

BEFORE THE COMPANY LAW BOARD
CHENNAI BENCH
AT CHENNAI

CA No.1 of 2014
IN
CA Nos. 8 & 9 OF 2002
IN
CA Nos. CSN.2-5/45QA/SRB/2001

Present: SHRI KANTHI NARAHARI, JUDICIAL MEMBER

IN THE MATTER OF THE RESERVE BANK OF INDIA ACT, 1934
SECTION 45QA (2)
AND

IN THE MATTER OF M/S CHROMPET SASWATHA NIDHI LIMITED

BETWEEN

- 1. Mrs M. Ratnakumari
 - 2. Shri M. Ramakrishna
- ... APPLICANTS

AND

- 1. M/s. Chrompet Saswatha Nidhi Ltd
 - 2. The Manager, Canara Bank
- ... RESPONDENTS

PARTIES PRESENT:

- 1. Shri. R. Prathapan, Advocate
 - 2. Shri. R. Deepan, Advocate
- ... For Applicants
... For Respondent No.1

ORDER

The present application is filed by the applicants who are aged about 65 and 70 years respectively praying this Bench to execute the order dated 21.09.2001 passed by the CLB, (SR) Chennai and directed the 1st and 2nd respondents herein

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to release and to pay the said amount of Rs.6,31,900/- along with interest to the applicants.

2. Heard the respective parties. From the pleadings and the orders passed by the CLB, Chennai and the Hon'ble High Court of Madras the following facts emerge and need to pass necessary orders. The applicants have deposited a sum of Rs.6,31,900/- in the 1st respondent's Nidhi in the year 2001 with a hope to receive interest on the said hard earned money. However the respondents failed to repay the deposit amount to the applicants even after its maturity. Failing to recover the money from the R1 Company, the applicants constrained to file the application being CSN 2-5/45QA(2)/2001 before the CLB, Chennai and the CLB by its order dated 04.04.2001 directed the company to pay the interest on deposit by 15.05.2001 and the principal amount in monthly instalment of Rs.50,000/- commencing from 30.06.2001. Thereafter the CLB by its order dated 27.09.2001 directed the company to pay the principle amount aggregating to Rs.6,31,900/- in monthly instalment of Rs.50,000/- commencing from 15.10.2001. With the said direction the application was disposed of. The company filed an appeal before the Hon'ble High Court of Madras against the orders of CLB dated 27.09.2001. The Hon'ble High Court by its orders dated 16.01.2003 directed the company to deposit a sum of Rs.6,31,900/- within eight weeks from today to the credit of the appeal before the Hon'ble High Court. Further the Hon'ble High Court directed the company to deposit the amount with Registry of High Court and the same shall be invested in any one of the National Bank failing which the stay shall stand automatically vacated. Further the Hon'ble High Court by its order dated 06.01.2003 held that the court is not willing to modify the earlier order dated 06.01.2003, if the petitioner furnishes the bank guarantee for the entire amount of Rs.6,31,900/- on or before 28.04.2003 to the satisfaction of Company Law Board, Southern Region Bench, Chennai. As per the directions of the Hon'ble High Court the company furnished the bank guarantee with the CLB and the CLB in its



order dated 26.05.2003 recorded that the company has provided a bank guarantee dated 26.04.2003 of Canara Bank in favour of the Bench Officer for the deposit amount to the tune of Rs.6,31,900/-. Further the Hon'ble High Court by its order dated 16.04.2013 made in CMA No.2392 of 2002 dismissed the civil miscellaneous appeal (filed by the respondent company) for non-prosecution. From the dismissal of the appeal filed by the respondent company the proceedings before the Hon'ble High Court comes to an end. The applicants by their letter dated 17.07.2013 addressed to the Bench Officer requested to release the amount of Rs.6,31,900/- available with the Canara Bank in view of the High Court order dated 16.04.2013 dismissing the respondents petition/appeal. The Bench Officer by his letter dated 16.08.2013 addressed to the R1 Company and Canara Bank, requesting them to furnish the details in respect of deposit. The Canara Bank who is the respondent No.2 herein by its letter dated 22.08.2013 addressed to the Bench Officer furnished the details regarding deposit number, deposit amount of Rs.6,31,900/-, maturity date of deposit i.e. 25.04.2015. The Bank further stated that the interest for the subject deposit being credited to the R1 Company on 25th of every month. From the facts it is evident that the applicants have deposited a sum of Rs.6,31,900/- with the respondent No.1 company in the year 2001 on the hope that they will get monthly interest on the said amounts. However the R1 Company despite maturity of the deposit amount did not repay to the applicants for the reasons best known to them. The applicants have knocked the door of this Bench by filing an application in the year 2001 and this Bench specifically directed the R1 Company to pay the interest and also the deposit amount in monthly instalments. In spite of the directions and affording opportunity to the company, the company failed to repay the deposit amount and the interest. The applicants are senior citizens and in their advanced age are not able to recover their deposit amounts from the R1 Company. Non-payment of deposit amount to the applicants, the respondent company is responsible for its negligence and

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Saswatha Nidhi Ltd



prevented the applicants to enjoy the interest and the principal amount which was matured on long back. The said action of the company in non-repayment of deposit amount is harsh on their part. In view of the dismissal of the petition there is no embargo upon the respondent company and the bank to repay the deposit amount to the applicants. The Canara Bank with whom the amount was deposited vide its letter dated 22.08.2013, furnished the details of the deposit number and the amount of Rs.6,31,900/- deposited by the respondent company in favour of the Bench Officer, CLB, Southern Region, Chennai establishing the fact that the amount is in the form of deposit with the Canara Bank. Accordingly, I hereby direct the Senior Manager, Canara Bank, 50, Radha Nagar, Chrompet, Chennai to pay the deposit amount of Rs.6,31,900/- to the applicants namely Mrs M. Rathnakumari and Mr M. Ramakrishna (deposit holders) forthwith after following the due procedure. The applicants are also entitled to the interest on the deposit amount and I hereby direct the R1 Company to pay the interest which was credited to the R1's account by the Canara Bank on 25th of every month as admitted by the Canara Bank in their letter dated 22.08.2013. After payment of deposit amount of Rs.6,31,900/- to the applicants the bank shall file compliance report before the Bench Officer. With the above directions, the CA No.1/2014 is allowed as prayed for. The Bench Officer is hereby directed to send copy of this order to the Senior Manager, Canara Bank, Chrompet, Chennai by speed post.

Kanthi
KANTHI NARAHARI
JUDICIAL MEMBER

DATED THIS THE 23RD DAY OF APRIL, 2015

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Certified to be True Copy

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KANTHI NARAHARI
JUDICIAL MEMBER
Chennai Bench
Dated the 24-4-2015