



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23-06-2025

WEB COPY

CORAM

THE HONOURABLE MR JUSTICE N. SATHISH KUMAR

CRP No. 862 of 2025

1. N.Suresh Kumar

Petitioner(s)

Vs

1. Margadarsi Chits Private Limited,
Rep. by its Foreman,
Mr.R. Neelakantudu,
Kumaran Building,
No.AA-152, 3rd Avenue,
Anna Nagar, Chennai – 600 040.

2.Thirumala Traders
Rep. by its Proprietor,
N. Sankar, S/o. P. Natarajan,
24/306, Madurai Veeran Street,
Padi, Chennai - 050.

3.P. Ramachandran
S/o. Pichaimuthu, Proprietor,
R.K. Builders, 207, 2nd Street,
Imayam Colony,
Anna Nagar West Extension,
Chennai – 600 040.



4.N. Aruna

5.VE. Palaniappan

6.PL. Valikanu

7.J. Chandrasekaran

Respondent(s)

PRAYER

The writ petition has been filed under Section 1115 of CPC to set aside the fair order dated 07.01.2025 made in EP No.3491 of 2025 in ARC No.252 of 2019 on the file of the Ld. XXVI Assistant City Civil Court, Chennai by allowing this CRP.

For Petitioner(s): N. Manoharan

For Respondent(s): Mr D Shivakumaran

For R1

R2 - Left

R3 And R4 No Such Person

R5 And R6 Not Available

R7- Vacated

R2 To R7 Court Notice Retd.

Unserved

**ORDER**

WEB COPY

Challenging the order in execution of the Assistant City Civil Court, Chennai, ordering attachment of the household articles of the revision petitioner, the present revision has been filed.

2. The first respondent/decreed holder has filed an execution petition in E.P.No.3491 of 2022, on the file of the XXVI Assistant City Civil Court, Chennai, to attach the movable properties of Judgment Debtors 3 and 5 for recovery of the award passed in A.R.C.NO.252 of 2019 dated 07.04.2021. On 15.02.2023, the E.P. was dismissed as against the Judgment Debtor 3 as the decreed holder has not taken steps to amend his address. Thereafter, the Executing Court vide order dated 07.01.2025 allowed the E.P and ordered to attach the movable properties of the Judgment Debtor 5 and sell through public auction. Against which, the Judgment Debtor 5 has filed the present revision petition.



WEB COPY

3. The main contention of the learned counsel for the petitioner is that the award, which was put in execution, cannot be enforced for the simple reason that it has not contained any reasons.

4. According to the learned counsel, as per section 67 of the Chit Funds Act, read with Rule 49, the procedure has not been followed. Similarly, Rule 49 of the Chit Funds Act mandates that a written decision should be made on the basis of the evidence produced by the parties, whereas, award has been passed without recording any reasons.

5. The learned counsel for the first respondent would submit that Rule 49 clearly says that there should not be more than two adjournments.

6. I have considered the matter in the light of the submissions made by the learned counsel on both sides and perused the entire materials available on records carefully.



WEB COPY

7. The challenge in the present revision has been made only against the attachment. However, it is seen that the Execution Petition has been filed on the basis of the award passed by the Chit Fund Registrar for the alleged default committed by the Subscriber.

8. It is a settled legal principle that any award or order that is enforceable must be supported by reasons and some evidence.

9. On perusal of the entire award passed in ARC No.252 of 2019 dated 07.04.2021, it is seen that it does not contain any reasoning, nor any discussion about on how such a conclusion arrived at.

10. In view of the above, this Court is of the view that the award itself is not passed in accordance with law and hence, the same cannot be sustained. Section 67 of the Chit Funds Act requires some of the evidence and documents, etc. Further, Rule 49 of the Chit Fund clearly stipulates that an award must be passed based on the evidence produced.



WEB COPY

11. Since the impugned award fails to satisfy these requirements, this Court, in exercise of the powers under Article 227 of the Constitution of India, set aside the said award. Consequently, the order passed in the Execution Court also stands set aside. The learned Chit Fund Registrar is directed to conduct a fresh enquiry in accordance with law by giving due opportunity of hearing to the parties and proceed further and decide the matter afresh.

12. It is made clear that the revision petitioner shall furnish the details and the correct addresses of all the other parties. Therefore, the proceedings can be proceeded against all of them. Such direction has been issued in view of the submission made before this Court that only the petitioner alone has been proceeded by the Chit Funds Registrar and the Executing Court, while others have not been proceeded. The Chit Fund Registrar shall decide the dispute within a period of four months from the date of receipt of a copy of this order.



13. With the above observations and directions, this Civil Revision Petition is allowed. No costs. Consequently, connected miscellaneous petitions are allowed.

WEB COPY

23-06-2025

mrp

Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

To

1. XXVI Assistant City Civuk Court,
Chennai.



WEB COPY

CRP No. 862 of 2025



N.SATHISH KUMAR J.

mrp

CRP No. 862 of 2025

23-06-2025