



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 09-07-2025

CORAM

THE HONOURABLE MRS.JUSTICE T.V.THAMILSELVI

C.M.A. No. 1332 of 2023

and

C.M.P.No.13301 of 2023

T.M.T. Saroja

...Appellant(s)

Vs

1. The Competent Authority And District Revenue
Officer
Collectorate,
Tiruvannamalai,
Thiruvannamalai District.

2.Sri. Dhanalakshmi Financiers,
No. 249/A, Market Road,
Arni Town,
Thiruvannamalai District.

3.K.V. Dhasaradan
4.Govindasmay
5.G. Saravanan
6.G. Sulochana
7.S. Santhiyarani



8.V. Jayasree

9.K. Sampath

10.Krishnabai

11.R. Saroja

12.S. Rajeshwari

13.S. Venkatesan

14.S. Lakshmi

15.K.V. Radhakrishnan

16.M. Nagarajan

17.T. Venu

18.U. Navarathan Jain

...Respondents

PRAYER: Appeal filed under Section 11 of the Tamil Nadu Protection of Interest of Depositors (in Financial Establishment) Act, 1997, to set aside the order dated 29.10.2020 passed in OA.No. 4/2013 on the file of the learned Special Judge under Tamil Nadu Protection of Interests of Depositors (in Financial Establishments), Chennai - 104.

For Appellant(s): Mr.E.Kannadasan

For Respondent(s): Mr.C.Sathish,
Government Advocate
for R1

ORDER

Challenging the impugned order passed by the Court below in O.A.No.4 of 2013, the 4th respondent Saroja preferred this Civil Miscellaneous Appeal.



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2.The learned counsel appearing for the appellant would submit that the lower court erred in allowing the O.A.No.4/2013 filed by the 1st respondent under Section 4(3) and 4(4) of Tamil Nadu Protection of Interests of Depositors (in Finance Establishments) Act 1997 and made absolute the interim attachment of the appellant's properties namely, Item Nos.10, 11, 12 passed in G.O.Ms.No.585, dated 27.07.2009 without properly considering the facts and circumstances of the case. The lower Court ought to have dismissed the petition filed by the 1st respondent by holding that the property in Survey No.381/7 to the extent of 0.34 cents Item No.11(ii) vide G.O.Ms.No.585, dated 27.07.2009 which is not the property of the appellant. Hence, the interim attachment itself is without proper application of mind. He would contend that the Lower Court failed to see that the appellant is a house wife and she is not involved in the day-to-day affairs of the financial establishment. Further, the lower Court failed to see that there is absolutely no material to show that the appellant was involved in the day-to-day affairs of the financial establishment. The appellant is only a sleeping partner of the financial establishment.



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3. The learned counsel appearing for the appellant would contend that the Lower Court erred in allowing the O.A.No.4 of 2013 and made absolute the order of interim attachment merely because the attached properties were purchased after the formation of the financial establishment. The lower Court erred in making absolute the interim attachment without even satisfying itself that the properties were purchased from the depositor's amount. He would further contend that the Lower Court ought to have seen that one of the properties, namely, Item No.10 of the G.O.Ms.585, dated 27.07.2009, attached by the 1st respondent was settled by the appellant's husband in her favour, which is not liable for attachment and the Lower Court ought to have dismissed the O.A.No.4 of 2013 in respect of the abovesaid Item No.10 of the said G.O. The Lower Court failed to see that the appellant has established her independent source of income for purchasing the other properties, namely, Item Nos.11 and 12 in G.O.Ms.No.585 dated 27.07.2009. By submitting the above grounds, the learned counsel appearing for the appellant would argue that the Court below without any material evidence attached the property of the appellant is, as such,



illegal and liable to be set aside.

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4.By way of reply, the learned Government Advocate appearing for the 1st respondent would contend that the accused Financial Establishment had collected deposits from the general public on various dates and defaulted in return of the deposited money after maturity to the 506 depositors nearly about Rs.10,11,54,290/-. On the complaint made by the depositors, the properties were identified and a detailed report were submitted to the Government by the EOW-II. Thereafter, the Government had issued the ad-interim G.O.Ms.No.585/2009, Home Police (XIX) Department, dated 27.07.2009 making an order of ad-interim attachment order for taking further actions on the landed properties. The deposited amounts were mismanaged for their own purpose and purchased the properties in Item Nos.10,11 and 12 stands in the name of the 4th respondent. The Investigating Officer prima facie established that those properties were purchased using the amounts deposited in the Financial Institutions. Therefore, the Trial Court has rightly made absolute the attachment of the properties. Hence, the attachment made with regard to the



Item Nos.10, 11 and 12 which needs no interference and prayed for dismissal of the appeal as no merits.

5.Heard the learned counsels appearing on either side and perused the material available on record.

6.On a perusal of the records, it is seen that one M.Govindasamy, who is the son of Mohana Mudaliyar had been running a financial establishment from the year 1981 onwards. The said Govindasamy had commenced the Sri Dhanalakshmi Financiers with 11 partners. At that time, since Govindasamy was working as a Teacher in the Government School and he had inducted his wife Suolochana as a Partner. Among the 11 Partners, the Managing Partner was to be appointed on rotation basis for one year. From the year1997, the same was changed and one Saravanan who is the son of Govindasamy of Aagarapalayam Village was appointed as Managing Director to the said Financial Establishment and till date he was maintaining the accounts.



Thereafter, the said Financial Establishment was closed on 20.08.2007 and till then he alone canvassed and collected deposits from 483 depositors promised to pay higher rate of interest 12%, 24%, 36% collected totally a sum of Rs.10 Crores 59 Lakhs. All the depositors were issued receipts in Pro-notes and signed in the receipts and all those partners were in Government Service. Therefore, their spouses were inducted as Registered Partners. The Financial Establishment was registered with the following names, 1.G.Sulochana, 2. Saroja, 3.Loganayagi, 4. Krishnabai, 5. Rajeswari, 6. J.Sulochana, 7.Saroja, 8. Baby Saroja and 9. Ayyappan. According to the 1st respondent, after inducted as partners, the appellant Saroja purchased the properties in the year 1977, 1990 and 1997 under three Sale Deeds marked as Ex.R19, 20 and 22. Though in their counter objections, she claimed that she had income arising out of agricultural lands and stated that she is the wife of the 3rd accused Govindasamy. Except that, she had no role in the Financial Institutions and the said properties were purchased through agricultural income and income from cattle like vending Milk from the cows and from savings from my husband's salary.



7. Before the Court below, the appellant has not adduced individual evidence to prove her defence and in order to prove her separate income also.

She did not deny that she is also one of the partners of the Financial Establishment and her husband is in Government Service. During the enquiry, the appellant gave a Statement and she was examined as RW5. The said Govindasamy had examined himself as R.W-4. It is made clear that the 4th respondent was a partner of the financial establishment from the year 1981 till it was closed. Therefore, the Competent Authority *prima facie* proved that those items 10, 11 and 12 were purchased by the appellant, when the appellant was one of the partners of the said Financial Establishment. Therefore, the order passed by the Court below is a well reasoned one which needs no interference.

8. Accordingly, this Civil Miscellaneous Appeal is dismissed as no merits. Consequently, connected Miscellaneous Petition is closed. There shall be no order as to costs.



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9.The Registry is directed to call for explanation from Mr.S.Muruganantham, learned Special Judge under Tamil Nadu Protection of Interests of Depositors (in Financial Establishments), Chennai – 104, who passed orders in the Interlocutory Application in I.A.No.2 of 2025 in O.A.No.15 of 2025 dated 14.05.2025, allowing the said application by granting *ad interim* stay in respect of Item No.6 of the property in O.A.No.15 of 2025 with a condition to deposit a sum of Rs.6,00,000/- by the petitioner, namely, the 4th respondent Saroja. The Officer was very well aware of the fact that the Civil Miscellaneous Appeal is pending before this Court. Hence, he is directed to submit a report within a period of two weeks from the date of receipt of a copy of this Judgment.

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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No

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To
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1.The Registrar Judicial,
Madras High Court,
Chennai.

2.The Special Judge under Tamil Nadu Protection
of Interests of Depositors (in Financial Establishments),
Chennai.

3.Mr.S.Muruganantham,
Special Judge under Tamil Nadu Protection
of Interests of Depositors (in Financial Establishments),
Chennai – 104,

4.The V.R. Section,
Madras High Court,
Chennai.



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T.V.THAMILSELVI, J.

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