



**IN THE COURT OF DISTRICT JUDGE, MAYILADUTHURAI.**

Present: Dr. L.S. SATHIYAMURTHY, M.A., M.L., Ph.D.,

District Judge, Mayiladuthurai.

(J.O.Code – TN01523)

Monday, the 09<sup>th</sup> day of March 2026

**CNR. No. TNMY-0100-0941-2025**

**Ar.O.P. No. 10/2025**

Kennedy

. . . Petitioner/ Respondent

**Vs.**

Shriram Chits Tamil Nadu Private Ltd.,  
Rep. Through Mr. Rajadurai (Foreman)

. . . Respondent / Petitioner

This petition is coming up before me on 26.02.2026 for final hearing in the presence of Thiru. R. Subramanian, Advocate for the petitioner and Mr. S. Sankaranarayanan, Advocate for the Respondent upon hearing both side and considering the connected records and having stood over till this day for consideration this Court made the following

**ORDER**

This is a petition U/s. 34 of the Arbitration and Conciliation Act, 1996.

**THE FACTS WHICH ARE NECESSARY FOR THE DISPOSAL OF THIS PETITION ARE GIVEN HEREUNDER:**

2. The petitioner herein is a subscriber in a chit auction No. 20/2008. It was a 40 months installments chits scheme for a value of Rs.10,00,000/-. The petitioner failed to repay the subscribed amount and a legal action was brought before the Assistant Chit Registrar, in a case No. 90/2010. Despite of notice the petitioner did not appear before the Chit Registrar and he was set exparte and award was passed against the petitioner.

3. Now, the petitioner was come forward with this petition under section 34 of the Arbitration and Conciliation Act 1996 to set aside the award dated 13.08.2010 in case No. 90/2010.

4. This application is vehemently opposed by the respondent on the ground that this court has no power or jurisdiction to deal this case u/s. 34 of the Arbitration and Conciliation Act 1996.

5. *The point for determination is whether, an award of the Assistant Chit Registrar under the Chit Funds Act 1982, can be set aside by invoking section 34 of Arbitration and Conciliation Act 1996?*

6. Heard, the learned counsels of the petitioner/subscriber and the respondent. Perused the records.

7. It is not in dispute that by an order dated 13.08.2010 in case No. 90/2010, the Assistant Chit Registrar, Mayiladuthurai, made the petitioner herein liable to repay the amount due under the chit auction. Aggrieved the said order this petition U/s. 34 of Arbitration and Conciliation Act 1996, filed by the subscriber to set aside the arbitration order.

8. As stated supra, the petitioner herein is a subscriber of the chit for Rs.10,00,000/- for period of 40 monthly installments each at Rs.25,000/- per month his membership number was 12 in the group 84301. It is also not a fact in dispute. The only grievance of the petitioner is for the award is an ex parte order and it has to be set aside. This court carefully read the award. If an award is passed by the Assistant Chit Registrar under the Chit Funds Act 1982. The remedy of the aggrieved party is to prefer an appeal before the Registrar and no civil court shall have the

jurisdiction to entertain any proceedings in respect of any dispute between the foreman and subscriber.

9. The limitation as prescribed in section 65 of Chit Funds Act 1982 is 3 years, from the date on which the act or omission with refers to dispute arose or took place.

10. In this case on hand, the award was passed on 13.08.2010 and the appeal is preferred after 14 years on 23.04.2025. Therefore, this appeal is barred by limitation as per section 65 of the Chit Funds Act. The Hon'ble High Court, Madras in *K. Periyasamy Vs Shriram Chits Tamil Nadu (P) Ltd.*, (C.R.P. NPD No. 431/2013) dated 27.02.2013, has held that any proceedings preferred after 3 years is barred U/s. 65 of the Chit Funds Act 1982. Therefore, this dispute is absolutely barred and cannot be entertained by this court. Further, as per section 58 of said Act and appeal has to be preferred only before the appellate authority prescribed under the Chit Funds Rules 1994 and this court lacks jurisdiction to deal this appeal.

11. For the aforesaid reasons, this petition deserves dismissal.

In the result, this petition is dismissed with costs.

Dictated to the steno-typist, transcribed and typed by her in computer and corrected and pronounced by me in the open Court today this the 09<sup>th</sup> day of March 2026.

District Judge,  
Mayiladuthurai.

**ANNEXURE:**

**Witness examined on the side of the Petitioners :- NIL**

**Documents marked on the side of the Petitioners :- NIL**

**Witnesses examined on the side of the Respondents:- Nil**

**Documents marked on the side of Respondents:- Nil**

District Judge,  
Mayiladuthurai.

Order: (Fair & Draft)  
Ar.O.P. No. 10/2025  
Dated: 09.03.2026