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W.P.No.1215 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 19.03.2024

CORAM

**THE HONOURABLE MRS.JUSTICE J.NISHA BANU**

W.P.No.1215 of 2021

and

W.M.P.No.1374 of 2021

1. S.Subramanian  
S/o R.Srinivasan

2. J.Ashok Kumar

3. R.Madheswaran

... Petitioners

vs.

1. State of Tamil Nadu,  
represented by the Principal  
Secretary to Government,  
Commercial Taxes and Registration (G)  
Department, Fort St.George,  
Chennai.

2. The Arbitrator,  
Chit Fund Cases,  
North and South Chennai,  
Shriram Chits Tamilnadu (P) Ltd.,  
No.8A, Jeyanthi Nagar,  
Nanganallur,  
Chennai - 600 061.

3. Sriram Chits Tamilnadu (P) Ltd.,  
No.8A, Jeyanthi Nagar,  
Nanganallur Branch,  
Nanganallur,  
Chennai - 600 061.

...Respondents



**Prayer in W.P.** : Writ Petition filed under Article 226 of the Constitution to issue a a Writ of Certiorari calling for the records pertaining to the impugned orders (i) Award dated 28.09.2010 passed in ARCC No.2252 of 2005 on the file of the 2nd respondent and (ii) consequential order dated 16.08.2019 passed in G.O.(D).No.146 on the file of the 1st respondent and quash the same.

For Petitioner : Mr.Prakash Adiapadam

For Respondents : Mrs.C.Meera Arumugam,  
Additional Government Pleader for R1

### **ORDER**

This Writ Petition has been filed challenging the award dated 28.09.2010 passed by the 2nd respondent and the consequential order dated 16.08.2019 made in G.O.(D).No.146 passed by the 1st respondent order. The award dated 28.09.2010 was passed under Section 69 of the Chit Funds Act, 1982, by the 2nd respondent directing the petitioner and others, jointly or severally, pay a sum of Rs.61,428/- (Principal Amount Rs.53,884/- and interest Rs.7544/-) with 24% future interest from the date of filing the case along with other expenses of Rs.1450/- to the Chit Company. Aggrieved by the award, the petitioner preferred an appeal which was rejected by the aforesaid G.O. dated 16.08.2019.

2. The petitioner joined as a subscriber in M/s. Shriram Chits Tamil Nadu Private Limited, Chennai, participated in the auction and became successful bidder and received Rs.1,71,880/- after executing a promissory



note along with two sureties viz., J.Ahsok Kumar and R.Matheswaran in favour of chit company for future instalments. The petitioner paid 30 part instalments, out of 40 part instalments and defaulted after 30th part instalments onwards. Hence, the Chit Company filed a case under Section 64 of the Chit Funds Act, 1982 and prayed the Arbitrator to issue direction to the defaulters for payment of arrears with interest. The Arbitrator passed an Award under section 69 of the Chit Funds Act, 1982, directing the petitioner as stated above. Against which, the petitioner preferred an appeal which is impugned in this writ petition.

3. The main contention of the petitioner is that no enquiry was conducted before passing the order by the 1st respondent.

4. Learned Additional Government Pleader appearing for the 1st respondent would state that after passing the award, the appellant failed to pay the claim amount. Therefore, the Chit Company filed execution petition. The petitioner, on receipt of the summons from the Chit Company, preferred an appeal to the Government belatedly. Hence, the appeal was rejected. Against the said rejection order, the petitioner preferred a writ petition in W.P.No.8227 of 2011, in which, this Court directed the 1st respondent to dispose of the appeal within eight weeks. As per the said order of this Court, the appeal was taken on file and the appellate authority, conducted detailed enquiry by giving reasonable



opportunity to the petitioner.

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5. It is seen from the record that even before the Arbitrator, inspite of the fact that the case had been taken up for enquiry on several occasions, though the petitioner entered appearance, had not filed counter before the arbitrator. Considering the arguments made and the available documents, the Arbitrator passed the award.

6. Admittedly, the petitioner had defaulted after 30th part instalments onwards. Further, only after giving sufficient opportunity, the award was passed and the appeal was also rejected. The petitioner has successfully dragged on the matter for all over these years from 2005 without making any payment.

7. This Court finds no infirmity or illegality in the order passed by the 1st respondent, rejecting the appeal. Therefore, the Writ Petition stands dismissed. No costs. Consequently, connected miscellaneous petition is closed.

19.03.2024

Index : Yes/No  
Speaking /Non speaking order  
vsi

To

1. State of Tamil Nadu,  
represented by the Principal



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**J.NISHA BANU, J.**

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