IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 03.02.2026

PRONOUNCED ON : 06.03.2026

CORAM:

THE HONOURABLE MR. JUSTICE C.V.KARTHIKEYAN
AND
THE HONOURABLE MR. JUSTICE K.KUMARESH BABU

Application No. 94 of 2024
IN
I.P.No. 25 of 2014

V.Soumini Reddy
W/o. Late Madhusudhan Reddy ... Applicant

Vs

1. The Official Assignee
High Court, Madras. ... Respondent

S.Arjunlal Sunderdas (deceased)
23, Anderson Road,
Nungambakkam, Chennai – 600 006. ... Insolvent

PRAYER: Appeal filed under Order II Rule 1 of Insolvency Rules read with Section 8 of PTI Act and Order XIV Rule 8 of the Original Side rules, to set aside order dated 14.08.2023 passed by the Official Assignee rejecting my Claim No. 201/2014-D and Consequently, admit my claim.

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For Applicant : Mr. Mukundan

For Respondent : Mr. K.V.Ananthakrushnan
Assisted by Ms.A.Janani

JUDGMENT

(Order of the Court was made by **C.V.KARTHIKEYAN, *J*.**)

The applicant V.Soumini Reddy had preferred a claim petition in the office of the Official Assignee in Claim No. 201 of 2014 for a sum of Rs.3/- crores said to have been invested by her husband V.Madhusudhan Reddy. Her husband died on 05.12.2021. She was then substituted as legal heir in the claim.

2. It was contended that her husband, V.Madhusudhan Reddy had joined with Arjunlal Sunderdas for purchase of land and development of the same at Sriperumbudur. It had been claimed that her husband had invested the said amount by two cheques, one dated 09.10.2006 for a sum of Rs. 50/- lakhs and the other dated 28.11.2006 for a sum of Rs.2.50/- crores. It had been claimed that the said cheques had been drawn on Andhra Bank, Mowbrays Road Branch, Chennai and on Andhra Bank, Esplanade Branch,

Chennai respectively. It had been contended that Arjunlal Sunderdas had acknowledged the receipt of the amount by signing on a copy of the cheques. It had been stated that though the investment was made in the year 2006 itself, no progress was made regarding the joint development. It had been further contended that Arjunlal Sunderdas was shown as a sundry debtor in the income tax returns filed by the husband of the applicant for the assessment years 2013-2014 to 2017-2018. It had been contended that since Arjunlal Sunderdas had been adjudicated as insolvent, a claim petition has been filed.

3. An Additional affidavit had also been filed stating that by order dated 14.08.2023, the Official Assignee had erroneously rejected the claim on the ground that the claim was barred by limitation. It was contended that all details relating to the transaction had been produced before the Official Assignee and if they had been considered in their proper perspective, it would reflect that they were not barred by limitation.

4. A counter affidavit had been filed by the Official Assignee wherein it had been stated that it was the case of the claimant that the amount of Rs.3.50/- crores had been invested on an oral assurance given by the insolvent for joint venture of land purchase and development at

Sriperumbudur. There was no contention that the insolvent had paid interest on the said investments keeping alive the investment. It was therefore contended that on and from three years from the date of such investment, the claim stood barred by limitation. It had also been stated that the applicant had authorised her power of attorney E.Janardhanam to appear for the enquiry. He had not given any explanation for the delay in taking steps to recover the money from the insolvent within the period of limitation. It was therefore contended that the order rejecting the claim was proper and should be upheld.

5. Heard the learned counsel for the applicant and the learned counsel for the Official Assignee. We have perused the materials available on records.

6. It is the case of the applicant that her husband V.Madhusudan Reddy had invested a sum of Rs.3.50/- crores paid by way of two separate cheques, one for a sum of Rs.50/- lakhs and the other for a sum of Rs.2.50/- crores to the Arjunlal Sunderdas, who had been subsequently adjudicated as insolvent by order dated 21.04.2014. It is the admitted claim of the applicant that the said investments were made in the year 2006 and there were no interest paid on the investments by the insolvent. There was also

no claim preferred earlier or demand made on the insolvent for the return of the said amount. There was also no judicial proceedings initiated against the insolvent within the period of limitation. The claim stood barred on and from three years from the date of investment.

7. The claim can never be revived in the year 2014. A reflection of the amount in the income tax returns would not indicate acknowledgement by the insolvent of the debtor. In these circumstances, we hold that the Official Assignee had correctly held that the claim is barred by law of limitation. We find no reason to differ from the said view taken by the Official Assignee. This Application stands dismissed. No costs.

[C.V.K., J.] **[K.B., J.]**

06.03.2026

Index: Yes/No
Internet:Yes/No
Neutral Citation: Yes/No

C.V.KARTHIKEYAN, J.
AND
K.KUMARESH BABU, J.

vsg

To:

The Official Assignee
High Court, Madras.

Pre-Delivery Order made in

Application No. 94 of 2024
IN
I.P.No. 25 of 2014

06.03.2026