bogus sale of the assets including factory of the 4th respondent to the petitioner.

35.Be that as it may, the application has been entertained by the Special Court under the Act at the behest of respondents 1 to 3, who have invested their hard earned money with the 4th respondent, who has sold the property to the petitioner in collusion with the private respondents to defeat the rights of respondents 1 to 3 and other faceless innocent depositors who have been duped by the 4th respondent.

36.The decisions that have been referred to by the learned Senior Counsel for the petitioners cannot be applied to the application filed under Order VII Rule 11 of CPC. The provisions of CPC have not been made applicable to the provisions of TNPID Act, 1997.

37.The first decision in **Kamalamma** Vs. **T.Murugan and others**, 1999 (1) CTC 364, dealt with a case where an individual filed a suit before the Special Court and therefore, this Court had concluded that a Civil Suit was not maintainable. This is not the case here.

38.The other decisions of the Hon'ble Division Bench of this Court in **C.Sukumaran and another** Vs. **The Competent Authority and District Revenue Officer and another**, 2013 (1) CTC 326, also cannot be applied to the facts of the case as there also it was held that the Special Court had to satisfy that the property was transferred otherwise than in good faith and for consideration. In the present case, the sale of property was not bonafide.

39.In the present case, the sale was made in the teeth of orders passed by SEBI restraining 4th respondent from transferring its assets and properties. That apart sale was for an amount which was far below the market value was clearly with an intention to defeat the rights of the innocent depositors like respondents 1 to 3.

40.Provision of CPC are not applicable to proceedings under TNPID

Act, 1997. Therefore, IA.No.37 of 2021 filed under Order VII Rule 11 of CPC in OA.No.9 of 2020 filed by respondents 1 to 3 is not maintainable. Therefore, there is no merits in the challenge to the impugned order.

41.Therefore, this Civil Revision Petition is liable to be dismissed. The petitioner is however given liberty to workout its remedy in accordance with law against the impugned order passed in O.A.No.9 of 2020.

42.In the result, the order passed in I.A.No.37 of 2021 in O.A.No.9 of 2020 dated 04.09.2021 stands confirmed. This Civil Revision Petition stands dismissed with the above liberty. Consequently, the connected Miscellaneous petitions are closed. No costs.

14.07.2023

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Index : Yes / No
Internet : Yes / No
Neutral Citation : Yes / No

To

1.The District Revenue Officer,
District Revenue Office,
Madurai.

2.The Special Judge,
Special Court under TNPID Act Cases,
Madurai.

C.SARAVANAN, J.

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C.R.P.(PD).(MD).No.1480 of 2021

14.07.2023