

O R D E R

Leave granted.

The Deputy Superintendent of Police, Crime Branch CID, Metro Unit, Alandur, Chennai-16, aggrieved by the order dated 16th November, 2009 of the High Court of Madras in Criminal Original Petition No.22943 of 2009, has filed these appeals.

According to the State, the first respondent - Gold Quest International Private Ltd., Chennai-10, has illegally collected Rs.321,06,07,850 from 1,07,999 members across the State of Tamil Nadu under 'Money Circulation Scheme'. State police has received about 32011 complaints across the State of Tamil Nadu against respondent No.1 for having illegally collected their hard earned money. It is further stated that the case has been investigated and chargesheet has also been filed under various provisions of IPC and Prize Chits and Money Circulation Schemes (Banning) Act 1978. In the meanwhile, at the instance of the accused, i.e., Managing Contd...2/-

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Director, Gold Quest International Pvt. Ltd. and two complainants, the High Court by the impugned order has directed the Trial Court to compound the offence insofar as they are concerned. Aggrieved by the said order and pointing out that the same is ex facie illegal and contrary to the scope and ambit of Section 320 of Code of Criminal Procedure, the State through Deputy Superintendent of Police has filed these appeals.

By our order dated 26th February, 2010, while issuing notice to the respondents, we permitted the State to furnish list of complainants to the respondents and when the said list is furnished, the respondents are allowed to compound the legitimate claims by giving notice to the concerned Police Officers.

Today, when the matters are taken up, Mr. Mohan Parasaran, Learned Additional Solicitor General appearing for

the State through Deputy Superintendent of Police, Mr. Altaf Ahmad and Mr. Vishwanatha Shetty, learned senior counsel appearing for the respondents, submitted that in order to resolve the entire issue and to avoid unnecessary inconvenience to the complainants/persons who invested money with the first respondent want this Court to appoint a suitable person, preferably, a former Judge of the High Court of Madras, to go into the entire issue. Taking note of the above fair submission made by all the counsel and also of the fact that lakhs of persons and crores of amount involved in Money Circulation

Contd...3/-

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Scheme under the guise of Multilevel Marketing, we hereby appoint Mr. Justice K.P. Siva Subramaniam, Former Judge of the Madras High Court, as "Settlement Commissioner". The complainants/victims are permitted to file their claims on or before 31st May, 2010 for which we request the Settlement Commissioner to make an announcement in the local dailies to enable the affected persons to submit their claims. Thereafter, the Settlement Commissioner may issue notice to the persons concerned, namely, Gold Quest International Pvt. Ltd., and the Deputy Superintendent of Police, Crime Branch, CID, Chennai-16, as well as other officers concerned with the crime and decide the same in accordance with law preferably within a period of six months thereafter.

The Settlement Commissioner is permitted to recommend compounding of the legitimate claims to the concerned Court after affording opportunity of hearing to the parties concerned. It is made clear that those matters in which the complaints are pending before the concerned Court, the Settlement Commissioner is permitted to send the same if he is satisfied. In other matters, if the Settlement Commissioner is satisfied, he is free to settle the same and pass orders accordingly.

Since we have not decided the legal aspects, the question of law raised shall be left open.

The Settlement Commissioner is permitted to fix his remuneration and incidental expenses which will be paid from the funds of first Respondent company.

The appeals are disposed of on the above terms.

.....J.
[P. SATHASIVAM]

NEW DELHI
19TH APRIL, 2010

.....J.
[H.L. DATTU]