



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30.07.2026

CORAM

THE HON'BLE MR.JUSTICE P.B. BALAJI

**CRP Nos.6429 & 6430 of 2025
& CMP.Nos.31807 & 31811 of 2025**

G.K.Seenu

..Petitioner
in both CRPs

Vs

D.Sadeesh Kumar

..Respondent
in CRP.No.6429 of 2025

1.The Deputy Superintendent of Police,
Economic Offences Wing – II,
Vellore District.

2.D.Sadeesh Kumar

..Respondents
in CRP.No.6430 of 2025

Common prayer: Civil Revision petition filed under Section 115 of CPC, to set aside the order dated 07.11.2025 in E.P.No.95 of 2014 on the file of the I Additional District and Sessions Judge, Vellore; and to set aside the order dated 07.11.2025 in E.A.No.35 of 2017 in E.P.No.95 of 2014 on the file of the I Additional District and Sessions Judge, Vellore.

For Petitioner:

Mr.M.Santhanaraman

For Respondents:

Mrs.S.Yogalakshmi

Government Counsel for R1 in

CRP.No.6430 of 2025

No appearance for the respondent in CRP.No.6429 of 2025 and R2 in CRP.No.6430 of 2025



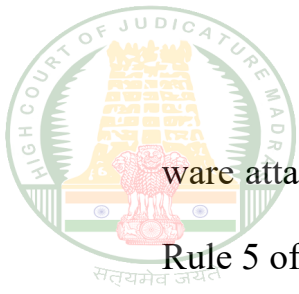
COMMON ORDER

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The successful decree holder in O.S.No.94 of 2013 is the revision petitioner. At the instance of the Deputy Superintendent of Police, Economic Offences Wing – II, Vellore District, E.A.Nos.35 & 36 of 2017 were filed seeking to raise the attachment on the schedule mentioned properties in E.P.No.95 of 2014. The said EP had been filed to execute the decree in O.S.No.94 of 13 in favour of the revision petitioner. The said execution applications came to be allowed by the Executing Court and challenging the same, the decree holder has come up by way of these present revision petitions.

2.I have heard Mr.M.Santhanaraman, learned counsel for the revision petitioner in both the revision petitions and Mrs.S.Yogalakshmi, learned Government Counsel for the official respondent in CRP.No.6430 of 2025.

3.The learned counsel for the revision petitioner, Mr.M.Santhanaraman would firstly bring to my notice the date of the decree in O.S.No.94 of 2013, namely on 19.03.2014 and the factum of execution petition having been filed on 02.06.2014 in E.P.No.95 of 2014. He would also bring to my notice that even pending suit, the properties of the judgment debtor, the defendant in the suit



ware attached by way of an order in I.A.No.155 of 2013 under Order XXXVIII Rule 5 of CPC. The Encumbrance Certificate reflects the attachment order dated

28.11.2013 as well. It is only subsequently that the suit came to be decreed on 19.03.2014 for a sum of Rs.20,75,440/-. In view of the attachment in force, the petitioner moved an execution petition, seeking for sale of the properties of the judgment debtor/defendant. Pending the execution petition, the Deputy Superintendent of Police, Economic Offences Wing – II, Vellore District, took out applications for raising the attachment and also for stay.

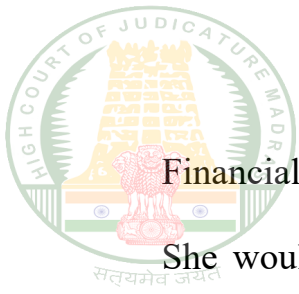
4.It is the contention of Mr.M.Santhanaraman, learned counsel for the petitioner that even the FIR came to be filed in Crime No.1 of 2014, after the order of attachment in favour of the revision petitioner in I.A.No.155 of 2013. He would further state that it is not the case of the official respondent that there has been any collusion between the petitioner and the judgment debtor/defendant. Pointing out to the provisions of the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997, learned counsel for the petitioner would state that the decree in favour of the revision petitioner would have priority, applying Section 63 of CPC. He would further state that though Section 7 of Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997 permits sale by DRO under the supervision



of the Special Court, no prejudice would be caused to the official respondents, if the sale is conducted by the competent Civil Court, where the EP has already been filed by the revision petitioner.

5.It is also the contention of Mr.M.Santhanaraman, that the market value of the properties which are already attached and now brought for sale are approximately Rs.15 crores and even in the interest of the official respondent, it is the submission of Mr.M.Santhanaraman that the sale of the properties by the competent Civil Court would be most appropriate. The learned counsel has relied on the decision of this Court in ***Shriram City Union Finance Limited Vs. Siva and another***, reported in ***2023 SCC Online Mad 1743***.

6.Per contra, Mrs.S.Yogalakshmi, learned Government Counsel for the 2nd respondent in CRP.No.6430 of 2025 would state that the Special Court has been constituted only for the purposes of protecting the interest of several depositors, whose claims are more than Rs.13 crores as on date and she would also invite my attention to the valuation of the property being only approximately Rs.2.5 crores and she would therefore state that the special enactment would prevail and the sale should be conducted only by the DRO, in terms of Section 7 of the Tamil Nadu Protection of Interests of Depositors (in



Financial Establishments) Act, 1997, under the supervision of the Special Court.

She would further state that the petitioner cannot claim any priority and will have to stand in the queue, along with all depositors.

7.I have carefully considered the submissions advanced by the learned counsel on either side.

8.It is not in dispute that even prior to the order of the registration of the FIR in Crime No.01 of 2014 on the file of the Economic Offences Wing, the petitioner has obtained an order of attachment before judgment in a competent civil proceedings in I.A.No.155 of 2013 in O.S.No.94 of 2013. The order of attachment dated 28.11.2013 also came to be reflected in the Encumbrance Certificate which is now mandatory after the amendment by the Madras High Court by introduction of Order XXXVIII Rule 11-B of CPC. The official respondent, namely the Deputy Superintendent of Police represents the interest of the depositors of the defendant/judgment debtor. The question of priority as between the petitioner and the official respondent can be straight away addressed by reference to Section 63 of CPC. Section 63 of CPC reads as follows:



“63. Property attached in execution of decrees of several Courts .-

(1)Where property not in the custody of any Court is under attachment in execution of decrees of more Courts than one, the Court which shall receive or realise such property and shall determine any claim thereto and any objection to the attachment thereof shall be the Court of highest grade, or, where there is no difference in grade between such Courts, the Court under whose decree the property was first attached.

(2)Nothing in this section shall be deemed to invalidate any proceeding taken by a Court executing one of such decrees.[Explanation .-For the purposes of sub-section (2), "proceeding taken by a Court" does not include an order allowing, to a decree-holder who has purchased property at a sale held in execution of a decree, set off to the extent of the purchase price payable by him.]”

9. On a careful reading of Section 63 of CPC, it is clear that the first attachment gets priority and in fact, in terms of subsection 2, the execution proceedings taken in furtherance of execution of a decree are also saved and not invalidated. Thus, it is clear that the petitioner is entitled to priority over the claims of the depositors. Though steps have been taken by the official respondent for recovery of the amount due from the debtor, in order to distribute the same amongst several depositors, when admittedly the petitioner's attachment was prior in point of time, it is not open to the official respondent to contend that because of the proceedings before the special enactment, the



petitioner cannot claim priority and that he would have to be treated equally like any other depositor.

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10.Firstly, it is to be noticed that the petitioner is not a depositor, but a valid decree holder, who has also obtained an order of attachment before judgment even prior to the registration of the FIR. This Court in ***Shriram City Union Finance's case***, referring to the provisions of the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997 and dealing with the powers of attachment of properties under the said Act, held that when there is an independent claim by a third party, not being a depositor, arising out of loan agreement, the matter may not be decided under the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997. The petitioner herein stands on much better footing because he is already armed with a decree dated 19.03.2014 and also an order of attachment dated 28.11.2013, by way of attachment before judgment.

11.Considering the above, the Executing Court has erroneously allowed the applications filed by the Deputy Superintendent of Police, misconstruing the decision in ***Shriram City Union Finance's case***, which was also cited before the Executing Court. That apart, the Executing Court, without even any



material, has rendered a finding that the suit schedule property was purchased utilising the money collected from the depositors and therefore, the transactions made by the judgment debtor in favour of the decree holder is not a bonafide transaction.

12. Admittedly, the FIR was registered only on 29.01.2014 and well before the said date, the properties of the defendant judgment debtor were attached by orders of a competent civil Court. The Executing Court also erred in holding that the orders of the Special Court acting under the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997, will have an over riding effect. In fact, other applications for setting aside the sale of properties by the judgment debtor have been discussed in detail by the Executing Court and the contention of the petitioner has not even been addressed in a proper and judicious manner. As on date, the decree in favour of the petitioner has not been set aside as well and in such circumstances, even applying the mandate of Section 63 of CPC, the petitioner has a priority claim over the charge of the official respondent.

13. Considering the above and also in view of the fact that it is submitted by the learned counsel on either side that the market value, as on date, is much



more and in order to fetch the best possible sale consideration for the suit properties, the official respondent or such other competent authority

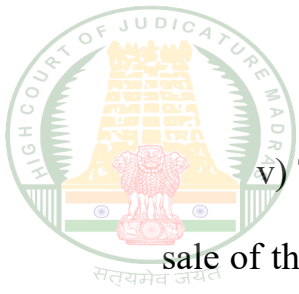
representing the interest of the depositors before the Special Court shall also be permitted to participate in the process of sale of the properties. The Civil Revision Petitions are allowed with the following directions:

i) The order dated 07.11.2025 in E.P.No.95 of 2014 on the file of the I Additional District and Sessions Judge, Vellore and the order dated 07.11.2025 in E.A.No.35 of 2017 in E.P.No.95 of 2014 on the file of the I Additional District and Sessions Judge, Vellore are set aside;

ii) The Executing Court shall permit the competent authority / authorised officer to participate in the sale process;

iii) The petitioner-decree holder, as well as the competent authority / authorised officer representing the collective interest of all depositors shall take diligent steps to bring the best possible offers for sale of the subject properties;

iv) To enable the same, the Executing Court shall give reasonable time for both the parties to bring the best offers for sale. In the event of the Executing Court not satisfied with the offers that are forthcoming from the petitioner and the official respondent, then it shall be open to the Executing Court to even direct the petitioner to cause publication in leading dailies, as well as the internet, inviting better offers;



v) The Executing Court shall approve of the best offer that is received for sale of the subject properties as on 31.10.2026. After completion of the sale, the amounts due and payable to the petitioner, shall be paid out to him in terms of the decree and the remaining sale consideration shall be transferred to the Special Court and deposited in O.A.No.07 of 2016 pending on the file of the Special Court under TNPID Act, Chennai. Thereafter, it shall be open to the Special Court to distribute the so realised amounts amongst the depositors, in accordance with law.

vi) No costs. Connected Civil Miscellaneous Petitions are closed.

30.07.2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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To
The I Additional District and Sessions Judge, Vellore.



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P.B.BALAJI, J.

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