



IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 27.06.2025

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THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

Comp.A.No.36 of 2025
in C.P.No.279 of 2016

S.A.Asath,
No.98, Pazhaverkkadu Salai, Kavaraipaettai,
Gummudipoondi-Taluk, Thiruvallur District-601201.

... Applicant

vs.

The Official Liquidator,
High Court, Madras As the Provisional Liquidator of M/s.KRM
Kumaragam Chits Private Limited (in Provisional Liquidation)

... Respondent

Prayer: Company Application is filed under Order XIV Rule 8 of the Original Side Rules Read With Order IX Rule 7 and Section 151 of C.P.C., to set aside the *ex parte* order dated 09.08.2024 made in Comp.A.No.39 of 2022 in C.P.No.279 of 2016.

For Applicant : Mr.S.Gopi

For Respondent : Ms.B.Ambili, Deputy Official Liquidator



ORDER

WEB COPY This application is filed to set aside order dated 09.08.2024 in Comp.A.No.39 of 2022 permitting the Official Liquidator to value the property mortgaged by the applicant in favour of the company in liquidation and permitting the Official Liquidator to file an application to bring the property for sale.

2. Comp.A.No.39 of 2022 was filed by the Official Liquidator for recovery of a sum of Rs.3,69,000/- from the applicant with interest thereon at 24% per annum from 18.10.2016. The said debt was secured by a simple mortgage in respect of an immovable asset of the applicant. Upon service of notice, the applicant was originally represented by counsel. Such counsel reported that he had no instructions at the hearing on 21.08.2023. The order impugned herein was issued in these circumstances.

3. The Official Liquidator submits that the applicant was described as a debtor of the company in liquidation in the statement of affairs. She further states that the demand notice and reminder to the applicant did not



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elicit a response. She states that the original title deeds of the property and the mortgage deed are in the possession and custody of the Official Liquidator.

4. Learned counsel for the applicant submits that the mortgage was created in relation to a chit fund transaction. He seeks an opportunity to contest the matter on merits.

5. By the impugned order, this Court did not direct payment of the amount claimed by the Official Liquidator. The order merely permitted the Official Liquidator to value the property through ITCOT and to subsequently bring the property for sale. At this juncture, the application for sale has not been listed. The applicant has physical possession of the property. Therefore, subject to the condition that the applicant shall not further encumber, alienate or otherwise dispose of the property, the order dated 21.08.2023 is set aside and the applicant is permitted to contest the matter on merits. Until disposal of Comp.A.No.39 of 2022, the Official Liquidator shall defer filing the application for sale.



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SENTHILKUMAR RAMAMOORTHY,J.

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6. This company application stands disposed of on the above terms.

27.06.2025

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To

The Official Liquidator
High Court, Madras,
Corporate Bhavan, 2nd Floor,
No.29, Rajaji Salai, Chennai- 600 001.

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