



WEB COPY

WP No. 35347 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19-09-2025

CORAM

THE HONOURABLE MR JUSTICE M.DHANDAPANI

WP No. 35347 of 2025

AND

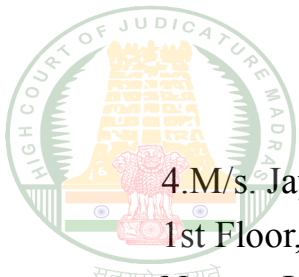
WMP NO. 39569, 39565 and 39567 OF 2025

1. ALAshias
- 2.Nangendiran
3. Sabari
- 4.Sugumaran N
5. Poongothai

Petitioner(s)

Vs

1. The Secretary
Department Of Commercial Tax And
Registration,
Secretariat, Govt. of Tamil Nadu,
Fort St. George, Chennai-600 009.
- 2.The Registrar Of Chits
100, Santhome High Road,
Chennai-21.
- 3.The Deputy Registrar Of Chits
District Registration Office, Virudhachalam,



4.M/s. Jayapriya Chit Funds Pvt. Ltd.
1st Floor, Sri Swetha Argate Sarojini B Nayar
Nagar, Junction Road, Virudhachalam.

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Respondent(s)

PRAYER: This writ petition has been filed under Article 226 of Constitution of India, to issue a writ of Mandamus, calling for the records pertaining to Arbitration case No. 84/ 2025 in the file of 3rd respondent and quash the same and pass In the alternative quashing the notice dated 12.08.2025 issued in arbitration case No. 84/2025 in the file of the 3rd respondent and direct the 2nd respondent to proceed with the arbitration case No. 48/ 2025 either by himself or by any register of chits other than 3rd respondent.

For Petitioner(s): Mr.N.Sivakumar
For Respondent: Mr.U.Bharanidharan,
SGP RR1 to 3
Mr.V.Rajesh Babu R4

ORDER

It is the case of the petitioner that the 4th respondent chit funds company filed chit arbitration case before the 3rd respondent against the first petitioner and 2nd to 5th petitioners, who are the guarantors. The 3rd respondent registered the case as chit arbitration case No.84 of 2025 under Chit Funds Act and issued impugned notice dated 12.08.2025 to the petitioners stating that *it is informed that the enquiry in the said case No.84 of 2025 is scheduled to be held on 02.09.2025 at 11.00 AM in the office of the 3rd respondent and on that day, the petitioners ought to pay the claim amount of Rs.9,66,710.85 to the 4th respondent in front of 3rd respondent and we shall make representation to the 3rd*



respondent if there is any dispute as to quantum of claim amount payable to the 4th respondent and the case will be decided ex-parte if we have not appeared before the 3rd respondent. Challenging the said impugned notice, the present writ petition has been filed.

2. The learned counsel for the petitioners submitted that the first petitioner never entered into and signed any agreement of chit with the 4th respondent as per the provisions in Section 6 read with Sec. 2(c) of the Chit funds Act and Rule 13 and Form VIII to the Tamil Nadu Chit Funds Rules 1984, and therefore, the entire chit transaction itself is illegal and this Court may permit the petitioners to participate the proceedings before the 3rd respondent and direct the 3rd respondent to provide all the documents to enable the petitioners to proceed with the matter before the 3rd respondent.

3. The learned counsel for the 4th respondent submitted that whatever the document is available with the 4th respondent, the same will be furnished to the petitioner.

4. The learned counsel for the third respondent submitted that the proceedings will be concluded within the time frame as fixed by this Court in terms of the Chit funds Act.

Heard both sides and perused the materials available on record.



Considering the limited request sought for by the petitioner and the consent view expressed by the learned counsel for the respondents 3 & 4, this Court, without interfering with the impugned order, passed the following orders:

- i. The 4th respondent is directed to provide all the materials with regard to Arbitration Case No.84 of 2025 to the first petitioner within a period of two weeks from the date of receipt of a copy of this order;
- ii. The 3rd respondent is directed to conclude the proceedings in Arbitration Case No.84 of 2025, after providing opportunity to both sides, as expeditiously as possible in the matter known to law.; and
- iii. The petitioners are directed to cooperate with the 3rd respondent to conclude the proceedings without taking any unnecessary adjournments.

With the above directions, the writ petition is disposed of. No costs. Consequently, connected miscellaneous petition is closed.

19-09-2025

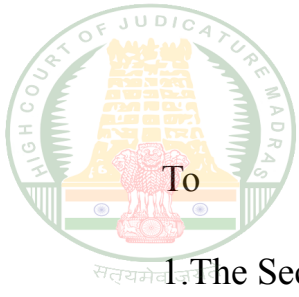
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Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No



To

1.The Secretary

Department Of Commercial Tax And
Registration, Secretariat,
Fort St. George, Chennai-600 009.

2.The Registrar Of Chits

100, Santhome High Road,
Chennai-21.

3.The Deputy Registrar Of Chits

District Registration Office,
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