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C.R.P.(MD)Nos.2518 of 2024 and its batch

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

<i>Judgment Reserved On</i>	<i>Judgment Pronounced On</i>
24.10.2024	03.02.2025

CORAM

THE HONOURABLE MRS.JUSTICE S.SRIMATHY

C.R.P(MD)Nos. 2518, 1846 of 2024

and

C.M.A(MD)Nos. 1413, 1414, 1349 of 2024

and

**C.M.P(MD)Nos.10453, 14558, 14450 ,14459,
14463,14465, 14466, 14611, 14615, 14825 of 2024**

C.R.P(MD)No. 2518 of 2024

V.S.Rethinakumari

...

Revision petitioner

Vs.

1. S.R.Ratheesh
2. P.Robert Raj
3. The Income Tax Officer,
Nagercoil,
Kanyakumari District.
4. The District Registrar,
Nagercoil,
Kanyakumari District.
5. The District Registrar,
Marthandam,
Kanyakumari District.



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6. The Competent Authority and District Revenue Officer,
Kanyakumari District, Nagercoil.

7. The District Collector,
State of Tamil Nadu,
Nagercoil.

... Respondents

[Respondents 3 to 7 are Impleaded as Per the Order of this Court, dated 30.10.2024]

PRAYER : Civil Revision Petition filed under Section 115 of Civil Procedure Code, to set aside the Fair and Decretal order passed in E.A.No.41 of 2018 dated 12-01-2023 in E.P.No.4 of 2016 in O.S.No.106 of 2011 on the file of the Principal District Court, Kanniyakumari at Nagercoil.

C.R.P(MD)No. 1846 of 2024

V.S.Rethinakumari

...

Revision petitioner

Vs.

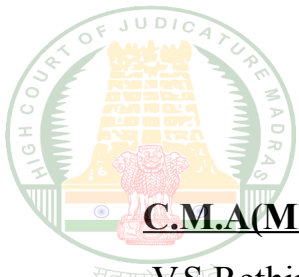
1. P.Robert Raj

2. S.R.Ratheesh

...

Respondents

PRAYER : Civil Revision Petition filed under Section 115 of Civil Procedure Code, to set aside the Fair and Decretal order passed in E.A.No.8 of 2023 dated 06.02.2024 passed in E.P.No.4 of 2016 in O.S.No.106 of 2011 on the file of the Principal District Court, Kanniyakumari at Nagercoil and allow this Civil Revision Petition.



C.R.P.(MD)Nos.2518 of 2024 and its batch

C.M.A(MD)No. 1349 of 2024

V.S.Rethinakumari

... Appellant

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Vs.

1. S.R.Ratheesh

2. P.Robert Raj

... Respondents

[2nd Respondent is impleaded as per Order of this Court 28.11.2024]

PRAYER : Civil Miscellaneous Appeal filed under order 43 rule 1 of Civil Procedure Code, to allow the Civil Miscellaneous Appeal with cost by setting aside the fair and decretal order passed in E.A.No.40 of 2018 dated 08.07.2021 in E.P.No. 4 of 2016 in O.S.No.106 of 2011 on the file of the Principal district Judge, Kanniyakumari District at Nagercoil, set aside the same and allow this Civil Miscellaneous Appeal.

C.M.A(MD)No. 1413 of 2024

1. Palliyadi Retna Chit Fund Private Limited,
Kanniyakumari District,
S. Kanagaraj (Late)

2. V.S.Retna Kumari

3. K.Penkar Semalin

4. K.Askar Sahaskon

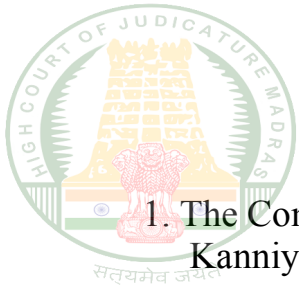
5. K.Helton God Rimlet

6. K.Kenttar Kranglinkanik

7. K.Johnskar Sibiraidili

... Appellants

Vs.



C.R.P.(MD)Nos.2518 of 2024 and its batch

1. The Competent Authority and District Revenue Officer,
Kanniyakumari District.

2. A.R.Boothalingam Pillai

3. The Branch Manager,
Tamilnadu Mercantile Bank,
Palliyady Branch, Palliyady.

4. The Branch Manager,
Indian Overseas Bank, Kottar,
Nagercoil - 629002.

5. The Deputy Superintendent of Police,
E.O.W.II, Nagercoil,
Kanniyakumari District.

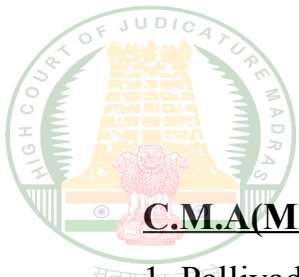
6. The Inspector of Police,
E.O.W.II, Nagercoil,
Kanniyakumari District.

7. The Deputy Registrar of Chits, (Arbitration)
Nagercoil, Kanniyakumari District.

8. The Deputy Registrar of Chits, (Arbitration),
Marthandam,
Kanniyakumari District.

... Respondents

PRAYER: Civil Miscellaneous Appeal filed under section 11 of Tamil Nadu Protection of Interest of Depositors (In Financial Establishments) Act, to allow this Civil Miscellaneous Appeal and modify the order passed by the Special Court for trial of TNPID Cases, Madurai in O.A No.4 of 2015 dated 31.08.2021.



C.R.P.(MD)Nos.2518 of 2024 and its batch

C.M.A(MD)No. 1414 of 2024

1. Palliyadi Retna Chit Fund Private Limited,
Kanniyakumari District, S. Kanagaraj (Late).

2. V.S.Retna Kumari

3. K.Penkar Semalin

4. K.Askar Sahaskon

5. K.Helton God Rimlet

6. K.Kenttar Kranglinkanik

7. K.Johnskar Sibiraidili

... Appellants

- Vs. -

1. Tamil Nadu Mercantile Bank Limited,
Represented by its Branch Head,
Palliyadi Branch.

2. The Competent Authority/ District Revenue Officer,
Kanniyakumari District.

... Respondents

PRAYER : Civil Miscellaneous Appeal filed under section 11 of Tamil Nadu Protection of Interest of Depositors (In Financial Establishments) Act, to allow this Civil Miscellaneous Appeal and set aside the orders passed by the Special Court for trial of TNPID cases, Madurai in IA No.61 of 2016 in O.A. No.4 of 2015 dated 31.08.2021 and to revoke the auction sale conducted by the 1st respondent/Tamilnadu Mercantile Bank Limited, Palliyadi Branch in respect of 9 items of properties forming part of the properties attached by the Government in G.O.Ms.No.872 Home (Police XIX) Department, dated 12.11.2012, scheduled herein below.



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In all the cases

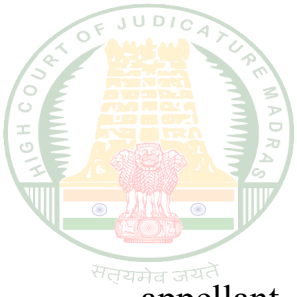
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For Petitioner and Appellant: Mr.P.Prabhakaran
For Respondent 1: Mr.M.Natarajan
For Respondent 2: Mr.K.P.Narayana Kumar
For Respondent 3: Mr.Parekh Kumar
For Respondents 4,5,6 &7: Mr.C.Satheesh,
Government Advocate

COMMON ORDER

The issue in C.R.P.(MD)No.2518 of 2024, C.R.P.(MD)No.1846 of 2024 and C.M.A.(MD)No.1349 of 2024, C.M.A.(MD)No.1413 of 2024 and C.M.A.(MD)No.1414 of 2024 are arising out of common facts. Hence all the cases are tagged together and common order is passed.

2.(i). Heard Mr.P.Prabhakaran, the Learned Counsel appearing for the Revision Petitioner and Mr.M.Natarajan, the Learned Counsel appearing for the 1st respondent, Mr.K.P.Narayana Kumar, the Learned Counsel appearing for the 2nd respondent, Mr.Parekh Kumar, the Learned Counsel appearing for the 3rd respondent, Mr.C.Satheesh, the Learned Government Advocate appearing for the respondents 4, 5, 6 and 7 in CRP(MD)No.2518 of 2024.



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2.(ii) Heard Mr.P.Prabhakaran, the Learned Counsel appearing for the appellant, Mr.A.R.M.Ramesh, the Learned Counsel appearing for the 3rd respondent, Mr.Dilip Kumar, the Learned Counsel appearing for the 4th respondent, Mr.C.Satheesh, the Learned Government Advocate appearing for the respondents 1, 5, 6 and 7 in CMA(MD)No.1413 of 2024.

3.(i) The C.R.P.(MD)No.2518 of 2024 was filed by the defendant V.S.Rethinakumari (in O.S.No.106 of 2011) against the order, dated 12.12.2023 passed in E.A.No.41 of 2018 in E.P.No.4 of 2016 in O.S.No.106 of 2011. The said E.A.No.41 of 2018 was filed under Order 21 Rule 90 inter alia praying to set aside the court auction sale held on 01.03.2018.

3.(ii) The C.R.P.(MD)No.1846 of 2024 was filed by the defendant V.S.Rethinakumari (in O.S.No.106 of 2011) against the order dated 06.02.2024 passed in E.A.No.8 of 2023 passed in E.P.No.4 of 2016 in O.S.No.106 of 2011. The E.A.No.8 of 2023 was filed by the auction purchaser under Order 21 Rule 95 inter alia praying to delivery of possession of schedule of property through Court Amin.



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3.(iii) The C.M.A.(MD)No.1349 of 2024 was filed by the defendant V.S.Rethinakumari (in O.S.No.106 of 2011) against the order, dated 08.07.2021 passed in E.A.No.40 of 2018 in E.P.No.4 of 2016 in O.S.No.106 of 2011. The said E.A.No.40 of 2018 was filed under Order 21 Rule 106 read with section 151 of CPC inter alia praying to set aside the exparte order dated 28.04.2016 passed in E.P.No.4 of 2016 in O.S.No.106 of 2011.

3.(iv) The C.M.A.(MD)No.1413 of 2024 was filed by the respondent V.S.Rethinakumari (in O.A.No.4 of 2015) against the order, dated 31.08.2021 passed in O.A.No.4 of 2015. The said O.A.No.4 of 2015 was filed by the Competent Authority under section 4 of TNPID Act inter alia praying to make absolute the attachment order in G.O.Ms.No.872 Home (Police XIX) Department dated 12.11.2012.

3.(v) The C.M.A.(MD)No. 1414 of 2024 was filed by the respondent V.S.Rethinakumari (in O.A.No.4 of 2015) against the order, dated 31.08.2021 passed in I.A.No.61 of 2016 in O.A.No.4 of 2015. The said I.A.No.61 of 2016 in O.A.No.4 of 2015 was filed by Tamil Nadu Mercantile Bank inter alia praying to declare that



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the Bank has first charge over the properties schedule in G.O.Ms.No.872 dated 12.11.2012 subject to prior mortgage.

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4. FACTS IN C.R.P.(MD)NO.2518 OF 2024, C.R.P.(MD)NO.1846 OF 2024 and C.M.A.(MD)NO.1349 OF 2024: The defendant/Judgment debtor V.S.Rethinakumari in the suit is the revision petitioner herein. The plaintiff/decreed holder S.R.Ratheesh in the suit is the 1st respondent herein. The auction purchaser P.Robert Raj is the 2nd respondent herein. Subsequently, respondents 3 to 7, who are Income Tax Officer, District Registrar of Registration Department and Revenue Officials, were impleaded as respondents 3 to 7 as per Order of this Court, dated 30.10.2024 since they are necessary parties for adjudication.

5. The E.A.No.41 of 2018 was filed by V.S.Rethinakumari (the defendant in the suit in O.S.No.106 of 2011) under order 21 Rule 90 and Section 151 of Civil Procedure Code to set aside the Court Auction Sale held on 01.03.2018 and the same was dismissed. Aggrieved over the same the present C.R.P.(MD)No.2518 of 2024 is filed by the defendant in the suit. Along with the above E.A.No.41 of 2018, the Execution Court had heard the E.A.No.42 of 2018. The said E.A.No.42 of 2018 was filed by the 3rd party namely the Superintendent of Police, EOW, Nagercoil and



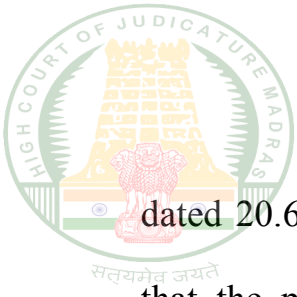
two others under Order 21 Rule 90 and Section 151 of CPC to set aside the Court auction sale held on 01.03.2018 in respect of EP schedule properties as nullity and the same was dismissed along with E.A.No.41 of 2018. But the Superintendent of Police and others had not preferred any revision petition.

6. The brief facts as stated in the affidavit filed by the said V.S.Rethinakumari, the defendant/revision petitioner is that the said V.S. Rethinakumari's husband namely Late.S.Kanagaraj was running Chit Fund business in the name and style of "Palliyadi Retna Chit Fund" and also having a bank namely "Retna Bankers". There was default in settling the chit amount and depositors, hence several complaints were preferred by the members of the chit company and depositors in the bank. The 1st FIR was filed on 27.04.2011 and the 2nd complaint was filed on 29.11.2011. The Government has issued G.O.Ms.No.872 Home (Police XIX) Department, dated 12.11.2012 wherein the properties of the Chit Fund Company were attached by the Government and the control of all the properties is vested in the Competent Authority/District Revenue Officer, Kanyakumari District who was appointed under TNPID Act. The petitioner and her five sons were rendered homeless and deprived of the income from the properties, hence they were forced to move to Kerala State and they sought the help of Apostolic Pentecostal Church,



Anavoor for the basic necessity like food and shelter and they were living under the mercy of the Church. The Church could provide them food and shelter and medical assistance but could not provide with legal expenses to conduct the cases. Thereafter, the petitioner at the advice of the Church had sent her two sons, namely Knickter Cram Klinkanic and Jones Kasi Braldly to the Bible College at Thiruvalla in Kerala state, where they were provided with free bible education with free boarding and lodging. In the meantime, the family moved to the present address, in Kaliyal in Tamil Nadu. The orders in E.A.No.41 of 2018 was passed on 12.01.2023, but the defendant / petitioner came to know of the outcome only on 06.02.2024. Hence the defendant/petitioner could not meet the advocate who appeared in the case in time. Further the defendant/petitioner has no other person for guiding her. Hence belatedly the said V.S.Rethinakumari had made arrangements to challenge the order. In fact, the present revision petition was filed along with petition to condone the delay of 369 days. The present Civil Revision Petition is filed against the order dated 12.12.2023 passed in E.A.No.41 of 2018 in E.P.No.4 of 2016 in O.S.No.106 of 2011.

7. Originally, the suit in O.S.No.106 of 2011 was filed by one S.R.Ratheesh, the plaintiff in the suit against the said V.S.Rethinakumari for recovery of money of Rs.17,50,000/- with 24% interest per annum from the date of plaint



dated 20.6.2011 till the date of realization. The brief facts as stated in the plaint is that the plaintiff S.R.Ratheesh was doing business and other financial activities including lending money to others. The defendant V.S.Rethinakumari is personally known to the plaintiff S.R.Ratheesh, the defendant has approached the plaintiff and requested to lend money so as to overcome the financial crisis. Hence, the plaintiff S.R.Ratheesh has paid Rs.17,50,000/- on 10.02.2011 and the defendant V.S.Rethinakumari gave a cheque for the said amount to the plaintiff at his house for discharging her loan. The plaintiff presented the cheque in Central Bank of India on 10.05.2011 and the same was returned as insufficient funds. On 18.05.2011 the plaintiff has issued a legal notice to the defendant insisting to repay the amount and the defendant has failed to repay the amount. Hence the suit was filed in O.S.No.106 of 2011 for recovery of money of Rs.17,50,000/- with 24% interest per annum.

8. The defendant V.S.Rethinakumari had filed written statement stating that the suit is not maintainable in law and facts. The defendant V.S.Rethinakumari never requested the plaintiff S.R.Ratheesh to lend the money, she never borrowed any amount from the plaintiff. The defendant's husband Late. S. Kanagaraj, had conducted Ratna Chit Funds Private Limited and the plaintiff is one of the subscribers of the above Chit fund. After the demise of the S.Kanagaraj on



20.12.2009 the defendant was forced to take over active management of the above chit fund. The defendant was a homemaker and due to her inexperience was not able to collect the dues and run the Chit Fund Company. In the meanwhile, depositors had started withdrawing the deposits, hence the defendant V.S.Rethinakumari found difficult to disburse the chit amounts and the deposits. The V.S.Rethinakumari was forced to give a security for the amount due to the plaintiff and in that circumstances the defendant V.S.Rethinakumari issued a cheque without even verifying the actual amount due to the plaintiff on account of chit transactions. In the meanwhile, based on the complaint, FIR was registered in Crime No.1 of 2011 dated 27.04.2011 for the alleged offences under sections 420 and 405 of IPC and Section 5 of TNPID Act. And another Crime No.9 of 2011 was filed on 29.11.2011 against the defendant V.S.Rethinakumari and her sons. Based on the FIRs, the defendant V.S.Rethinakumari was arrested and thereafter released on bail. The police had locked the Chit Fund Company and the defendant V.S.Rethinakumari had no access to the office in which all the books of accounts and computers are available. Hence, the credit particulars of the plaintiff could not be ascertained. Further stated the defendant V.S.Rethinakumari is ready to settle the amount on verification of accounts. If the plaintiff S.R.Ratheesh had submitted a petition before the EOW of Nagercoil the same would have been settled and hence the plaintiff has no locus



standi to file the suit. Further stated that the plaintiff ought to have invoked the provisions contained in Tamil Nadu Chit Funds Act only and the Civil Court has no jurisdiction to entertain the claim. Also stated that the defendant V.S.Rethinakumari is not aware of any suit notice as alleged in the plaint. Since it is Chit Fund transactions, the defendant is not bound to pay any interest and there is no cause of auction. Therefore, the suit is liable to be dismissed. The defendant V.S.Rethinakumari had also filed additional written statement stating the suit is bad for non-joinder of necessary parties. Further the amount due is only on account of chit transaction in Retna Chit Funds Private Limited and the cheque was not issued by the defendant in her personal capacity. The cheque was issued for and on behalf of the chit company hence, the company is a necessary party, since the company is not made a party, the suit is liable to be dismissed for non-joinder of necessary party.

9. The plaintiff had marked Ex.A.1 to Ex.A6 and examined himself. The defendant has examined herself as D.W.1 but had not produced or marked any documentary evidence. Based on the pleadings, documents and deposition the Trial Court had allowed the suit directing the defendant to pay Rs.17,50,000/- along with 24% interest.



10. Along with the suit the plaintiff had filed I.A.No.301 of 2011 inter alia praying for “attachment before judgment”. In the said interlocutory application the defendant had filed counter stating that the schedule property does not belong to her, but belonged to her late husband, who had already settled the said property to their sons through settlement deed dated 13.10.2009. The defendant’s husband died on 20.12.2009, hence the said settlement was just two months prior to his death. The contention of the defendant V.S.Rethinakumari is that the Trial Court failed to consider the fact that the said property was not belonging to her at all. The said I.A. was allowed vide order dated 05.08.2011, thereby the suit property i.e. the property of the Retna Chit Fund main building was attached.

11. Thereafter, the plaintiff S.R.Ratheesh has preferred E.P.No.4 of 2016 inter alia praying to sell the schedule property through Court Auction in order to appropriate sale proceeds towards the satisfaction of the decree amount and interest. The defendant V.S.Rethinakumari had filed counter in the execution petition wherein the defendant had stated that complaints were filed by the subscribers and depositors, hence FIRs were registered under TNPID Act, charge sheets were filed against the defendant V.S.Rethinakumari and her sons, there are 4000 creditors, the Government had attached all the properties by passing G.O.Ms.No.872 Home (Police XIX)



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Department, dated 12.11.2012, the EP schedule of property is one among the properties attached under the said G.O., hence the property is seized in the TNPID Court, Madurai and the power to deal with the property is vested with the TNPID Court. All the creditors would get rateable distribution of their entitlements out of the properties attached by the government. Further stated that the present open market value of the EP schedule property is Rs.30 crores, the total area is 38 cents along with building which is situated in posh area of Nagercoil Town. The property is situated near the Collectorate and other prominent textile and jewelries. The building faces the junction where Medical College Road joins Nagercoil-Trivandrum National Highway Road. The front portion of the EP schedule property on the north is having vast open area (in between the EP schedule property and the said National Highway) and in Nagercoil nowhere such open space is available and the said physical features adds value to the property. On the west of this property there is a busy road, which also adds value to the property. Further stated that in order to settle the dues to the various creditors and depositors, the property was attached by the Government hence, the EP was not maintainable. The EP amount is only Rs.39,06,403/- along with interest, but the property value is Rs.30 crores in open market. Hence, a portion of the property which is sufficient to satisfy the E.P. amount ought to be brought to sale, but the decree holder having no regard for the above principle, had filed the EP



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for sale of entire property of 38 cents with ill motive. If an order to sale of entire property is passed, it would defeat the purpose behind the attachment by the Government. The said sale would affect the rateable distribution to all the creditors and depositors numbering about 4000. Also stated the encumbrance certificate filed in Execution Petition reflects the attachment of the property by the Inspector General of Police, but having no regard for the said attachment which is made for larger interest of creditors and depositors, the entire property was brought to sale. After attachment, under G.O.Ms.No.872 Home (Police XIX) Department, dated 12.11.2012, the suit schedule property is vested with DRO and the property cannot be brought for sale by any other Courts or other authorities except the TNPID Court. After the attachment by the Government the possession was handed over the DRO, hence the EP is hit by non-joinder of necessary parties namely the State, DRO, EOW. Further the EP schedule property is not the absolute property of the defendant she is entitled to a portion of the EP Schedule property hence, the entire property cannot be brought for sale. The petitioner S.R.Ratheesh had suppressed the material facts in the execution petition, lacks bonafides, hence the EP is liable to be dismissed.

12. Thereafter the defendant V.S.Rethinakumari had filed E.A.No.41 of 2018 to set aside the Court Auction Sale of the schedule mentioned properties which



was held on 01.03.2018, wherein it is stated that the her husband Late.Kanagaraj had conducted the chit company and private bank. After his demise on 20.12.2009, the company and bank had major setback, all the subscribers and depositors wanted to have their chit amounts and deposits refunded. The amounts due to the chit fund could not be collected. Since the defendant V.S.Rethinakumari could not settle the dues, she was compelled to give atleast cheque amount due, hence she had issued a cheque for the plaintiff for Rs.17,50,000/-. Hence the plaintiff had filed the suit. In the meantime, several complaints were preferred, then two FIRs were filed against the defendant and all the properties were attached in the G.O.Ms.No.872. When all the properties were attached the defendant along with her five sons were rendered homeless, hence sought the help of relatives for shelter and food and was living in Thiruvananthapuram for the last six years (as on 2018), further she was ill for the past one year, underwent operation and taking treatment. On 16.03.2018 she came to know that in EP she was called absent and exparte order dated 28.04.2018 was passed. And steps were taken to sell the property and after proclamation the schedule property was sold in court auction on 01.05.2018 for Rs.4,50,10,000/- by the 2nd respondent. The defendant V.S. Rethinakumari had claimed no notice was served on her and she did not get any opportunity to come across any advertisement in Tamil dailies since she was in Thiruvananthapuram, hence she could not resist other



incidental sale proceedings. The property would fetch Rs.30 crores, the property in in prime/posh area, the property was attached by government only with the view to settle all the creditors in rateable distribution as per the order of the TNPID Court, the present value is too low. The defendant also raised various grounds of irregularity in the Court auction sale and stated that the EP amount is only Rs.39,06,403/- along with interest, but the property is valued at Rs.30 crores in open market, hence a portion of the property ought to be brought for sale and not the entire property to satisfy the lesser decree amount and the entire property need not be sold. When compared to open market, if sold to low value, then various other creditors would be affected, the proclamation drawn up does not state all the encumbrances, which is mandatory and non-compliance would vitiates the sale and the impugned sale is liable to be set aside. In Encumbrance Certificate all the encumbrances are reflected, wherein the attachment made by the government is reflected. The defendant is facing criminal charges, hence the impugned sale has caused substantial injury to the defendant. When the possession of the EP schedule property is vested with DRO then the property cannot be brought for sale and the subsequent purchaser cannot take possession and by not impleading the DRO and other authorities, the EP is hit by non-joinder of necessary party. The EP schedule property is not the absolute property of the defendant and as per settlement the property belongs to the sons of the



defendant and hence the entire property cannot be brought for sale. Hence the defendant V.S.Rethinakumari had prayed to set aside the sale.

13. The subsequent purchaser, the 2nd respondent herein namely P.Robert Raj had filed counter and denied the averments stated in the EA application. The said P.Robert Raj had denied the averment that after the demise of petitioner's husband the chit fund and the bank had suffered and submitted that the fact is that the 2nd defendant V.S.Rethinakumari and her children swindled the money and cheated the depositors and subscribers and absconded from the locality and evaded from settling the chit subscribers. The suit was decreed on merits and the defendant has not challenged the same by way of filing an appeal. Further denied the plea of the said V.S.Rethinakumari that she unable to settle the dues and hence had issued cheques. Further denied that the subscribers and depositors have filed various cases before the Civil and Criminal Courts and also denied the case is pending before the Special Court, Madurai, denied the property was attached by the Government, denied the possession was handed over to the competent authority and the property was seized by the Special Court and all other averments were denied. The plea that the V.S.Retnakumari was residing in Trivandrum is denied since the affidavit stated that the petitioner was residing in Kokkavilai. Further denied the mental illness,



depression and removal of cyst and the petitioner has not filed any documents to prove the same. It is also denied the petitioner got knowledge belatedly. It is also denied notice was not served upon the her. And raised a plea that the defendant has questioned the integrity of Court. The market value of Rs.30 crores is denied. Prior to Court auction the property has been valued in accordance with the guideline value and auction was conducted as per law. The petitioner is entitled to recover the remaining amount after deducting the EP amount. The petitioner has no right to say that the portion of property alone ought to have been brought for sale. There is no irregularity in the sale conducted by the Court. Further the auction purchaser has denied the real open market value is sufficient to settle the dues to the creditors and depositors, denied the portion of the property is sufficient to the satisfy the EP amount, denied the possession was taken over by the DRO. The auction purchaser had attended the auction held on 01.03.2018 and had paid 25% of the sale amount of Rs.1,12,52,500/-and remaining Rs.3,37,57,500 has been deposited as stipulated by law, hence is a bonafide purchaser and has deposited the sale amount sourcing from various creditors for interest within 15 days from the date of the sale. There is no irregularity and the auction was conducted as per law. The 2nd defendant is only protracting the proceedings and prays to dismiss the EA.



14. In the meanwhile, the official respondents Deputy Superintendent of Police, EOW, the Competent Authority TNPID Act and the State represented by the District Collector had filed E.P.No.42 of 2018 for the same prayer to set aside the auction sale and hence, both are taken up together and the Common order was passed by the Execution Court.

15. Here is a case, right from the beginning the case was mishandled by the parties and Courts for the reasons best known to the parties/Courts. Further none of the Civil Procedure Code was invoked and appropriately applied while considering the case. Rather it is shocking that the Civil Procedure Code was given a go by. And this Court has discussed the same in the following paragraphs.

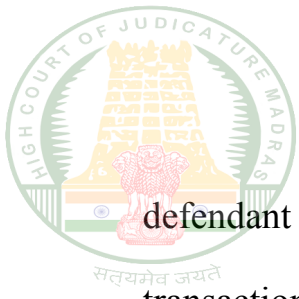
16. In the suit the contention of the defendant V.S.Rethinakumari is that due to several complaints against the Chit Company, FIR was registered against the defendant, proceedings were initiated under TNPID Act, the defendant was released on bail, the chit company's main office and branch offices were locked and she has no access to the records, she is ready to settle the amount subject to verification of accounts and subject to outcome of various litigations. The relevant portion of the written statement is extracted hereunder:



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“5. That while so, on false and untrue allegations, the Economic Offences Wing II, Nagercoil registered F.I.R. in Crime No.1 of 2011 for alleged offences under section 420 and 405 IPC and section 5 of TNPID Act against this defendant and her sons. Now the defendant is released on bail. The police have locked the Chit Funds Head Office and also the Branch Office. As such, the defendant has no access to her Office in which all the account books and computers in which various accounts of the plaintiff are available and so his credit particulars cannot be ascertained now. Anyway, the defendant is ready to settle the amount at credit of the plaintiff subject to verification of accounts and subject to other conditions that would prevail on the outcome of various litigations the defendant faces”

However, the Trial Court while considering the contention of the defendant V.S.Retnakumari, has held the defendant has failed to file any document to prove her case. Further held the defendant in the written statement even though pleaded the cheque was issued for the chit transactions, but the defendant has not produced any material to show that the plaintiff S.R.Ratheesh was a subscriber of the chit company and on that account the impugned cheque was issued. Also the Trial Court held that during deposition the defendant had admitted that the Chit Company was registered and the Registrar of Chits would have the members list and also admitted that she has not produced any such list to prove the plaintiff S.R.Ratheesh is the member of the chit company. And based on the same the suit was allowed. This Court is of the considered opinion that the Trial Court had terribly erred by holding that the



defendant had not produce any evidence to prove the said transaction is chit transaction. When the defendant had clearly stated that the FIR was filed, she was enlarged on bail, the litigation was initiated under TNPID Act, the main and branch office of Chit Fund Company was under lock and she has no access to the records, then the Court cannot insist or expect the defendant to produce any records. Especially the Court cannot insist when the Chit Fund Office is locked by the Police under TNPID Act. On the other hand, the Trial Court has power to invoke Order XVI of Civil Procedure Code for summoning and attendance of witnesses. To be more specific the Trial Court ought to have invoked the power under Order XVI Rule 6 and 7 of Civil Procedure Code and directed the concerned Economic Offence Wing Authorities and the Competent Authority under TNPID Act, either to produce the records or direct them to appear before the Court for examination as witnesses to ascertain the litigation under TNPID Act. The relevant portion of the section is extracted hereunder:

“6. Summons to produce document. -

Any person may be summoned to produce a document, without being summoned to give evidence, and any person summoned merely to produce a document shall be deemed to have complied with the summons if he causes such document to be produced instead of attending personally to produce the same.



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7. Power to require persons present in Court to give evidence or produce document. -

Any person present in Court may be required by the Court to give evidence or to produce any document then and there in his possession or power.

Had the Trial Court invoked the said provision, then the Trial Court would have called for documents from the EOW Police and the Trial Court could have ascertained whether the plaintiff is chit subscriber. But the Trial Court had erred in holding the defendant failed to produce evidence. The Trial Court without ascertaining the said fact had simply placed the burden of proof on the defendant and held the defendant had not proved that the plaintiff is a subscriber of chit and consequently held the cheque is independent transaction. Therefore, this Court is of the considered opinion that the Trial Court ought to have invoked the power granted under Order 16 to grant “complete justice” to the parties, failure had caused injustice to the defendant.

17. Further in the judgment the Trial Court had held that “the defendant had admitted in the written statement that she would settle the amount to the plaintiff and hence the cheque is issued for discharging the loan transaction and not as security under coercion as claimed by the defendant”. This Court is of the considered opinion that the Trial Court is absolutely wrong in stating so, since the said



admission is a qualified admission. The defendant had admitted that she “...is ready to settle the amount at credit of the plaintiff subject to verification of accounts and subject to other conditions that would prevail on the outcome of various litigations the defendant faces”. The Trial Court had taken a part of the sentence and had come to such conclusion and failed to take note the said admission is a qualified admission. The truncated sentence cannot be taken and held against the defendant. Further the defendant had clearly stated in the previous paragraph that the cheque was issued for the amount due on chit transaction, the defendant was coerced by the plaintiff, the cheque was issued without verifying the amount actually due to the plaintiff. Therefore, this Court is of the considered opinion the written statement ought to be read in entirety and cannot be read in bit and pieces and the Trail Court had erred by taking the truncated sentence as if it is admission.

18. The Trial Court ought to have framed an issue whether the transaction is chit transaction, if so whether the plaintiff is entitled to interest. If the plaintiff is a subscriber in Chit, then the plaintiff is not entitled to interest at all, since for any payment under chit transaction interest is not leviable, hence without ascertaining the Trial Court had decreed 24% interest is absolutely erroneous besides total non-application of mind. Therefore, this Court is of the considered opinion that



the Trial Court had failed in framing proper issues and also erred in granting 24% interest for chit transaction, when the chit transaction cannot carry any interest.

19. Moreover, when the defendant had disclosed the fact of FIR, the case is pending in TNPID Court and the Special Court is seized of the case, then the suit itself is not maintainable, since the Trial Court has no jurisdiction. The Trial Court ought to have transferred the case to TNPID Court for further adjudication, since the Civil Court jurisdiction is ousted. Therefore, this Court is of the considered opinion that the judgement and decree in O.S.No.106 of 2011 was passed without any jurisdiction and the said judgment and decree is nullity in the eye of law.

20. After the suit was decreed the plaintiff S.R.Ratheesh had filed E.P.No.4 of 2016, wherein the defendant V.S.Rethinakumari had filed counter and had raised various grounds. The defendant had brought to the knowledge of the EP Court that the Government had issued G.O.Ms.No.872 Home (Police XIX Department) dated 12.11.2012 under TANPID Act and attached all the properties including the EP schedule property. But the EP Court had failed to consider the said G.O. It is pertinent to state herein that the Judgment and Decree passed in O.S.No. 106 of 2011 was on 12.08.2015, but the G.O.Ms.No.872 was passed for attaching all



the properties including the EP schedule property was on 12.11.2012 and hence the attachment through G.O. is more than two and half years prior to the decree. Infact it is the contention of the defendant that before passing the judgment in the suit the said G.O.Ms.No.872 was brought to the knowledge of the Trial Court itself, but the Trial Court had just brushed aside. As stated supra, this Court is of the considered opinion, the Trial Court ought to have transferred the suit to the TNPID Court since the Civil Court jurisdiction is ousted once the case is seized in the TNPID Court. The Civil Court ought to have avoided the complication which it had created in the present case. Since this Court had held that the Civil Court had no jurisdiction, then the decree passed in O.S.No.106 of 2011 is nullity in law. If so, the sale automatically ought to be set aside.

21. In the meanwhile, the defendant had filed the E.A.No.41 of 2018, wherein the defendant had raised various irregularity in the sale proclamation and other proceedings of the auction sale. The defendant contended that the suit was filed for Rs.17,50,000/- and EP amount along with interest is Rs.39,06,403/-. Even though the property is worth about Rs.30,00,00,000/- (thirty crores), but the property was sold for Rs.4,50,10,000/- (forty crores fifty lakhs ten thousand). When the portion of the property is sufficient to satisfy the decree amount, it is absolutely unwarranted to



sell the entire 38 cents of the property which was worth about Thirty Crores. The EP Court had not even considered and discussed to sell the portion of the property. Thus, the EP Court had failed in its duty thereby caused serious injury to the defendant. The Learned Counsel had relied the judgement rendered by the Hon'ble Supreme Court in Balakrishnan Vs. Malaiyandi Konar reported in 2006 (3) CTC 180, wherein it is held,

.....

“10. The provision contains some significant words. They are "necessary to satisfy the decree". Use of the said expression clearly indicates the legislative intent that no sale can be allowed beyond the decretal amount mentioned in the sale proclamation. (See Takkaseela Pedda Subba Reddi v Pujari Padmavathamma (AIR 1977 SC 1789). In all execution proceedings, Court has to first decide whether it is necessary to bring the entire property to sale or such portion thereof as may seem necessary to satisfy the decree. If the property is large and the decree to be satisfied is small the Court must bring only such portion of the property the proceeds of which would be sufficient to satisfy the claim of the decree holder. It is immaterial whether the property is one or several. Even if the property is one, if a separate portion could be sold without violating any provision of law only such portion of the property should be sold. This is not just a discretion but an obligation imposed on the Court. The sale held without examining this aspect and not in conformity with this mandatory requirement would be illegal and without jurisdiction. (See: Ambati Narasayya v. M.Subba Rao and another 1989 Suppl. (2) SCC 693). The duty cast upon the Court to sale only such portion or portion thereof as is necessary to satisfy the decree is a mandate of the legislature which cannot



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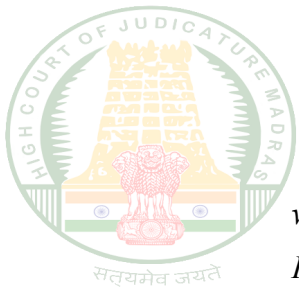
be ignored. Similar, view has been expressed in S. Mariyappa (Dead) by LRs. And others v. Siddappa and another (2005 (10) SCC 235).

11. In S.S.Dayananda v. K.S.Nagesh Rao and others (1997 (4) SCC 451) it was held that the procedural compliance of Order XXI Rule 64 of the Code is a mandatory requirement. This was also the view expressed in Desh Bandhu Gupta v. N.L.Anand and Rajender Singh (1994 (1) SCC 131)."

The Learned Counsel also relied on S. Mariyappa (Dead) by its Legal Heirs & others Vs. Siddappa and another reported in 2004 (3) CTC 671, wherein the Court had held,

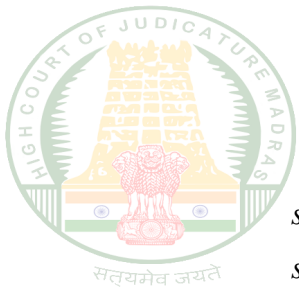
2. In our view, the High Court has rightly not accepted all the other objections which had been filed by the Appellants. However, one objection needed serious consideration was that before selling property, the Executing Court had not considered whether sale of only a part of the property would be sufficient to meet the decretal debt of approximately Rs. 8000. The property sold is one acre of agricultural land. It appears to have been sold off for a paltry sum of Rs. 1,500 plus a prior mortgage debt of Rs. 7,000. We had called for the proceedings of Executing Court and have gone through the same. We find that, at no stage, the Executing Court considered whether a sale of only a part of the property would be sufficient to meet the decretal debt.

3. In the case of Desh Bandhu Gupta v. N.L.Anand and Rajender Singh, it has been held by this Court as follows:- "14. Proviso to Sub-rule (4) of Rule 17 of Order 21 provides the procedure to receive the application for execution of the decree. In the case of a decree for payment of money, the value of the property attached shall, as nearly as may be, correspondent with the amount due under the decree. Rule 64 of Order 21 charges the Executing Court that it may order attaching of any property to the extent that "such portion thereof as may be seen necessary to satisfy the decree would be sold". It is also enjoined under Sub-rule (2)(a) of Rule 66 of Order 21 that where a part of the property



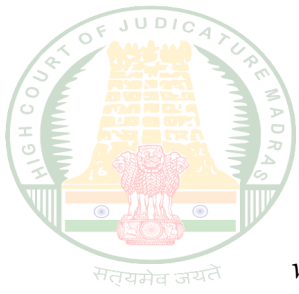
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would be sufficient to satisfy the decree the same be sold by public auction. Form 27 of appendix E of the schedule also directs the court auctioneer to sell so much of the said property as shall realise the sum in the said decree and costs. The Code, therefore, has taken special care charging the duty on the Executing Court and it has a salutary duty and a legislative mandate to apply its mind before setting the terms of proclamation and satisfy that if part of such property as seems necessary to satisfy the decree should be sold if the sale proceeds or portion thereof is sufficient to payment to the decree-holder or the person entitled under the decree to receive the amount and so much of that property alone should be ordered to be sold in execution. In *Ambati Narasayya v. M.Subba Rao and another*, this Court held that it is the duty cast upon the court under Order 21 Rule 64 to sell only such property or a portion thereof as may be necessary to satisfy the decree. It is a mandate of the legislature which cannot be ignored. Therein for execution of a decree of a sum of Rs. 2,000 and costs, the appellant's 10 acres land was brought to sale which was purchased for a sum of Rs. 17,000 subject to discharge of a prior mortgage of Rs. 2,000. This Court held that without the court's examining whether a portion of the property could be sold, the sale held was not in conformity with the requirement of Order 21 Rule 64 and it was held to be illegal and without jurisdiction. The sale was set aside and the court was directed to put the judgment-debtor in possession of the land and to refund the same amount to the auction-purchaser. Further direction was given to execute the decree in accordance with law. In *Mangal Prasad v. Krishna Kumar Maheshwari* a shop was sold to realise a decree debt of about Rs. 29,000 and the sale price at the auction was Rs. One lakh and odd. This Court finding that it is excessive execution, set aside the sale and directed return of the same amount to the auction-purchaser with interest @ 12%. In *Takkaseela Pedda Subba Reddi v Pujari Padmavathamma*, to recover the decree debt in two decrees, the properties situated in two different villages were brought to sale. In the first instance the property in 'D' village fetched a sum of Rs. 16,880, which was



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sufficient to satisfy the decretal amount. The property in 'G' village was also sold which fetched a sum of Rs. 12,000. This Court set aside the sale of 'G' village. Admittedly the side in sale is to the extent of 550 sq. yards, situated in a commercial area around which the petroleum installations are established. Though, as contended by Shri Madhava Reddy, that there may be building regulation for division of the property into portions, but the court made no attempt to sell a portion of the property, may be 100 yards or 150 yards out of it, or whether undivided portion thereof would have satisfied the decree debt. It could be legitimately concluded that the court did not apply its mind at all to this aspect as well. 17. Under Section 47 all questions relating to execution, discharge or satisfaction of the decree should be determined by the Executing Court alone. The pre-sale illegalities committed in the execution are amendable to the remedy under Section 47. Post-sale illegalities or irregularities causing substantial injury to the judgment-debtor are covered under Order 21, Rule 90. Sub-rule (1) thereof covers the field of material irregularities or fraud in publicity or conducting the sale. Sub-rule (2) enjoins proof thereof and the court should find that by reason thereof the applicant sustained substantial injury. The total absence of drawing up of the proclamation of sale and settlement of its term by judicial application of mind renders the sale a nullity being void, it is covered by Section 47. The non-application of mind whether sale of a part of the property would satisfy the decree debt is a material irregularity doing substantial injury to the appellant attracting Order 21, Rule 90. In either case the sale is a liable to be set aside. It is true that there is distinction between mere irregularity and material irregularities and the sale is not liable to be set aside on proof of mere irregularity. It must be material irregularity and the court must be satisfied that on account thereof substantial injury was sustained by the appellant. The sale of 550 sq. yards for recovery of a paltry sum of Rs. 7,780.83, without selling a portion thereof, cause substantial injury to the appellant."



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4. Not only are we bound by this Judgment but we are in full agreement with the principle laid down therein. As the Executing Court has not observed its statutory duty, the sale will have to be and is hereby set aside. The purchaser shall be returned his monies and the property be handed back to the Appellants. We clarify that it will be open for the Judgment Debtor to seek execution of his decree in accordance with law.”

The Learned Counsel also relied on the judgments rendered in S.S.Dayananda Vs. K.S.Nagesh Rao and others reported in (1997) 4 SCC 451, Ambati Narasayya Vs. M.Subba Rao and another (1989) Supp (2) SCC 693, T.Govindarajan and others Vs. T. Soundarajan reported in (2007) 2 MLJ 901.

22. Under Order 21 Rules 64, 66 and 90 a statutory and mandatory duty is cast upon the Executing Court which ought to consider whether the sale of the entire property is necessary for satisfying the decree amount. If a portion of the property is sold and the same would satisfy the decree then the Executing Court ought to sell the portion of the property alone and not the entire property. In the present case the Executing Court had not even undertaken such exercise and unfortunately no such attempt was made by the Court. Rather the Court accuses the defendant and had held that the defendant ought to show that the property is divisible and no evidence was adduced by the defendant to show that the property is divisible.

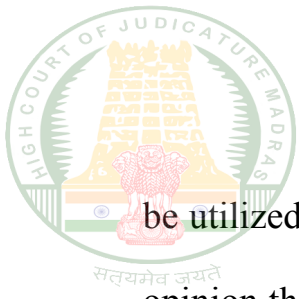


The relevant portion of the judgment is extracted hereunder:

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*“26. On of the contention of the judgment debtor is that extent 0.38 cents of property need not be brought for sale and only a portion of the property ought to have been brought for sale. **For which it is the contention of the respondents that the entire of 0.38 cents of the property is impartible and it cannot be divided into several parts. Hence it is the duty of the petitioners to show that the property is divisible. But no evidence was adduced by the petitioner to show that the property is divisible. Hence this point is answered accordingly.**”*

The said reasoning of the EP Court shows scant respect for Civil Procedure Code. It is not the duty of the defendant (petitioner in EA) to show the property is divisible but it is the duty of the EP Court to ascertain whether portion is sufficient and whether the property is divisible. The Order 21 Rule 64 is not just a discretionary power but an obligation imposed on the Court. It is a duty cast upon the Court to sell only such property or portion thereof as is necessary to satisfy the decree. This is a mandate of the legislature which cannot be ignored. In the present case, the Court had blindfolded sold the entire property. It is pertinent to record that repeatedly the Hon’ble Supreme Court and High Courts have deprecated this tendency / practice of the Execution Courts. If not divisible then the EP Court at least should call upon the defendant to furnish details if there are any other properties available for sale. The Learned Counsel appearing for the defendant had submitted that the property is divisible and the portion marked as “car shed” is a portion of the property which can

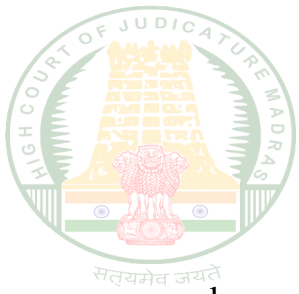


be utilized for selling to satisfy the decree. Therefore, this Court is of the considered opinion that the sale of the entire property has caused serious injury to the defendant besides being against the mandatory provisions and hence the sale is liable to be set aside.

23. Interestingly the subsequent purchaser P.Robert Raj had filed counter in the E.A.No.41/2018, wherein it is contended that the defendant had no right to say that the portion of the property ought to be sold, the relevant portion is culled out hereunder:

*“13.The averments sub para I to VII of the para 14 are denied, as stated supra the auction has been conducted in accordance with the guidance value and the petitioner (means defendant) is entitled only for the recovery of the remaining amount after deducting the EP amount, which has been deposited by the respondent/auction purchaser and the petitioner (defendant) **has no right at all to say the portion of the property only ought to have been brought for sale and there is no irregularity of sale conducted by this Honourable Court**”*

This counter filed by the auction purchaser is totally against the provisions of the Civil Procedure Code and also against several judgments passed by Hon'ble Supreme Court and High Courts. Further this would indicate the auction purchaser was bent upon purchasing the property.



24. Infact this Court is of the considered opinion that the auction purchaser Robert Raj had “an eye on the property”, hence he had exercised undue influence to grab the property. This is evident from the fact that the auction purchaser is one of the decree holders in another suit in O.S.No.21 of 2010 on the file of the District Court, Kanyakumari and had filed E.P.No.90 of 2010, thereby seeking to take the amount of Rs.2,50,00,000/- from the sale amount of Rs.4,50,10,000/-. Even though the Learned Counsel appearing for the auction purchaser tried to convince this Court by stating that the said suit in O.S.No.21 of 2010 was filed by Robert Raj’s father. But this Court is of the considered opinion that the said contention is not convincing because of several other actions and attitude of the auction purchaser. As rightly pointed out by the defendant the sale of entire property itself was conducted only to favour the present auction purchaser and to favour the father of the auction purchaser who is the decree holder in another suit in O.S.No.21 of 2010 and the father & the son was well aware of the entire transaction and the fact that the properties are under attachment under TNPID Act. Infact the subsequent purchaser had shown some hastiness in purchasing the property. And also demolished the building without obtaining clearance to demolition and without obtaining patta and the period for revision was not over. It is pertinent to state that the building was strong and there is no necessity to demolish the building at all. Further the auction



purchaser had demolished the huge construction without getting clearance from the Competent Authority who is having possession of the property under G.O.Ms.No. 872. It is pertinent to state that the auction purchaser had stated in the counter that it is not necessary to implead the Competent Authority under TNPID Act and the Inspector of Police EOW. Further the subsequent purchaser the denied the G.O.Ms.No.872 and also denied the property was vested with DRO. The auction purchaser had raised such plea so that the property can be easily usurped. But when the Government had attached the impugned property under statutory provisions, the above contention in the counter again shows the attitude of the auction purchaser to usurp the property. Infact this Court is at loss to see such counters. The attitude of the auction purchaser would clearly indicate that the auction purchaser has an eye on the property and is bend upon to grab the property at lesser price. Therefore, this Court is of the considered opinion that the EP Court failed in its statutory and mandatory duty, the hastiness in selling the property had created some cloud on the transaction and also had caused severe / serious injury to the defendant, hence the impugned sale is liable to be set aside. Also based on the provisions of Order 21 Rules 64, 66 and 90 and by following the judgements of Hon'ble Supreme Court rendered in Balakrishnan Vs. Malaiyandi Konar and S. Mariyappa Vs. Siddappa (stated supra) this Court is of the considered opinion that the impugned sale had caused serious



injury to the defendant / judgment debtor and hence the sale is liable to be set aside and accordingly set aside.

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25. The defendant had contended that in the sale proclamation, the attachment made to the EP schedule property was not mentioned at all. Infact the defendant had brought to the knowledge of the Court that the Government had issued G.O.Ms.No.872 dated 12.11.2012. Further stated that the said G.O. was registered before the Registration Department and the said G.O. would reflect in the Encumbrance Certificate thereby it is evident there is subsisting encumbrance on the property. On perusal of the sale proclamation, it is seen that the attachment made by the Government in G.O.Ms.No.872 was not even mentioned. Under Order 21 Rule 66, the EP Court is bound to state the encumbrances in the sale proclamation, hence this Court is of the considered opinion that the EP Court failed to follow the said provisions, thereby made the CPC a mockery.

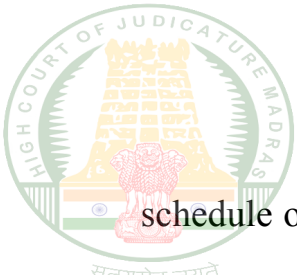
26. The next contention of the defendant that the EP Court had no jurisdiction since the properties were attached under G.O.Ms.No.872. But the auction purchaser had contended that the properties of Late.Kanagaraj was attached in the said G.O. but the EP property is in the name of V.S.Rethinakumari, hence it is not



correct to say the EP property belongs to the said Late.Kanagaraj, hence the said G.O.Ms.No.872 is not binding the Court. After considering the rival submissions this Court is of the considered opinion that the auction purchaser has not perused the documents at all, especially the sale deed dated 22.12.2000 executed in favour of Late.Kanagaraj. On perusing the said sale deed, it is seen that the property stands in the name of the Late.Kanagaraj, in such circumstances the contention of the auction purchaser is false. It is pertinent to state that the plaintiff himself had produced the said sale deed executed in favour of Late.Kanagaraj, which has been marked as Ex.A5 in the suit and not by the defendant. On perusing the said sale deed it is seen that the sale deed executed by one Moni Mathew son of Mathew Abraham in favour of S.Kanagaraj son of Selvamani. When the plaintiff's document in Ex.A5 clearly states that the EP property stands in the name of the Late.Kanagaraj, then the contention of the auction purchaser that the EP property stands in the name of V.S.Rethinakumari is incorrect and false. Further it is the consistent stand of the defendant / revision petitioner that the EP property belongs to their sons which they received it through the settlement deed dated 13.10.2009 executed by V.S.Rethinakumari as power agent of Late.Kanagaraj. Even in the execution petition the said plea was raised by the defendant that the EP schedule property belongs to sons and also pleaded that her sons ought to be impleaded as parties, hence the suit



and EP is bad for non-joinder of necessary parties. But the said plea was not considered at all by the Courts. It is so unfortunate to see that the EP Court had accepted the contention of the auction purchaser that the property stands in the name of V.S.Rethinakumari. The EP Court without verifying the documents, wherein the documents clearly reveals that the property belongs to the said five sons as per settlement deed had blindly accepted the contention of the auction purchaser. Be that as it may, the fact remains that the property belongs to the Late.Kanagaraj through sale deed. Further it is seen that the Late Kanagaraj had executed a power of attorney deed dated 08.10.2009 in favour of his wife V.S.Rethinakumari and she in turn had executed a settlement deed dated 13.10.2009 in favour of their five sons. In the said settlement deed it is stated that the EP schedule property was purchased in the name of Late.Kanagaraj through the income earned by both Late.Kanagaraj and V.S.Rethinakumari, thereafter based on the power of attorney the property was given to V.S.Rethinakumari, who in turn had executed the settlement deed dated 13.10.2009 in favour of her sons. Though the said V.S.Rethinakumari claimed she has right over a portion of the property, but as per sale deed the property belongs to her husband Kanagaraj, who in turn had settled in the name of their five sons through the power of attorney, therefore she is not having any right over the property at all. Hence, as on the date of filing of the suit in O.S.No.106 of 2011 and until now the

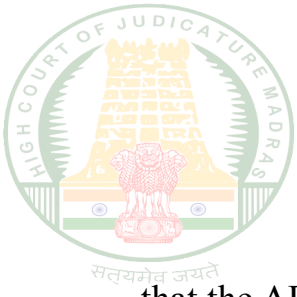


schedule of property stands in the name of the said five sons. Now based on the said G.O.Ms.No.872 it is attached and possession is with Competent Authority under TNPID Act. When the property stands in the name of the five sons of the defendant, then they are necessary parties in the suit and not impleading them in the suit is bad in law, the decree was obtained behind the back of the said five sons, hence the decree ought to be termed as illegal. Further when the property was attached, then the authorities under TNPID Act are also necessary parties and non-joinder is bad and the judgment and decree is totally illegal. That is why this Court initially observed right from the beginning the case was mishandled by the parties and Courts.

27. At this juncture, the Learned Counsel appearing for the auction purchaser alleged motive behind the settlement and submitted the said settlement was not bonafide. The said contention cannot be accepted for the reason the said Kanagaraj died on 20.12.2009 and two months prior to his death he has executed power of attorney on 13.10.2009. But the First FIR was registered on 27.04.2011 which is after one and half years. Therefore, there cannot be any motive behind the settlement of the property in favour of defendant's sons.



28. The Learned Counsel appearing for the auction purchaser submitted that “Attachment Before Judgment” order dated 05.08.2011 was passed against the EP property in I.A.No.301 of 2011 and the defendant had not vacated the interim order. This Court is of the considered opinion that when the defendant had already disclosed that the five sons are the real owners as per settlement deed, then the plaintiff ought to have impleaded the said five persons, who in turn would have filed the petition to vacate “attachment before judgment” order. At the cost of repetition, when the plaintiff himself had produced the said sale deed executed in favour of Late.Kanagaraj, which has been marked as Ex.A5 in the suit, wherein it is stated that the sale deed executed by one Moni Mathew son of Mathew Abraham in favour of S.Kanagaraj son of Selvamani, then the contention of the auction purchaser that the EP property stands in the name of V.S.Rethinakumari is incorrect and false. In such circumstances, the auction purchaser cannot raise a plea that the defendant had failed to vacate the interim order of injunction and order of attachment before judgment. Infact the said order of injunction and attachment before judgment is liable to be set aside, since the order was passed behind the back of the real owners. When third party rights are involved, then the said order of attachment is illegal order. Therefore, the contention of the auction purchaser cannot be entertained.

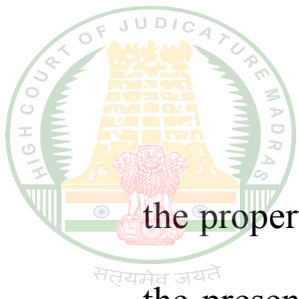


29. The Learned Counsel appearing for the auction purchaser submitted that the ABJ was granted before the attachment under TNPID Act and the ABJ would prevail over the attachment. This contention cannot be accepted since the ABJ is only an interim order. But the attachment under TNPID Act is statutory attachment under Special Act and the said attachment would prevail over the ABJ attachment.

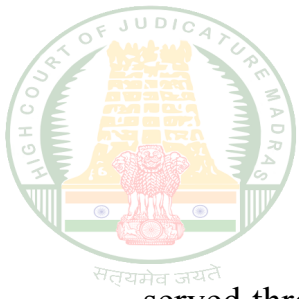
30. The next contention of the defendant is that the property would fetch Rs.32 crores and the distress sale (forced sale) would be Rs.28 crores and had submitted the valuation report of a private valuer. Further stated that the Competent Authority had also issued paper publication for public auction wherein the market value of the property along with the building and trees was quoted as Rs. 19,53,61,737/-, but the property was sold to Rs.4,50,10,000/-. The said contention was opposed by the Learned Counsel appearing for the auction purchaser and submitted that the guideline value for the property is only Rs.4.50 crores only, even in the same paper publication the guideline value is quoted as Rs.4,43,73,912/- only and the auction purchaser had paid seven lakhs more for the said property, hence the sale value of the property is correct, the same cannot be interfered with. After hearing the rival submission, the crucial question that arises is whether the upset price ought to be fixed based on guideline value or based on market value. In the present case, it



is an admitted fact that the sale was by fixing guideline value. The concept of sale of property by fixing market value to satisfy the decree needs serious and strict guidelines. If any person intends to sell the property, he would sell the same for market value only and not guideline value. It is an open secret the guideline value is lesser than the market value. At times the market value is four or five times more than the guideline value. Hence, the Courts are expected to sell the property as if the owner is selling the property and the Courts are expected to take all parameters to sell the property for market value only and not guideline value. Infact the valuation report should indicate both guideline value and market value and also, the report should indicate the distressed sale value (forced sale value) in market value of the property. If any property is not sold for market value, then the debtor would be seriously prejudiced and injured. Already the debtor would be in distress based on the decree, if the property is not sold for market value, then the Court would be inflicting the distress further, which would be against the rule of law. The Courts cannot do any forced distress sale of the judgement debtor's property that too by fixing guideline value. Infact by forced distress sale through guideline value the purchaser of property would be put in more advantageous position, which is the creation by wrong approach of the concerned authorities and Courts. Further if the property is not fetching proper value, then the Courts have right and duty to divide



the property and sell a portion of the property to satisfy the decree. As held supra, in the present case the Court had not even thought to divide and sell a portion of the property, rather accepted the contention of the auction purchaser the property is indivisible and further held it is the duty of the defendant to show the property is divisible. The relevant portion is already extracted in previous paragraph of this judgment. The EP Court had forgotten that it is duty cast on the Court to ascertain the property is divisible or not. Therefore, the reasoning of the EP Court that the defendant had not submitted any evidence to show that the property is divisible is erroneous and totally non-application of mind. When the Court failed to exercise the option to sell the portion of the property, substantial injury is caused to the defendant / judgement debtor as held in the judgment rendered by the Hon'ble Supreme Court in *Desh Bandhu Gupta Vs. N.L.Anand & Rajinder Singh* reported in (1994) 1 SCC 131, wherein it is held in paragraph 17 of the said judgment that the non-application of the mind whether sale of a part of the property would satisfy the decree debt is a material irregularity doing substantial injury to the appellant attracting Order 21 Rule 90. Further in the present already the auction purchaser had exhibited his attitude to grab the property and hence in such circumstances, in the present case the only conclusion would be the Court had facilitated the auction purchaser to grab the property and the auction purchaser was bent upon to grab the property by any means.



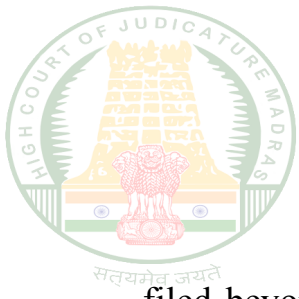
31. In the impugned order the EP Court had held that the notice was served through substituted service, since notice could not be served to the defendant through normal service of notice. The contention of the defendant is that notice was not served to the defendant, since the defendant was at Trivandrum at the care of church. It is an admitted fact that the judgment debtor was not served any notice, in such circumstances an opportunity ought to be granted to the defendant. Further when notice is not served and when the defendant had not appeared before the Court, then Court has duty to protect the judgment debtor. In such situation the Court ought to apply its mind by putting itself in the position of the of the judgment debtor. In the present case the Court had simply held the judgment debtor failed to appear, failed to submit documents, failed to prove etc. On perusing the impugned order passed by the Court, there is iota of evidence that the Court had applied its mind, acted prudently in fixing the value, exercised its duty to ascertain a portion is sufficient to sell the property. There is total failure on the part of the EP Court and the CPC is given a go by which is unfortunate. Therefore, this Court is of the considered opinion the issue of notice cannot be a reason to grant substantial justice to the defendant.

32. The next contention of the defendant is that the EP Court had failed to consider the pending proceeding of TNPID case before the Special Court. The EP



Court disbelieved the defendant regarding the pendency of the case in TNPID Court.

It is seen that the Police EOW, DRO had filed E.A.No.42 of 2018 and had filed the G.O.Ms.No.872 and also encumbrance certificate to prove that proceedings are pending before the special court. When the Competent Authority and Police, EOW had preferred E.A.No.42 of 2018, atleast after this application the EP Court ought to have accepted the pendency of case before TNPID Court. But the EP Court had held that the parties had not produced any proof that the proceedings are pending before the Special Court and further held that the authorities in E.A.No.42 of 2018 had produced only G.O. and not the filed any proof to show the pendency of the case before the Special Court. This Court is of the considered opinion that if G.O.Ms.No. 872 is produced and the same is sufficient for the Civil Court to take its hands off from the case and transfer the same to the Special Court. Hence, it is disgusting to see that the Court alleges the defendant and the Authorities that they had not produced no proof. On its own the Court had power to ascertain the pendency of the case before the Special Court, but had failed to ascertain to do so. Therefore, this Court is of the considered opinion that the impugned orders passed by the EP Court had rendered totally injustice in the present case.



33. It is seen the EP Court had rendered a finding that the petition is filed beyond 30 days before the Special Court. But this Court is of the considered opinion that the delay in filing petition before the Special Court cannot be a ground to confirm the sale by the EP Court. Further the suit itself is without jurisdiction and hence the EP Court also has no jurisdiction. Therefore, the said plea of the auction purchaser that the petition is filed beyond 30 days cannot be entertained.

34. The next contention of the defendant is that the defendant is in financial weak position and hence the cases were not prosecuted in appropriate time. Further contended that the authorities under TNPID Act are duty bound to file petition to implead themselves in the suit and in EP Court, but failed to do so. And also contended that the authorities had only filed E.A.No.42 of 2018, again had not preferred any CRP against the said order. It is seen that the authorities in TNPID Act had failed to prosecute the case at appropriate time. Had the authorities filed the petitions in time then the complications would have been avoided. This Court can only advise the authorities to be vigilant and diligent in future.

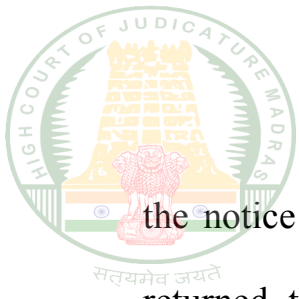
35. For reasons stated supra, this Court is of the considered opinion that in the present case substantial irregularity is committed and hence the sale is liable to



be set aside. Further when the judgment and decree passed in the suit itself is without jurisdiction, then the said judgment and decree is non est in law. Consequently, the impugned orders passed in EP proceedings are also without jurisdiction.

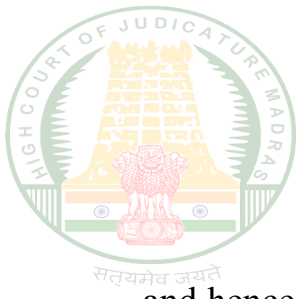
36. Therefore, this Court is of the considered opinion that the E.A.No.41 of 2018 is liable to be allowed and accordingly allowed, consequently the C.R.P. (MD)No.2518 of 2024 and C.R.P.(MD)No.1846 of 2024 are allowed. Even though the authorities had not preferred any revision petition against the order passed in E.A.No.42 of 2018, in order to avoid multiplicity of litigation and in order to do complete justice this Court is inclined to set aside the order passed in E.A.No.42 of 2018.

37. The C.M.A.(MD)No.1349 of 2024 is filed against the order, dated 08.07.2021 passed in E.A.No.40 of 2018. The said E.A.No.40 of 2018 was filed under Order 21 Rule 106 read with section 151 of CPC to set aside the exparte order dated 28.04.2016 passed in E.P.No.4 of 2016 in O.S.No.106 of 2011. The contention of the defendant V.S.Rethinakumari is that she could not attend the proceedings since she was in Trivandrum under the care of Church and hence notice was not served to her in the Trivandrum address. But the contention of the plaintiff S.R.Ratheesh is that



the notice was send to the address that was given in the suit, when the same was returned, the plaintiff had taken steps to issue substituted service in local newspaper.

Inspite of the substituted service the defendant failed to appear, hence she was set exparte. After considering the same the EP Court had held that the defendant had failed to provide the Trivandrum address to the Court which the defendant is bound to provide under Order 6 Rule 14A and hence the contention of the defendant cannot be accepted. After considering the same this Court is of the considered opinion that the defendant had explained that the defendant was under the mercy of the Church, the Church was providing food, shelter and medicine. Infact the PW 2 had deposed in favour of the applicant/defendant wherein it is stated that the defendant and her family was given shelter and the defendant had promised to pay the expenses once the cases are over and after selling the property. The EP Court had recorded the said deposition of PW2, but the EP had held the said witness is interested witness and disbelieved the same. This Court is of the considered opinion that the terms for providing food and shelter for the defendant is irrelevant but the fact remains the defendant was in Trivandrum as per the deposition of PW2. In such circumstances, the EP Court ought to consider the case of the defendant, at least ought to have allowed on any condition.



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38. The EP Court further held that the property was sold on 01.03.2028 and hence the plea of the defendant cannot be considered. But this Court had already set aside the said sale since the Civil Court has no jurisdiction. Therefore, this Court is inclined to set aside the order passed in E.A.No.40 of 2018, however on condition. The defendant is liable to pay Rs.3000/- payable to the Creche attached the High Court.

39. C.M.A.(MD)NO.1413 OF 2024 AND C.M.A.(MD)NO.1414 OF 2024: The C.M.A.(MD)No.1413 of 2024 was filed against the order, dated 31.08.2021 passed in O.A.No.4 of 2015 and the said O.A.No.4 of 2015 was filed by the Competent Authority to make the attachment made in G.O.Ms.No.872 as absolute. The C.M.A.(MD)No. 1414 of 2024 was filed against the order, dated 31.08.2021 passed in I.A.No.61 of 2016 in O.A.No.4 of 2015 and the said I.A.No.61 of 2016 was filed by Tamil Nadu Mercantile Bank to declare that the Bank has first charge over the properties schedule in G.O.Ms.No.872 dated 12.11.2012 subject to prior mortgage.

40. The contention of the defendant/V.S.Rethinakumari is that the Tamilnad Mercantile Bank Ltd., is one of the creditors and they ought to be treated



on par with other chit subscribers and depositors and the Bank is entitled to get their amount under “pro rata” basis. The properties belonging to the Chit Company was sold by the Bank, when the properties are attached under TNPID Act under G.O.Ms.No.872, hence the said sale is invalid in the eye of law. However, the Learned Counsel appearing for the Bank submitted that the Bank is empowered under SARFAESI Act, 2002 to recover the debt once the account becomes NPA. And the Sarfaesi Act has overriding effect under section 35 of the Sarfaesi Act, therefore the Bank has first charge over the properties given as security under the mortgage. In the present case the mortgage was executed in the year 1994 and the cases filed against the defendant under TNPID Act was in the year 2011, hence the mortgage is prior to the cases filed against the defendant under TNPID Act and the bank has first charge over the claim under TNPID Act. In order to consider the rival pleas, the relevant provisions ought to be perused.

41. Under section 35 of Sarfaesi Act, the Act has overriding effect and the relevant provision is extracted hereunder:

“35. The provisions of this Act to override other laws.—The provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.”



Under section 14 of TNPID Act, the Act has overriding effect and the relevant provision is extracted hereunder:

“14. Act to override other laws.— Save as otherwise provided in this Act, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any custom or usage or any instrument having effect by virtue of any such law”.

From the above sections it is evident that both the provisions are pari materia and both the provision states it has overriding effect. Now the question arises which Act would override and prevail over the other.

42. This Court had perused some of the judgments relevant to the issue. While considering the constitutional validity and vires of the TNPID Act the Hon'ble Court in the case of Thiru Muruga Finance and others Vs. State of Tamil Nadu and another reported in 2000 3 LW 298 it has been held that even though the Tamil Nadu State Act trenches certain other enactments upon which the State Legislature is not competent but by taking note of the object of the Act and in view of the fact that the Legislature have obtained the consent of the President, the constitutional validity and vires of the Act was upheld.



43. Again, the vires of TNPID Act was considered by the Hon'ble Full

Bench of High Court of Madras in the batch of cases cited as Mrs.S.Bagavathy vs State Of Tamil Nadu reported in 2007-1-LW-892 wherein the Full Bench had held that the field of legislation in Tamil Nadu Act is traceable to Entries 1 to 32 of List II, besides falling under Entries 1,7 and 8 under Concurrent List, the Act does not fall within the legislative field of the Union List even though there is trenching which is only incidental and permissible under law, thereby upheld the vires of the Act.

44. Aggrieved over the judgment rendered by Full Bench, SLP was filed in the case of K.K.Baskaran Vs. State represented by its Secretary, Tamil Nadu and others reported in (2011) 3 SCC 793 (2011-4-LW-501), the Hon'ble Supreme Court held that the subject matter in TNPID Act does not fall under Entry 45 of List I. Since the financial companies are not governed by the Reserve Bank of India Act or Banking Regulation Act. Further held it operates in different field and hence the doctrine of occupied field or repugnancy has no application. The Tamil Nadu Act enacted by the State Legislature is not in pith and substance referable to the legislative heads contained in List I of the Seventh Schedule though there may be some overlapping. And also held the pith and substance of the said Act comes under the entries in List II of Seventh Schedule. The main object of the Tamil Nadu Act is



to provide effective and speedy solution from the fraudulent financial establishments which duped depositors, without dragging them in a legal battle from pillar to post.

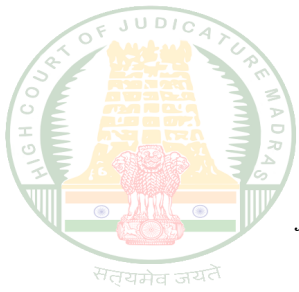
The relevant portion is extracted hereunder:

“29. Learned counsel for the appellant submitted that the subject-matter of the Tamil Nadu Act being banking, falls within the legislative competence of Parliament under Entry 45 of List I. We do not agree. Admittedly, none of the financial companies in question obtained any licence from the Reserve Bank of India. Hence they are not governed by the [Reserve Bank of India Act](#) or the [Banking Regulation Act](#). The activities of these financial companies do not, in our opinion, come within the meaning of the term 'banking' as defined in the [Banking Regulation Act, 1949](#) or the [Reserve Bank of India Act, 1934](#).

30. The Tamil Nadu Act was enacted to find out a solution for the problem of the depositors who were deceived on a large scale by the fraudulent activities of certain financial establishments. There was a disastrous consequence both in the economic as well as social life of such depositors who were exploited by false promise of high return of interest. These financial institutions/establishments did not come either under the Reserve Bank of India Act or the Banking Regulation act, and hence they escaped from public control.

31. By the impugned Act the State not only proposed to attach the properties of such fraudulent establishments and the mala fide transferees, but also provided for the sale of such properties and for distribution of the sale proceeds amongst the innocent depositors. Hence, in our opinion, the doctrine of occupied field or repugnancy, has no application in the present case.

32. The object of the Tamil Nadu Act was to give a speedy remedy to the innocent depositors who were vulnerable to the temptation of earning high rates of interest and were victimized by the financial establishments



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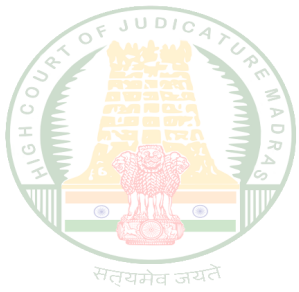
fraudulently.

33. As regards [Section 58A](#) of the Companies Act, this prescribes the conditions under which the deposits may be invited or accepted by the companies. On the other hand, the aim and object of the Tamil Nadu Act is totally different.

34. The Tamil Nadu Act was enacted to ameliorate the conditions of thousands of depositors who had fallen into the clutches of fraudulent financial establishments who had raised hopes of high rate of interest and thus duped the depositors. Thus the Tamil Nadu Act is not focused on the transaction of banking or the acceptance of deposit, but is focused on remedying the situation of the depositors who were deceived by the fraudulent financial establishments. The impugned Tamil Nadu Act was intended to deal with neither the banks which do the business or banking and are governed by the Reserve Bank of India Act and Banking Regulation Act, nor the non-banking financial companies enacted under the [Companies Act, 1956](#).

35. The Reserve Bank of India Act, the Banking Regulation Act and the Companies Act do not occupy the field which the impugned Tamil Nadu Act occupies, though the latter may incidentally trench upon the former. The main object of the Tamil Nadu Act is to provide a solution to wipe out the tears of several lakhs of depositors to realize their dues effectively and speedily from the fraudulent financial establishments which duped them or their vendees, without dragging them in a legal battle from pillar to post. Hence, the decision of this Court in [Delhi Cloth Mills](#) (supra) has no bearing on the constitutional validity of the Tamil Nadu Act.

36. In the case of the Tamil Nadu Act, the attachment of properties is intended to provide an effective and speedy remedy to the aggrieved depositors for the realization of their dues. The offences dealt with in the impugned Act are unique and have been enacted to deal with the economic and social disorder in society, caused by the fraudulent activities of such financial establishments.



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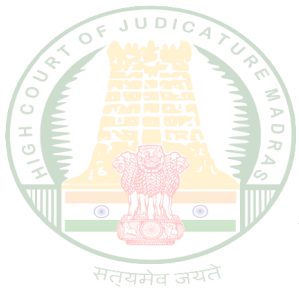


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37. Under Section 3 & 4 of the Tamil Nadu Act, certain properties can be attached, and there is also provision for interim orders for attachment after which a post decisional hearing is provided for. In our opinion this is valid in view of the prevailing realities.

38. The Court should interpret the constitutional provisions against the social setting of the country and not in the abstract. The Court must take into consideration the economic realities and aspirations of the people and must further the social interest which is the purpose of legislation, as held by Justices Holmes, Brandeis and Frankfurter of the U.S. Supreme Court in a series of decisions. Hence the Courts cannot function in a vacuum. It is for this reason that Courts presume in favour of constitutionality of the statute because there is always a presumption that the legislature understands and correctly appreciates the needs of its own people, vide [Govt. of Andhra Pradesh vs. P. Laxmi Devi](#) (2008) 4 SCC 720.

39. We fail to see how there is any violation of [Article 14, 19\(1\)\(g\)](#) or 21 of the Constitution. The Act is a salutary measure to remedy a great social evil. A systematic conspiracy was effected by certain fraudulent financial establishments which not only committed fraud on the depositor, but also siphoned off or diverted the depositor's funds mala fide. We are of the opinion that the act of the financiers in exploiting the depositors is a notorious abuse of faith of the depositors who innocently deposited their money with the former for higher rate of interest. These depositors were often given a small pass book as a token of acknowledgment of their deposit, which they considered as a passport of their children for higher education or wedding of their daughters or as a policy of medical insurance in the case of most of the aged depositors, but in reality in all cases it was an unsecured promise executed on a waste paper. The senior citizens above 80 years, senior citizens between 60 and 80 years, widows, handicapped, driven out by wards, retired government servants and pensioners, and persons living below the poverty line constituted the bulk of the depositors. Without the aid of the impugned



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Act, it would have been impossible to recover their deposits and interest thereon.

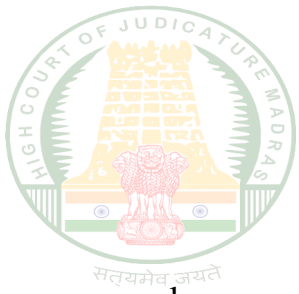
40. The conventional legal proceedings incurring huge expenses of court fees, advocates' fees, apart from other inconveniences involved and the long delay in disposal of cases due to docket explosion in Courts, would not have made it possible for the depositors to recover their money, leave alone the interest thereon. Hence, in our opinion the impugned Act has rightly been enacted to enable the depositors to recover their money speedily by taking strong steps in this connection.

41. The State being the custodian of the welfare of the citizens as parens patriae cannot be a silent spectator without finding a solution for this malady. The financial swindlers, who are nothing but cheats and charlatans having no social responsibility, but only a lust for easy money by making false promise of attractive returns for the gullible investors, had to be dealt with strongly.

42. The small amounts collected from a substantial number of individual depositors culminated into huge amounts of money. These collections were diverted in the name of third parties and finally one day the fraudulent financiers closed their financial establishments leaving the innocent depositors in the lurch.

43. Learned counsel for the appellant submitted that the appellant was only a bona fide purchaser of some plots of land from one Arun Kumar and Smt. Sulochana, and not from any financial establishment. We are not going into this question as it can be raised in appropriate proceedings. In this case we are only concerned with the constitutional validity of the Tamil Nadu Act.

44. We are of the opinion that there is no merit in this petition. The impugned Tamil Nadu Act is constitutionally valid. In fact, it is a salutary measure which was long overdue to deal with these scamsters who have been thriving like locusts in the country.”



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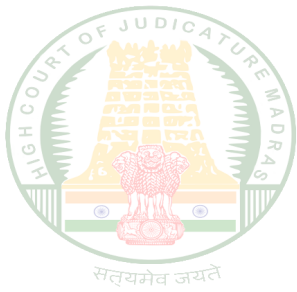
45. In the judgment rendered in the case of V.Kannan and V.Baskaran who were the Directors of M/s. New Horizon Sugar Mills Limited and also major shareholders in M/s. Pondicherry Nidhi Limited the Hon'ble Court had elaborately dealt with the issue. In the said case there were several stake holders and one such shareholder is Indian Bank and the said case is referred as Indian Bank Main Branch and others Vs. the Chief Judicial Magistrate and others reported in 2006-4-LW-535. The Hon'ble High Court had considered the issue of overriding clause of section 35 of Sarfaesi Act and held that the Sarfaesi Act would prevail over the Pondicherry Depositors Act. Consequently, the Court had lifted the attachment order passed by the government under the Pondicherry Depositors Act in so far as the properties attached under Sarfaesi Act. But had upheld the attachment order passed by the government under the Pondicherry Depositors Act as far as the other properties which are not attached under Sarfaesi Act. However, it is seen that the Hon'ble Court had considered the section 35 and held that Sarfaesi Act has overriding effect. But the Court had not considered section 14 of Pondicherry Depositors Act which also has overriding effect, rather the Court not even referred section 14 of Pondicherry Depositors Act. It is pertinent to state the provisions of Pondicherry Depositors Act, the Tamil Nadu Depositors Act and the Maharashtra Depositors Act are pari materia. When the section 14 of TNPID Act also states, that the TNPID Act would prevail



over any other Acts then the question would be whether Sarfaesi Act would prevail over TNPID Act or vice versa. But the aforesaid judgement had not answered the said issue.

46. It is seen the said company M/s. New Horizon Sugar Mills Ltd. had preferred writ appeals and the same was dismissed, thereafter had preferred SLP in M/s. New Horizon Sugar Mills Ltd. Vs. State of Pondicherry reported in (2012) 10 SCC 575, the Hon'ble Supreme Court had considered the issues raised by the both the parties. The Hon'ble Supreme after considering the Statement of Objects and Reasons stated in the TNPID Act had held in order to safeguard the interests of the common citizens against exploitation by unscrupulous financial establishment mushrooming all over the country the said three Acts namely the Pondicherry Depositors Act, Tamil Nadu Depositors Act and the Maharashtra Depositors Act were enacted by the State Legislatures. Further held that the field of legislation is open for both Central and State and is saved by Article 254(2). The relevant portion of the judgment is extracted hereunder:

“36. From the case made out on behalf of the Appellant Mill and the submissions in support thereof, what emerges for decision is whether the subject matter covered by the [Pondicherry Act](#) is relatable to Entries 43, 44, 45 and 97 of the Union List or to Entries 1, 30 and 32 of the State List. Coupled with the aforesaid question is the other question as to



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whether the decision of this Court in *K.K. Baskaran's case (supra)*, upholding the validity of the Tamil Nadu Act, would also be applicable for determining the validity of the [Pondicherry Act](#), having particular regard to Mr. Ganguli's submissions that there were major differences in the two enactments.

37. As far as the first question is concerned, on a scrutiny of the Seventh Schedule to the Constitution, it will be seen that Entries 43, 44 and 45 of List I of the Seventh Schedule to the Constitution deal with the following matters, namely,

“43. Incorporation, regulation and winding up of trading Corporations, including banking, insurance and financial corporations, but not including Co-operative Societies.

44. Incorporation, regulation and winding up of corporations, whether trading or not, with objects not confined to one State, but not including universities.

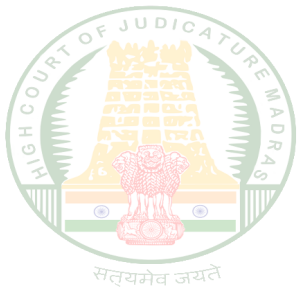
45. Banking.”

38. In other words, each of the above-mentioned Entries deal with matters relating to trading corporations, which include banking, insurance and financial corporations, whereas Entries 1, 30 and 32 of List II deal with the following :-

“1. Public order (but not including [the use of any naval, military or air force or any other armed force or the Union or of any other force subject to the control of the Union or of any contingent or unit thereof] in aid of the civil power).

30. Money-lending and money-lenders; relief of agricultural indebtedness.

32. Incorporation, regulation and winding up of corporations, other than those specified in List I, and



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universities; unincorporated trading, literary, scientific, religious and other societies and associations; co-operative societies.”

39. The Entries relating to the State List [referred to above](#), and in particular Entry 30, appear to be a more appropriate source of legislative authority of the State Assembly for enacting laws in furtherance of such Entry. The power to enact the Pondicherry Act, the Tamil Nadu Act and the Maharashtra Act is relatable to Entries 1, 30 and 32 of the State List, which involves the business of unincorporated trading and money-lending which falls within the ambit of Entries 1, 30 and 32 of the State List.

40. In addition to the above, it has also to be noticed that the objects for which the Tamil Nadu Act, the Maharashtra Act and the Pondicherry Act were enacted, are identical, namely, to protect the interests of small depositors from fraud perpetrated on unsuspecting investors, who entrusted their life savings to unscrupulous and fraudulent persons and who ultimately betrayed their trust.

41. However, coming back to the constitutional conundrum that has been presented on account of the two views expressed by the Madras High Court and the Bombay High Court, it has to be considered as to which of the two views would be more consistent with the constitutional provisions. The task has been simplified to some extent by the fact that subsequently the decision of the Bombay High Court declaring the [Maharashtra Act](#) to be ultra vires, has been set aside by this Court, so that there is now a parity between the judgments relating to the Maharashtra Act and the Tamil Nadu Act.

42. The three enactments referred to hereinabove, were framed by the respective legislatures to safeguard the interests of the common citizens against exploitation by unscrupulous financial establishments mushrooming all over the country. That is, in fact, the main object indicated in the Statement of Objects and Reasons of the three different



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enactments.

43. Even if it is to be accepted that the [Pondicherry Act](#) is relatable to Entries 43, 44 and 45 of List I, it can be equally said that the said enactment is also relatable to Entries 1, 30 and 32 of List II, thereby leaving the field of legislation open, both to the Central Legislature as well as the State Legislature. In such a situation, unless there is anything repugnant in the State Act in relation to the Central Act, the provisions of the State Act will have primacy in determining the lis in the present case. Apart from the above, the provisions of the [Pondicherry Act](#) are also saved by virtue of [Article 254\(2\)](#) of the Constitution. For a proper understanding of the legal position, the provisions of [Article 254](#) are extracted hereinbelow :-

254. (1) If any provision of a law made by the Legislature of a State is repugnant to any provision of a law made by Parliament which Parliament is competent to enact, or to any provision of an existing law with respect to one of the matters enumerated in the Concurrent List, then, subject to the provisions of clause (2), the law made by Parliament, whether passed before or after the law made by the Legislature of such State, or, as the case may be, the existing law, shall prevail and the law made by the Legislature of the State shall, to the extent of the repugnancy, be void.

(2) Where a law made by the Legislature of a State with respect to one of the matters enumerated in the Concurrent List contains any provision repugnant to the provisions of an earlier law made by Parliament or an existing law with respect to that matter, then, the law so made by the Legislature of such State shall, if it has been reserved for the consideration of the President and has



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received his assent, prevail in that State:

Provided that nothing in this clause shall prevent Parliament from enacting at any time any law with respect to the same matter including a law adding to, amending, varying or repealing the law so made by the Legislature of the State.

44. As will be evident from the above, clause (1) of [Article 254](#) provides that when there are two laws enacted by the Parliament and the State Legislature in which certain inconsistencies occur, then subject to the provisions of clause (2), the law made by the Parliament would prevail and the law made by the State Legislature to the extent it is repugnant to the Central law, shall be void. Clause (2), however, also provides that in a given situation where a law of a State is in conflict with the law made by Parliament, the law so made by the State Legislature shall, if it has received the assent of the President, prevail in that State. In the instant case, the [Pondicherry Act](#) had received the assent of the President attracting the provisions of [Article 254\(2\)](#) of the Constitution.

45. At this stage, it may also be worthwhile to consider Mr. Venkataramani's submissions that the power to enact the [Pondicherry Act](#) could be traced to Entries 1, 8, 13 and 21 of the Concurrent List. Entry 1 of List III deals with criminal law, including all matters included in the [Indian Penal Code](#) at the commencement of this Constitution, but excluding offences against laws with respect to any of the matters specified in List I or List II and excluding the use of naval, military or air forces or any other armed forces of the Union in aid of the civil power. Entry 8 deals with actionable wrongs. Entry 13 deals with civil procedure while Entry 21 deals with Commercial and Industrial monopolies, combines and trusts. Such submission has been advanced by Mr. Venkataramani in view of the provisions of [Section 58A](#), [58AA](#) and [58AAA](#) of the Companies Act, 1956, which all deal with deposits invited and accepted by Companies. The said submission is,



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however, subject to the condition that the provisions of the [Companies Act](#) are also attracted to the provisions of the [Pondicherry Act](#). Although, it has been argued by Mr. Ganguli that the provisions of the [Companies Act](#) would not be attracted, we cannot overlook the amendment to the definition of “financial establishment” included in the Tamil Nadu Act and as defined in the [Pondicherry Act](#). The definition of the expression “financial establishment” in [Section 2\(d\)](#) of the Pondicherry Act, which has been extracted in paragraph 14 hereinbefore, includes any person or group of individuals or a firm carrying on business of accepting deposits under any scheme or arrangement or in any other manner, but does not include a Corporation or a cooperative society owned or controlled by either the Central Government or the State Government or a banking company as defined under [Section 5](#) of the Banking Regulation Act, 1949. In our view, the expression “any person” is wide enough to cover both a natural person as also a juristic person, which would also include a Company incorporated under the [Companies Act, 1956](#). In that view of the matter, the definition in [Section 2\(d\)](#) of the Pondicherry Act would also include a Company such as the Appellant Mill, which accepts deposits from investors, not as shareholders of such Company, but merely as investors for the purpose of making profit. In this regard, reference may also be made to [Section 11](#) of the Indian Penal Code which defines a “person” to include a Company or Association or body of persons, whether incorporated or not. Accordingly, we are inclined to accept Mr. Venkataramani’s submissions that the expression “person” in the [Pondicherry Act](#) includes both incorporated as well as unincorporated companies.

46. The decision in K.K. Baskaran’s case (supra) so far as it relates to protection of interests of depositors, cannot be ignored. In our view the decision rendered by the Madras High Court in K.K. Baskaran’s case (supra) would be equally applicable to the facts of this case. We have to



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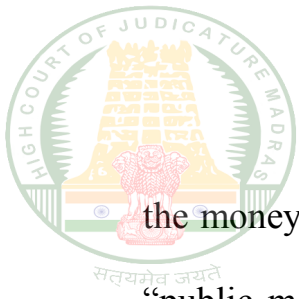
bear in mind that the validity of the Tamil Nadu Act and the Maharashtra Act have been upheld by the Madras High Court and this Court. The objects of the Tamil Nadu Act, the Maharashtra Act and the Pondicherry Act being the same and/or similar in nature, and since the validity of the Tamil Nadu Act and the Maharashtra Act have been upheld, the decision of the Madras High Court in upholding the validity of the [Pondicherry Act](#) must also be affirmed. We have to keep in mind the beneficial nature of the three legislations which is to protect the interests of small depositors, who invest their life's earnings and savings in schemes for making profit floated by unscrupulous individuals and companies, both incorporated and unincorporated. More often than not, the investors end up losing their entire deposits. We cannot help but observe that in the instant case although an attempt has been made on behalf of the Appellant to state that it was not the Appellant Company which had accepted the deposits, but M/s PNL Nidhi Ltd., which had changed its name five times, such an argument is one of desperation and cannot prima facie be accepted. This appears to be one of such cases where funds have been collected from the gullible public to invest in projects other than those indicated by the front company. It is in fact the specific case of the Respondents that the funds collected by way of deposits were diverted to create the assets of the Appellant Mill.

47. In such circumstances, we are not inclined to accept the submissions made by Mr. Ganguli, since in our view there is little difference between the provisions of the Tamil Nadu Act and the Pondicherry Act, which is to protect the interests of depositors who stand to lose their investments on account of the diversion of the funds collected by M/s PNL Nidhi Ltd. for the benefit of the Appellant Mill, which is privately owned by Shri V. Kannan and Shri V. Baskaran, who are also Directors of M/s PNL Nidhi Ltd.



In the above judgment the Hon'ble Supreme Court had held that Entries 43, 44 and 45 of List I may also be relatable Entries 1, 30, 32 of the List II, hence the field of legislation is open for Central Legislature as well as the State Legislature. In such a situation, unless there is anything repugnant in the State Act in relation to the Central Act, the provisions of the State Act will have primacy in determining the lis. It is pertinent to state that the TNPID Act had received the assent of the President on the 7th August 1997. It is seen that Sarfaesi Act was enacted in the 2002, in such circumstances the Sarfaesi Act being enacted subsequently would prevail. But the pendulum has shifted to State Act, when the president had again granted assent to the TNPID Act on 28.09.2003. Therefore, as per Article 254(2) of Constitution and read with the judgment rendered in M/s. New Horizon Sugar Mills Ltd. Vs. State of Pondicherry reported in (2012) 10 SCC 575, the TNPID Act which is a State Act ought to prevail.

47. From the above judgments and the discussions it is evident that the Sarfaesi Act deals with the banking, winding up of the defaulting company which subject comes under the Union List I. The TNPID Act deals with money lending and money lenders, public order, winding up of such companies. Both the Act deals with the public money, both deals with default in repayment of loan / default in repayment



the money to the chit subscribers. When the object of both the Acts is to protect the “public money”, if both Acts are balanced, there cannot be any repugnancy in the State Act against the Central Act. Moreover, the State Act was enacted to curb the largescale fraudulent activities which has impact in the economic and social life of innocent depositors who were exploited by the fraudulent institutions. These financial institutions/establishments did not come either under the Reserve Bank of India Act or the Banking Regulation act, and hence they escaped from public control. In such back drop, the issue of “first charge” ought to be considered. If the section 35 of Sarfaesi Act is invoked then the bank would have first charge. If the section 14 of TNPID Act is invoked then the government would get first charge under G.O.Ms.No. 872. The answer to the above issue whether the Banks ought to get first charge under Sarfaesi Act or the Competent Authority ought to get first charge under TNPID Act, then based on the principles of harmonious construction this Court is of the considered opinion that both section 35 and section 14 ought to be kept on par and both have equal claim. Further based on the principle of purposive interpretation of both the Acts, then the claim ought to be settled on the “priority” basis. Then priority to the principal amount ought to be given. As far as interest and other charges are concerned, it is pertinent to state herein that the banks are selling the rights to recover the debt to private agencies, wherein the expenses to recover are exorbitantly



high. Further the accounts are becoming NPA long back and the banks are imposing interest and penal interest until the entire amount is recovered. Even if the property is sold until the buyer is settling the entire amount, interest and penal interest is imposed on the debtor. For these reasons, the interest, penal interest, expenses and other charges imposed by the banks shall be separated from principal amount and thereafter the priority shall be given to principal amount first. Therefore, this Court is of the considered opinion that based on the priority basis the banks under Sarfaesi Act and the subscribers under TNPID Act ought to get their amount as under:

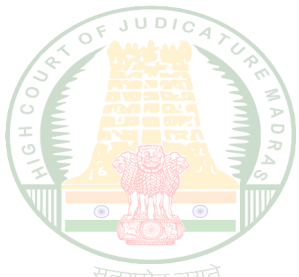
i. Firstly, if sufficient amount is available, the entire principal amount alone (which is without interest, penal interest, expenses and all other charges) ought to be distributed to both the banks and the chit subscribers.

ii. If less amount is available, then the principal amount ought to be disbursed in pro rata basis to both the banks and the chit subscribers.

iii. Thereafter, if the amount available, then the interest, penal interest, expenses and charges ought to be disbursed

iv. If available amount is less, then the said interest, penal interest, expenses ought to be disbursed in pro rata basis.

If the above method is adopted, then all stake holders' claim can be equitably distributed. Otherwise, one stake holder alone would take away the entire available amount and others would never get any pie.



48. In the present case the Chit Company belonging to the defendant V.S.Rethinakumari is liable to settle chit amount to more than 4000 subscribers and depositors. If the entire amount / property is settled to the Bank, then the said 4000 subscribers and depositors would not get any amount. If the above equitable distribution is adopted then the claim of the banks, chit subscribers could be equitably disbursed and there would be a win-win situation for all the stake holders. Therefore, this Court is of the considered opinion that in the present the aforesaid equitable distribution ought to be followed based on the available funds.

49. The next contention of the defendant is that the defendant was arrested and released on bail, then the chit company was locked, there are no transactions in the chit company. Hence the defendant has no financial support for her livelihood and no financial support to file cases and to prefer appeals. Infact for her own livelihood along with the five sons she had dependent on Church. Further submitted under Section 10 of TNPID Act, the owner of the property ought to be protected even though the properties were attached. The relevant portion of the section is extracted hereunder:

10. The Special Court may, on the application of ally person interested in Administration any property attached under this Act, and after giving the Competent authority of property an opportunity of being heard, make such



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orders as the Special Court considers just and reasonable for-

(a) providing from such of the property attached as the applicant claims an interest in such sums as may be reasonably necessary for the maintenance of the applicant and of his family, and for expenses connected with the defense of the applicant where criminal proceedings have been instituted against him in the Special Court under section 5;

(b) safeguarding so far as may be practicable the interest of any business affected by the attachment and particular in the interest of any partners in such business.

It is seen from the records in the year 2009, when the husband of the defendant died, the sons were aged 19, 18, 16, 15, 13 respectively. And at the time of arrest of the defendant, filing the suit and interim order, it is seen the sons were aged as 21 to 15 respectively. Therefore, the plea of the defendant that she was dependent for her livelihood and financial support on the husband is acceptable. And under section 10 the defendant is entitled to some amount for maintenance of her family and for legal expenses.

50. The further contention of the defendant is that the annual income of the properties attached by the Government is Rs.9,80,300/- as on 21.11.2011 as fixed by the Commissioner. Hence, income from November 2011 i.e. for 13 years the income from the properties is roughly Rs.1 crore. But the competent authority had failed to collect the same. And also submitted that the chit company is having deposit

71/100



in Indian Overseas Bank, Kottar, Nagercoil and there is no liability to the Indian Overseas Bank. The said contention is admitted by the Indian Overseas Bank, wherein the bank has submitted a statement wherein it is stated that M/s.Palliyadi Retna Chit Fund has account with them and there are no loan accounts available with them. And furnished the details of the fixed deposits and the same is started hereunder:

S. No.	Account Number	Amount outstanding INR
1	Current Account- 086402000000655	36,77,889.33
2	Deposit-086404000004263	1,71,845.00
3	Deposit-086404411400003	1,50,000.00
4	Deposit-086404411400011	1,50,000.00
5	Deposit-086404411400012	1,50,000.00
6	Deposit-086404000003420-*	26,19,289.00
7	Deposit-086404000004229	24,03,476.00
8	Deposit-086404411400001	30,00,000.00
9	Deposit-086404411400002	15,00,000.00
10	Deposit-086404411400016	15,00,000.00
11	Deposit-086404411500013	15,00,000.00
12	Deposit-086404411500015	25,00,000.00
13	Deposit-086404411500016	15,00,000.00
14.	Deposit-086404510900518**	27,36,951.00
15	Deposit-086404510800384***	48,57,090.00
Total		2,84,16,540.33

*-There is minor discrepancy in the account number. The Bank had furnished a statement of accounts before this Court wherein the account number is stated as 086404000003420. Whereas under Right to Information Act the bank has furnished the account number as 086404000003429. The last digit is wrongly mentioned, but the amount of deposited stated in the both the statement is same i.e. Rs.26,19,289.00.



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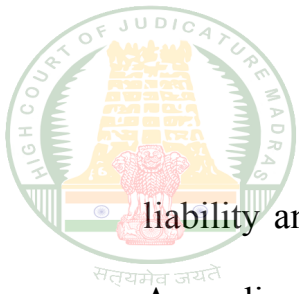
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******-This amount is in the name of Deputy Registrar of Chits,
Kanyakumari at Nagercoil

*******-This amount is in the name of Deputy Registrar of Chits,
Kanyakumari

Since the Chit Company ought to be wound up, the aforesaid amount before the Deputy Registrar can be withdrawn and the same ought to be utilized for settling the chit subscribers. If the above amount (approximately 1,00,00,000 + 2,84,16,540.33= 3,84,16,540/- three crores eighty four lakhs sixteen thousand five hundred and forty) is utilized then one of the cases in Crime No.2 of 2015 can be settled, wherein the defendant is liable to pay Rs.91,23,133/- for 26 depositors. Apart from the above deposit the Tamilnad Mercantile Bank. Palliyady Branch is also having a deposit to the tune of Rs.20,00,000/- which is valid until 25.09.2025, but the interest accruing from the said deposit is credited to the loan account of the Company, hence the interest to the said amount is “NIL”.

51. The next contention of the defendant is that if the properties are sold for market value, the same would fetch in crores, hence the defendant prayed to direct the concerned authorities to sell the property by fixing the market value and not the guideline value. The defendant further submitted that if the properties are sold through open market for market value, then the entire liability to bank and chit subscribers could be settled and the defendant would be exonerated from the criminal



liability and the defendant and her family would be relieved from the entire debts.

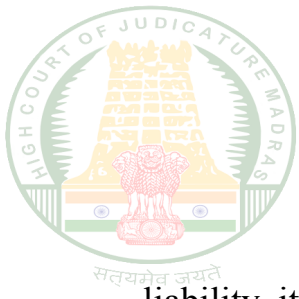
According to the defendant the total liability is only Rs.7,98,36,859/- (seven crores ninety eight lakhs thirty six thousand eight hundred and fifty nine only) and the present disputed property would fetch approximately Rs.32,00,00,000/- (thirty two crores) and the entire liability of the defendant could be settled. But if the property is sold for lesser value based on guideline value, then the defendant could not settle the entire liability and her family would be fastened with criminal liability in the TNPID cases. At this juncture, the Learned Counsel appearing for the auction purchaser submitted that the market value even as per paper publication issued by the Competent Authority (District Revenue Officer) is Rs.19,54,00,000/-. After hearing the rival submissions this Court is of the considered opinion that the Private Valuer had submitted a report stating that the property's market value as Rs.32 crores and the distressed sale value as Rs.28 crores. In the 2018 the Registration Department had fixed the market value as Rs.20 crores. But the property was sold to the auction purchaser for Rs.4.50 crores. Therefore, this Court is of the considered opinion that as on date the market value of the property would be approximately more than 32 crores. Therefore, the market value alone ought to be fixed as upset price for selling the property. If there is no buyer for the entire 38 cents for such huge amount, then the 38 cents shall be divided into smaller plots, thereafter the smaller plots shall be



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sold to different buyers. In order to sell the property with due diligence, this Court is appointing a retired Additional District Judge namely Ms.A.Devaki, as Judge Commissioner, who shall take all necessary steps to sell the property for market value alone and also shall exercise due diligence while selling the property. The Commissioner is entitled to remuneration of Rs.25,000/- per month.

52. It is seen that the Tamilnad Mercantile Bank had sold some of the properties and the sale proceeds were adjusted towards its loan. This Court had held that the properties ought to be sold only through public auction by fixing market value as upset price. If the Bank had sold the property by fixing guideline value as upset price, then the same is liable to be set aside. Therefore, the Judge Commissioner is directed to verify and scrutinize the said sales and submit a separate report on the same. The Bank is directed to submit the relevant records to the Judge Commissioner and also directed to cooperate with the Judge Commissioner. Further the Bank is entitled to pro rata disbursement, therefore the bank ought to submit statement of accounts indicating details of principal amount, interest, penal interest, charges, expenses and claim on any other heads before this Court.



53. Even though the defendant claims that only Rs.7 crores is the liability, it is seen the liability is more which is evident from the four criminal cases which are filed against the defendant and her five children and the claim of the subscribers stated in the complaints are also stated in the cases and they are tabulated as under:

S. No.	Crime Nos.	Amount and number of depositors
1	Crime No.1 of 2014	Rs.20,01,32,978/- for 1729 depositors
2	Crime No.2 of 2014	Rs.91,23,133/- for 26 depositors
3	Crime No.3 of 2014	Rs.11,96,71,654/- for 1138 depositors
4	Crime No.4 of 2014	Rs.8,25,83,161/- for 996 depositors
Total		41,15,10,926/- for 3889 depositors

Apart from the aforesaid claim, the Tamilnad Mercantile Bank loan ought to be settled. Further there are several civil cases, wherein several persons had filed civil suits. The Learned Counsel appearing for the defendant submitted that subscribers / depositors had filed several suits for the same chit transaction as if it is loan transaction. Some of the suits were decreed and in some cases execution petitions are pending. And the list of such cases pending before various Courts was furnished and the same is tabulated below:

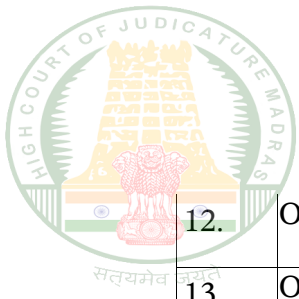


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LIST OF CASES RELATING TO RETNA CHIT FUNDS (P) LTD, NAGARCOIL.
DISTRICT COURT, KANYAKUMARI DISTRICT AT NAGERCOIL.

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Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.21/10 E.P.No.90/10	S.Ponnaian -do-	V.S.Retnakumari	Rs.1,40,66,300/-	
2.	O.S.No.33/10	I.Subhahar	V.S.Retnakumari -do-	Rs.11,00,000/-	
3.	E.P.No.9/12 A.R.C.No.19/11	Viaguia muthu	-do-	Rs.17,13,406/-	
4.	A.S.No.140/ 19HC D.C.O.S.No.20/ 14	Mohana Dhas	-do-	Rs.19,57,150/-	
5.	O.S.No.21/11	Azhagam Perumal Pillai	V.S.Retnakumari And 5 others	Rs.40,00,000/-	
6.	O.S.No.77/11	S.Vinija Selvi	Palliyady Retna Chit Funds (P) Ltd., and V.S.Retnakumari	Rs.16,32,750/-	
7.	O.S.No.106/11	S.R.Ratheesh	V.S.Retnakumari	Rs.17,50,000/-	
8.	O.S.No.109/11	John Manoharan	V.S.Retnakumari	Rs.15,90,000/-	
9.	O.S.No.117/11	Johnsly Moses	Palliyady Retna Chit Funds (P) Ltd., and V.S.Retnakumari	Rs.20,08,539/-	
10.	O.S.No.119/11	P.Edison	V.S.Retnakumari	Rs.26,25,000/-	
11.	O.S.No.120/11	Thulasimani Marban	Palliyady Retna Chit Funds (P) Ltd., and V.S.Retnakumari And 5 others.	Rs.14,34,298/-	

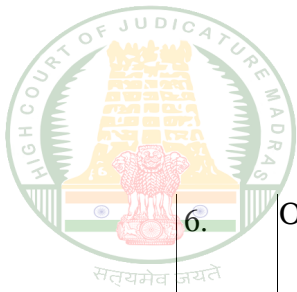


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12.	O.S.No.140/11	S.Sathasivam	V.S.Retnakumari and 5 others.	Rs.60,00,000/-	
13.	O.S.No.52/12	Dr.M.George	Palliyady Retna Chit Funds (P) Ltd., rep. By V.S.Retnakumari D2 and others.	Rs.27,80,250/-	
14.	O.S.No.118/12	T.S.Hepsy Suguna	V.S.Retnakumari	Rs.17,09,780/-	
15.	O.S.No.139/12	S.Sathasivan	V.S.Retnakumari	Rs.14,83,125/-	
16.	O.S.No.20/14	Mohandass	V.S.Retnakumari	Rs.19,57,150/-	
17.	A.S.No.10/11	A.J.Dibiah	V.S.Retnakumari	Rs.3,15,000/-	
			TOTAL	Rs.4,81,22,748/-	

PRINCIPAL SUBORDINATE COURT AT NAGERCOIL

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.79/11	Amala Jessi	Palliyadis Retna Chit Fund and 6 others	Rs.8,50,000/-	
2.	O.S.No.85/11	M.David	V.S.Retnakumari -do-Palliyadis Retna Chit Fund and and another	Rs.3,37,500/-	
3.	O.S.No.122/11	G.Johnsly Moses	Palliyadis Retna Chit Fund and and another	Rs.1,03,697/-	
4.	O.S.No.134/11	K.Sasi	V.S.Retnakumari	Rs.3,04,100/-	
5.	O.S.No.155/11	R.Thampis Jeyakumar	Retna Chit Fund rep by V.S.Retnakumari	Rs.2,34,750/-	

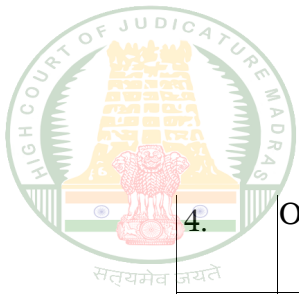


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6.	O.S.No.44/12	G.K.Anumol and another	Palliyadis Retna Chit Fund rep by V.S.Retnakumari	Rs.3,00,000/-	
7.	O.S.No.241/12	Sathyasbhamas Devi and 5 others	V.S.Retnakumari and 5 others	Rs.16,75,000/-	
				Rs.1,07,922/-	
				Rs.36,179/-	
				Rs.2,79,350/-	
				Rs.2,92,450/-	
				Rs.7,82,625/-	
8.	E.P.No.78/13 O.S.No.70/11	John ManoharanDr. M.Thiravium Mohan	Palliyadis Retna Chit Fund rep by V.S.Retnakumari	Rs.5,77,300/-	
			TOTAL	Rs.58,80,873/-	

I ADDITIONAL SUBORDINATE JUDGE AT NAGERCOIL

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.86/11	T.Selvaseelan	Retna Chit Fund rep by V.S.Retnakumari and 5 others	Rs.3,05,625/-	
2.	O.S.No.83/11	Thampi Jeyakumar	Retna Chit Fund rep by V.S.Retnakumari and 5 others	Rs.7,82,899/-	
3.	O.S.No.93/11	D.Jerome Xavier	Palliyadi Retna Chit Fund and 6 others	Rs.2,92,000/-	

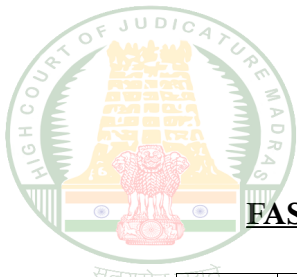


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4.	O.S.No.96/11	Soosai Mariya	Palliyadi Retna Chit Fund and 6 others	Rs.3,50,000/-	
5.	O.S.No.114/11	K.Parthasarathy	V.S.Retnakumari	Rs.3,80,200/-	
6.	O.S.No.120/11	S.Jaffar	V.S.Retnakumari	Rs.9,50,000/-	
7.	O.S.No.135/11	K.Raveendran	V.S.Retnakumari	Rs.2,29,900/-	
8.	E.P.No.121/12 ARC.No.3/12	John Justus	Retna Chit Fund rep by V.S.Retnakumari	Rs.5,42,790/-	
			TOTAL	Rs.38,33,414/-	

II ADDITIONAL SUBORDINATE JUDGE AT NAGERCOIL

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.130/11	R.Ravindran	V.S.Retnakumari	Rs.1,31,860/-	
2.	O.S.No.133/11	Rajini M.Linus by Power holder A.Leesnose	V.S.Retnakumari	Rs.5,00,000/-	
3.	O.S.No.91/12	Radhika Sundar	V.S.Retnakumari	Rs.1,06,400/-	
			TOTAL	Rs.7,38,260/-	



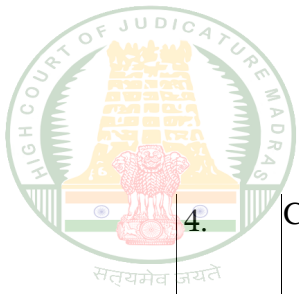
C.R.P.(MD)Nos.2518 of 2024 and its batch

FAST TRACK JUDICIAL MAGISTRATE NO.1. COURT AT NAGAERCOIL.

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.697/12	Soleman Yesuraj	V.S.Retnakumari	Rs.1,75,000/-	
2.	O.S.No.766/12	Mohandhas	V.S.Retnakumari	Rs.12,00,000/-	
3.	O.S.No.1196/12	Maru Vimla	V.S.Retnakumari M.D.Palliyadi Retna Chit Fund (P) Ltd.,	Rs.1,54,000/-	
			TOTAL	Rs.15,29,000/-	

FAST TRACK JUDICIAL MAGISTRATE NO.II, COURT AT NAGERCOIL

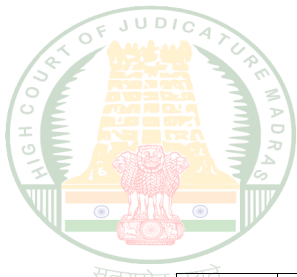
Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	C.C.No.312/12	Vinita Rayan @ Vinitha Ananath	V.S.Retnakumari	Rs.1,69,900/-	
2.	C.C.No.375/12	S.Ravikumar	V.S.Retnakumari	Rs.4,48,500 /-	
3.	C.C.No.583/12	D.Harikrishnas Perumal	V.S.Retnakumari	Rs.95,000/-	



C.R.P.(MD)Nos.2518 of 2024 and its batch

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4.	C.C.No.584/12	T.Seetharaman	V.S.Retnakumari M.D.Palliyady Retna Chit Funds (P) Ltd.,	Rs.4,12,500/-	
5.	C.C.No.585/12	S.Maria Micheal	V.S.Retnakumari And 5 others	Rs.87,500/-	
6.	C.C.No.586/12	Paneer Selvam	V.S.Retnakumari	Rs.9,37,500/-	
7.	C.C.No.587/12	V.Francis Chandran	V.S.Retnakumari	Rs.4,68,750/-	
8.	C.C.No.588/12	Y.Kanagaraj	V.S.Retnakumari	Rs.1,70,120/-	
9.	C.C.No.589/12	Thulasismani Marbhan	V.S.Retnakumari	Rs.14,09,000/-	
10.	CC.No.590/12 C.A.No.14/2014	Jegan Raj Kumar	V.S.Retnakumari	Rs.1,90,000/-	
11.	C.C.No.591/12 Crl.M.P.No.4154 CA.No.68/2013	S.Sree Ram	V.S.Retnakumari	Rs.4,62,813/-	
12.	C.C.No.592/12	Dr.Pravin Thomas	V.S.Retnakumari	Rs.5,74,500/-	
13.	C.C.No.593/12	R.Ahila	V.S.Retnakumari	Rs.96,330/-	
14.	C.C.No.594/12	M.K.Rajan	V.S.Retnakumari	Rs.4,75,000/-	
15.	C.C.No.595/12	G.Ramesh	V.S.Retnakumari	Rs.8,50,500/-	
16.	C.C.No.596/12	Mohandhas	V.S.Retnakumari	Rs.38,000/-	
17.	C.C.No.597/12	S.Arumugam	V.S.Retnakumari	Rs.7,25,000/-	
18.	C.C.No.598/12 C.A.No.30/14	Kahieel Raghuman	V.S.Retnakumari	Rs.79,960/-	
19.	C.C.No.599/12	Jebamanidhan	V.S.Retnakumari	Rs.20,00,000/-	
20.	C.C.No.601/12	Mary Glory Bal	V.S.Retnakumari	Rs.3,80,000/-	
21.	C.C.No.615/12	P.M.Shahjahan	V.S.Retnakumari	Rs.4,75,000/-	
22.	C.C.No.178/13	Mohandhas	V.S.Retnakumari	Rs.12,00,000/-	
			TOTAL	Rs.1,17,45,873	



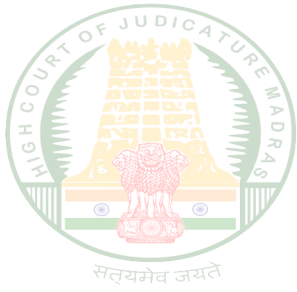
C.R.P.(MD)Nos.2518 of 2024 and its batch

SUBORDINATE JUDGE AT PADMANABHAPURAM

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.132/11	John Manoharan	V.S.Retnakumari	Rs.2,62,500/-	
2.	O.S.No.133/11	John Manoharan	V.S.Retnakumari	Rs.2,65,500/-	
3.	O.S.No.134/11	John Manoharan	V.S.Retnakumari	Rs.7,42,000/-	
4.	O.S.No.1/12	Malar Robin and another	V.S.Retnakumari	Rs.4,29,200/-	
5.	O.S.No.167/12	Manikandan	V.S.Retnakumari	Rs.1,08,055/-	
6.	O.S.No.309/12	A.Jebamani	V.S.Retnakumari	Rs.2,06,500/-	
7.	O.S.No.51/13	Mohamed Yosuf	V.S.Retnakumari	Rs.3,29,752/-	
8.	O.S.No.72/13	Sam Selvaraj	V.S.Retnakumari	Rs.6,60,500/-	
			TOTAL	Rs.30,04,007/-	

I ADDITIONAL DISTRICT MUNSIF COURT AT NAGERCOIL

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.424/11	P.Belin Daniel Raj	Retna Chit Fund rep by V.S.Retnakumari	Rs.47,000/-	
2.	O.S.No.1196/12	Maru Vimla	V.S.Retnakumari M.D.Palliyadi Retna Chit Fund (P) Ltd.,	Rs.23,479/-	
			TOTAL	Rs.70,479/-	



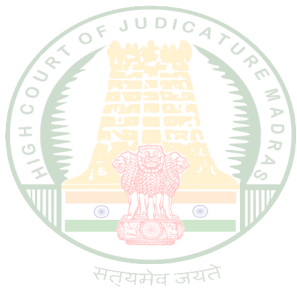
C.R.P.(MD)Nos.2518 of 2024 and its batch

PRINCIPAL DISTRICT MUNSIF COURT AT NAGERCOIL

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.325/11	R.Sarojini	V.S.Retnakumari	Rs.94,000/-	
			TOTAL	Rs.94,000/-	

JUDICIAL MAGISTRATE COURT No.1 AT KUZHITHURAI

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.272/12	Jerin S.Raj	V.S.Retnakumari	Rs.3,80,000/-	
			TOTAL	Rs.3,80,000/-	



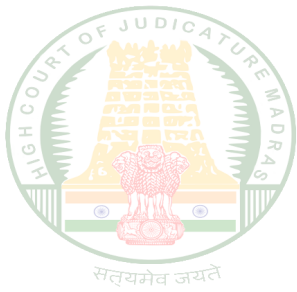
C.R.P.(MD)Nos.2518 of 2024 and its batch

JUDICIAL MAGISTRATE COURT AT PADMANABHAPURAM

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.3294/12	P.Robinson	Retna Chit Fund and V.S.Retnakumari	Rs.4,22,750/-	
			TOTAL	Rs.4,22,750/-	

COURT OF SUBORDINATE JUDGE AT KUZHITHURAI

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.96/11	Akasamani	V.S.Retnakumari	Rs.5,99,400/-	
2.	O.S.No.99/11	Viswanathan	V.S.Retnakumari and another	Rs.1,45,385/-	
3.	O.S.No.105/11	Jaden Selvaraj minor rep. By Grandfather M.C.Selvaraj	V.S.Retnakumari and another	Rs.9,24,820/-	
4.	O.S.No.144/11	Jelastine Raj	V.S.Retnakumari	Rs.1,80,632/-	
5.	O.S.No.2/12	Albert Raj	V.S.Retnakumari and another	Rs.5,30,835/-	
6.	O.S.No.107/12	T.Dhas	V.S.Retnakumari	Rs.3,25,384/-	
			TOTAL	Rs.27,06,456/-	



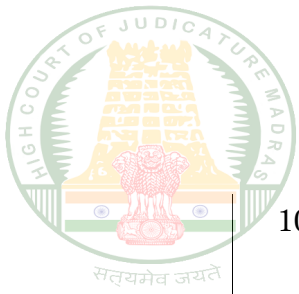
C.R.P.(MD)Nos.2518 of 2024 and its batch

PRINCIPAL DISTRICT COURT AT COIMBATORE

Sl.No.	Case No.	Name of Plaintiff/ Petitioner	Name of Defendant/ Respondent	Claim	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	O.S.No.599/10	C.Sasi	V.S.Retnakumari	Rs.13,08,999/-	
			TOTAL	Rs.13,08,999/-	

ABSTRACT

Sl.No.	COURT	TOTAL
1.	DISTRICT COURT, KANYAKUMARI DISTRICT AT NAGERCOIL	Rs.4,81,22,748/-
2.	PRINCIPAL SUBORDINATE COURT AT NAGERCOIL	Rs.58,80,873/-
3.	1 ADDITIONAL SUBORDINATE JUDGE AT NAGERCOIL	Rs.38,33,414/-
4.	II ADDITIONAL SUBORDINATE JUDGE AT NAGERCOIL	Rs.7,38,260/-
5.	FAST TRACK JUDICIAL MAGISTRATE NO.I, COURT AT NAGERCOIL	Rs.15,29,000/-
6.	FAST TRACK JUDICIAL MAGISTRATE NO.II , COURT AT NAGERCOIL	Rs.1.17,45,873/-
7.	SUBORDINATE JUDGE AT PADMANABHAPURAM	Rs.30,04,007/-
8.	I ADDITIONAL DISTRICT MUNSIFF COURT AT NAGERCOIL	Rs.70,479/-
9.	PRINCIPAL DISTRICT MUNSIFF COURT AT NAGERCOIL	Rs.94,000/-

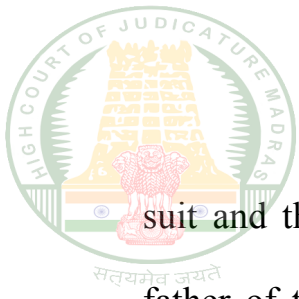


C.R.P.(MD)Nos.2518 of 2024 and its batch

10.	JUDICIAL MAGISTRATE COURT No.1 AT KUZHITHURAI	Rs.3,80,000/-
11.	JUDICIAL MAGISTRATE COURT AT PADMANABHAPURAM	Rs.4,22,750/-
12.	COURT OF SUBORDINATE JUDGE AT KUZHITHURAI	Rs.27,06,456/-
13.	PRINCIPAL DISTRICT COURT AT COIMBATORE	Rs.13,08,999 / -
	GRAND TOTAL	Rs.7,98,36,859/-

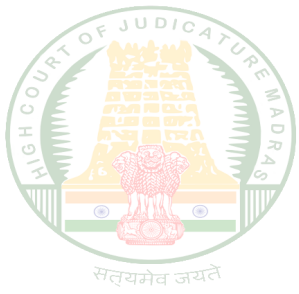
Since the cases arises based on the chit transaction the said cases ought to be heard by the TNPID Court, Madurai which has jurisdiction. Further this Court had already held if the properties are attached under TNPID Act, then the Civil Courts are not having any jurisdiction. Therefore, the claim under the above civil suits ought to be transferred to the TNPID Court and the same shall be dealt as per the directions stated below.

54. The Learned Counsel appearing for the auction purchaser submitted that the purchaser is a bonafide purchaser and the said sale may be considered. However, this Court is of the considered opinion that the Civil Court has no jurisdiction and consequently EP Court has no jurisdiction, hence the sale is invalid. Further as rightly pointed out by the Learned Counsel appearing for the defendant that the father of the auction purchaser is one of the judgment creditors in another



C.R.P.(MD)Nos.2518 of 2024 and its batch

suit and the auction purchaser is aware of the said decree. In addition to that the father of the auction purchaser had filed petition seeking to withdraw the amount deposited by the son. Therefore, this Court is of the considered opinion that there is lack of bonafideness, hence the auction purchaser cannot be termed as bonafide purchaser. However, the auction purchaser is entitled to return of amount. But it is seen that the auction purchaser had demolished the building without obtaining clearance from the Court or from the Competent Authority. Further had not obtained any patta, more crucially before expiration of the time to file revision by the defendant. According to the defendant the building is approximately valued at Rs. 55,00,000/- (fifty five lakhs). However, it is seen that Rs.19,11,431/- was deducted from the amount deposited by the auction purchaser in order to satisfy the decree passed in O.S.No.137 of 2011 on the file of the I Additional Sub Court, Nagercoil. In the said suit E.P.No.60 of 2020 and the same was allowed. Thereafter through E.A.No.6 of 2024 the amount was issued through cheque on 06.02.2024. Therefore, this Court is of the considered opinion that the said amount of Rs.19,11,431/- shall be treated as compensation for the said illegal demolition. And the balance amount shall be disbursed to the auction purchaser.



55. FOR THE REASONS STATES SUPRA THIS COURT IS

PASSING THE FOLLOWING ORDER:

i. The impugned order passed in E.A.No.41 of 2018 and E.A.No.42 of 2018 are set aside, consequently the sale effected on 05.03.2018 is set aside. And the property is restored to the possession of the Competent Authority under TNPID Act.

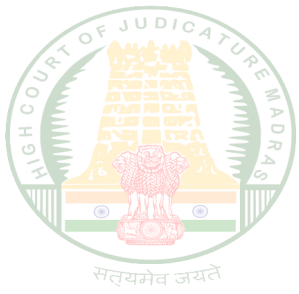
ii. The impugned order passed in E.A.No.8 of 2016 granting possession of property to the auction purchaser is set aside.

iii. The impugned order passed in E.A.No.40 of 2018 is set aside and consequently the exparte order passed in E.P.No.4 of 2016 is set aside.

iv. The order passed in O.A.No.4 of 2015 is confirmed with modification.

v. The order passed in I.A.No.61 of 2016 in O.A.No.4 of 2015 is set aside.

vi. The Judgment and Decree passed in various suits listed in the above tabulation are stayed and the concerned Courts shall not proceed further.



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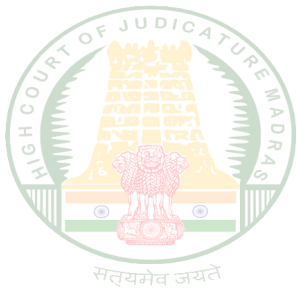
C.R.P.(MD)Nos.2518 of 2024 and its batch

vii. The claim of the said plaintiffs in various suits shall be placed before the TNPID Court, the TNPID Court shall scrutinize and verify the records of the Chit Company and ascertain whether the said transactions are chit transaction, if so, the amount payable shall be quantified as per Chit Company records and accounts books.

a. The plaintiffs in the said suits are directed to submit an application before the TNPID Court, then the TNPID Court ought to ascertain whether the transaction arises from the chit transaction. If so, the amount shall be quantified as per the statement of accounts of the chit company and the same shall be paid to the subscribers the chit company.

b. The TNPID Court shall issue notice to persons/plaintiffs who are holding such decrees.

c. The defendant V.S.Rathinakumari shall also furnish the details regarding the said cases and shall cooperate with the TNPID Court for settling the issue / issues.



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C.R.P.(MD)Nos.2518 of 2024 and its batch

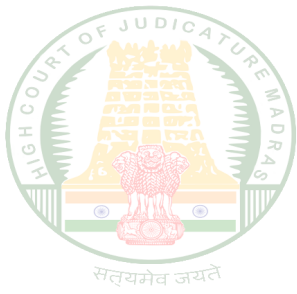
d. The chit subscribers are not entitled to any interest payment, since it is chit transactions.

viii. The Judge Commissioner shall bring the property situated in Re.Sy.No.P1/1 of Nagercoil Village for “public auction sale” by fixing the market value as upset price. If need be or if no buyer, the Judge Commissioner shall sell the property by dividing the land into smaller plots and sell the same to different buyers. The Judge Commissioner shall follow the above observations while selling the property.

ix. The Judge Commissioner is entitled to Rs.25,000/- monthly as fees.

x. The sale proceeds shall be disbursed to settle the entire liability of the defendant / revision petitioner. And the method of disbursement shall be as under:

A. Firstly, if sufficient amount is available, the entire principal amount alone (which is without interest, penal interest, expenses and all other charges) ought to be distributed to both the banks and the chit subscribers.



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C.R.P.(MD)Nos.2518 of 2024 and its batch

B. If less amount is available, then the principal amount ought to be disbursed in pro rata basis to both the banks and the chit subscribers.

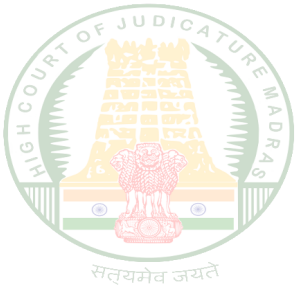
C. Thereafter, if the amount available, then the interest, penal interest, expenses and charges ought to be disbursed.

D. If available amount is less, then the said interest, penal interest, expenses ought to be disbursed in pro rata basis.

xi. The TNPID Court is directed to collect the income from the company properties as detailed supra and the same shall be utilized to settled the chit subscribers.

xii. The Judge Commissioner shall submit a report on the sale conducted by the Tamilnad Mercantile Bank before this Court.

xiii. The Tamilnad Mercantile Bank shall submit statement of accounts indicating details of principal amount, interest, penal interest, charges, expenses and claim on any other heads before this Court.



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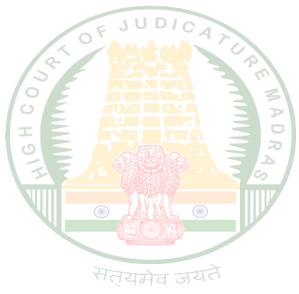
C.R.P.(MD)Nos.2518 of 2024 and its batch

xiv. The defendant is entitled to Rs.1 lakh monthly for maintenance of her family which is inclusive of legal expenses. The arrears shall be calculated from the date of arrest and the same shall be paid to the defendant.

xv. The defendant / revision petitioner is permitted to withdraw Rs.17,50,000/- from the fixed deposit kept in Indian Overseas Bank, Kottar Branch and the same shall be paid to plaintiff namely S.R.Ratheesh in order to satisfy the decree and shall file a compliance report before this Court.

xvi. The defendant / revision petition is permitted to withdraw Rs.91,23,133/- from the fixed deposit kept in Indian Overseas Bank, Kottar Branch and the said amount shall be paid to 26 depositors stated in C.C.No.2 of 2015 and on such payment the said case shall be closed before the TNPID Court. After closure the defendant shall file a compliance report before this Court.

xvii. The defendant / revision petitioner is permitted to withdraw Rs.1,65,00,000/- (Rupees One Crore Sixty Five Lakhs only) from the fixed deposit kept in Indian Overseas Bank, Kottar Branch being the arrears amount to maintain her family (inclusive



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C.R.P.(MD)Nos.2518 of 2024 and its batch

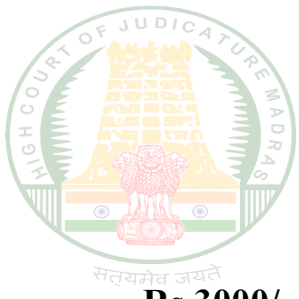
of legal expenses) which is calculated from the date of arrest i.e., May 2011 till January 2025.

xviii. The defendant / revision petitioner is permitted to utilize the balance amount in the fixed deposit to pay the fees of the Judge Commissioner. The Commissioner is entitled to remuneration of Rs.25,000/- per month.

xix. The Principal District Court, Kanniyakumari at Nagercoil is directed to return the sale consideration which is credited in E.P.No.4 of 2016 in O.S.No.106 of 2011 to the auction purchaser after deducting Rs.19,11,431/-.

56.(i) IN THE RESULT, C.R.P.(MD)No.2518 of 2024 is allowed by setting aside the impugned order dated 12.12.2023 passed in E.A.No.41 of 2018 in E.P.No.4 of 2016 in O.S.No.106 of 2011 and the impugned court auction sale held on 01.03.2018 is set aside.

56.(ii) The C.R.P.(MD)No.1846 of 2024 is allowed by setting aside the impugned order dated 06.02.2024 passed in E.A.No.8 of 2023 passed in E.P.No.4 of 2016 in O.S.No.106 of 2011 and the impugned delivery is set aside.



C.R.P.(MD)Nos.2518 of 2024 and its batch

56.(iii) The C.M.A.(MD)No.1349 of 2024 is allowed on **Cost of Rs.3000/-** by setting aside the impugned order, dated 08.07.2021 passed in E.A.No. 40 of 2018 in E.P.No.4 of 2016 in O.S.No.106 of 2011 and the exparte order dated 28.04.2016 passed in E.P.No.4 of 2016 in O.S.No.106 of 2011 is set aside. The cost is payable by the defendant/appellant V.S.Rethinakumari to the Creche attached to the High Court of Madras, Madurai Bench.

56.(iv) The C.M.A.(MD)No.1413 of 2024 is disposed of with directions and the impugned order dated 31.08.2021 passed in O.A.No.4 of 2015 thereby the attachment made in G.O.Ms.No.872 Home (Police XIX) Department dated 12.11.2012 is hereby confirmed.

56.(v) The C.M.A.(MD)No.1414 of 2024 are allowed by setting aside the impugned order, dated 31.08.2021 passed in I.A.No.61 of 2016 in O.A.No.4 of 2015 and it is held that both the Tamilnad Mercantile Bank and Government under G.O.Ms.No.872 are having first charge over the properties attached by the Bank.

57. If the entire property is sold by fixing market value, then all the claims of the chit subscribers and depositors, the claim of the Tamilnadu Mercantile



C.R.P.(MD)Nos.2518 of 2024 and its batch

Bank and the claim in the civil suits could be settled and the defendant and her family would be relieved of all debts and liabilities and there will be win-win situation to all the stakeholders. And this Court with profound hope that the settlement would be carried out smoothly is concluding the Judgment. Consequently, all the connected Civil Miscellaneous Petitions are closed.

58. The TNPID Court shall submit status report before this Court on 05.03.2025. The Judge Commissioner shall submit report regarding the sale conducted by the Tamilnadu Mercantile Bank before this Court on 05.03.2025. The Tamilnadu Mercantile Bank shall submit the statement of accounts indicating details of principal amount, interest, penal interest, charges, expenses and claim on any other heads before this Court on 05.03.2025.

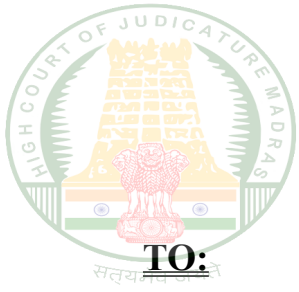
59. Post the case on 05.03.2025, 'for reporting compliance' before this Court after obtaining appropriate orders from the Hon'ble Administrative Judge.

03.02.2025

Index : Yes / No
NCC : Yes / No

KSA/TMG

96/100



C.R.P.(MD)Nos.2518 of 2024 and its batch

TO:

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1. The Principal District Court, Kanniyakumari at Nagercoil.
2. The Special Court for trial of TNPID Cases, Madurai
3. The Income Tax Officer,
Nagercoil,
Kanyakumari District.
4. The District Registrar,
Nagercoil,
Kanyakumari District.
5. The District Registrar,
Marthandam,
Kanyakumari District.
6. The District Collector,
State of Tamil Nadu,
Nagercoil.
7. The Competent Authority and District Revenue Officer,
Kanyakumari District, Nagercoil.



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8. Ms.A.Devaki, Enrollment No.593 of 1982

Advocate, High Court

Anbu Nagar, Kadachanenthal, Madurai

Mobile No.6383812492

9. The Branch Manager,

Tamilnadu Mercantile Bank,

Palliyady Branch, Palliyady.

10. The Branch Manager,

Indian Overseas Bank, Kottar,

Nagercoil – 629002.

11. The Deputy Superintendent of Police,

E.O.W.II, Nagercoil,

Kanniyakumari District.

12. The Inspector of Police,

E.O.W.II, Nagercoil,

Kanniyakumari District.

13. The Deputy Registrar of Chits, (Arbitration)

Nagercoil, Kanniyakumari District.



C.R.P.(MD)Nos.2518 of 2024 and its batch

14. The Deputy Registrar of Chits, (Arbitration),

सत्यमेव जयते Marthandam, Kanniyakumari District.

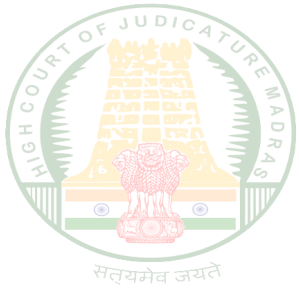
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15. The Section Officer,

VR Section,

Madurai Bench of Madras High Court,

Madurai.



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C.R.P.(MD)Nos.2518 of 2024 and its batch

S.SRIMATHY, J.

KSA/TMG

Common Order made in
C.R.P.(MD).Nos.2518,1846 of 2024
C.M.A.(MD)Nos.1349, 1413,
1414 of 2024

Dated:
03.02.2025

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