



WEB COPY



W.P.No.22194 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.04.2024

CORAM :

THE HONOURABLE MR. JUSTICE G.K.ILANTHIRAIYAN

W.P.No.22194 of 2021

and

W.M.P.No.23423 of 2021

1.K.Balu

2.K.Lakshmi

...Petitioners

-Vs-

1.The Secretary,
Commercial Tax and Registration (G) Department,
Chennai

2.The Deputy Registrar of Chit
Panchayat Union Campus,
Taluk Office Campus,
Palani, Dindigul District

3.M/s.Dhanalakhmi Srinivasan Chit Funds (P) Limited,
Represented by its Managing Director,
No.18, PSKL Complex First Floor,
Gandhi Market (Opposite),
Gandhi Road,
Palani

...Respondents



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Prayer : Writ Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorari to call for the entire records in connection with the impugned order in G.O.(D)No.227 dated 10.12.2020 issued by the 1st respondent and quash the same.

For petitioners : Mr.P.Tamilavel

For Respondents 1 & 2 : Mr.P.Ananda Kumar
Government Advocate

For Respondent 3 : Mr.Y.Jyothish Chander

ORDER

This writ petition has been filed challenging the order passed by the first respondent dated 10.12.2020 thereby rejected the appeal filed by the petitioner as against the proceedings in ARC.No.30/2017 dated 11.06.2019.

2. The 3rd respondent is running a Chit Company at Palani. The petitioners are one of the subscriber who joined chit for 20 months for total sum of Rs.10,00,000/-. After completion of five month one of the subscriber who joined chit for 20 months for Rs.10,00,000/- has discontinued and in the said place the 3rd respondent requested the



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petitioners to join in the place as subscriber. They were asked to pay a sum of Rs.3,25,000/- as lumpsum and the they have paid the said sum and the first petitioner were participated in the 8th auction held on 15.12.2016. They successfully bidded and receive the amount of Rs.7,50,000/-. They also executed necessary promissory notes dated 03.01.2017. However, the first respondent committed default from paying the 11th part of installment. Therefore, they were issued with notice under sub section (1) of Section 33 of the Chit Fund Act, 1982. The said notice were duly received by the petitioner as well as the guarantors on 26.10.2017. Even then the petitioners failed to pay the defaulted amount. Hence, the dispute was raised before the 2nd respondent in ARC.No.30 of 2017 seeking recovery of Rs.5,00,000/- principle and Rs.1,00,000/- towards interest. The petitioners had failed to appear before the arbitration forum even though they had received the summons and acknowledged the same. Therefore, they were set ex-parte. Even second summon was issued to the petitioners and on receipt of the same again the petitioners failed to appear before the 2nd respondent. Therefore they were given showcause notice even then the 2nd respondent as well as they were set ex-parte by an order dated 11.06.2019



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and directed the petitioners and guarantors to pay a sum of Rs.6,57,754/- being the principle and interest and other cost of Rs.18,500/- to the 3rd respondent. The petitioners filed appeal before the 1st respondent with delay of 111 days. The only ground raised by the petitioners that they were not summoned.

3. On perusal of the records revealed that the petitioners were duly issued with summons by the 2nd respondent and the same were duly received by them. On two occasion they received summons even they failed to appear before the second respondent. That apart, the petitioner did not file appeal in time. They have filed appeal with delay of 111 days. They also failed to state valid reason for the delay of 111 days. That apart, the petitioners filed appeal by suppressing the fact that they were issued notice and they were duly received the same. Even now, the petitioners are not willing to pay the said amount.



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4. Therefore, this court cannot find any infirmity or illegality in the order passed by the 1st respondent dated 10.12.2020. Hence, this writ petition is devoid of merits and liable to be dismissed. Accordingly, this writ petition is dismissed. Consequently, connected miscellaneous petition is closed. No costs.

24.04.2024
(1/2)

Index : Yes/No
Speaking/Non-Speaking order
Neutral Citation : Yes/No
gvn

To

1.The Secretary,
Commercial Tax and Registration (G) Department,
Chennai

2.The Deputy Registrar of Chit
Panchayat Union Campus,
Taluk Office Campus,
Palani, Dindigul District



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G.K.ILANTHIRAIYAN,J.
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