



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17.03.2022

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CORAM:

THE HON'BLE MR. JUSTICE P.N. PRAKASH

and

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

*Suo Motu* W.P. No.12935 of 2021

- 1 The Registrar General  
High Court of Madras  
Chennai 600 104
- 2 The Additional Registrar (Inspection)  
High Court of Madras  
Chennai 600 104
- 3 State Bank of India  
Represented by its Senior Branch Manager  
Pattukkottai Branch  
Thanjavur

Respondents

*Suo Motu* Writ Petition under Article 226 of the Constitution of India seeking a writ of mandamus directing the respondents to audit the motor accident cases funds in all districts, lodge criminal complaints against recalcitrant officials and monitor the investigation in the matters till filing of charge sheet.

For R3

Mr. C. Mohan  
for M/s. King & Partridge

*Amicus Curiae*

Mr. N. Vijayaraghavan

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## ORDER

WEB **P.N. PRAKASH, J.**

At the outset, it may be necessary to briefly record the circumstances under which this Special Bench was constituted by the Hon'ble Chief Justice.

2 It came to the notice of the High Court that a retired staff member, viz., Dinakaraja, in the III Additional District Court, Pattukkottai, had misappropriated a sum of Rs.1,51,30,300/- of compensation amounts in the MCOP jurisdiction, which resulted in the then Portfolio Judges viz., one of us (PNPJ) and N. Seshasayee, J. constituting the following three Committees:

- High Court Inspection Committee comprising Mr. S. Sethuraman, Section Officer (Inspection), High Court, Madras and Mr. M. Ilayaraja, Assistant, Accounts Section, High Court, Madras;
- 3-Member Sub Judge Committee comprising Mr. S. Prakash, Chief Judicial Magistrate, Kumbakonam, Mr.T.Balamurugan, Chief Judicial Magistrate, Tiruvarur and Mr.S.Annamalai, Special Sub Judge, Special Sub Court to deal with MCOP Cases, Thanjavur.
- Additional District Judge and Principal Sub Judge Committee comprising Mr. N.S. Srivatsan, Sessions Judge (Mahila Court), Tiruchirappalli and Mr.G.N.Saravanakumar, Principal Sub Judge, Thanjavur.



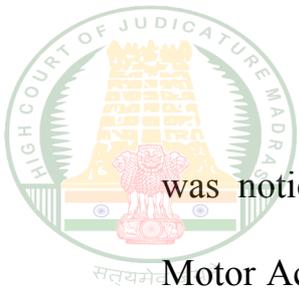
3 The High Court Inspection Committee was directed to go into the records of all the MCOP Courts in Thanjavur District upto the year 2016.

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Likewise, the 3 Member Sub Judge Committee was also given the same mandate in respect of the period aftermath of 2016. The third Committee was directed to inspect the records of the Principal District Court, Thanjavur, E.C.Court, Thanjavur and PCR Court, Thanjavur, as these Courts were being manned by Judges in the cadre of District Judges, who would resent if their records are scrutinized by the members of the earlier two Committees in view of they being their juniors.

4 In addition to the above, a police complaint was lodged, based on which, the District Crime Branch, Thanjavur, registered a case in Cr.No.21 of 2020 and arrested Dinakaraja and followed it up with filing two charge sheets in C.C.No.8 of 2021 and C.C.No.31 of 2021 for the offences under Sections 409, 465,466,467,468,471,477-A and 420 IPC @ 120-B,409,465,466,467,468,471 and 477-A, 420 r/w 34 IPC, valued at Rs.5,00,000/- and Rs.1,10,55,242/-, respectively, before the Judicial Magistrate, Pattukkottai, against the said Dinakaraja.

5 The reports submitted by the three Committees disclosed several appalling features in the system of record maintenance in the MCOP Courts in Thanjavur District which had paved the way for embezzlement. To cite a few, it



was noticed that the actual number of Fixed Deposit Receipts pending in the Motor Accident Claims Tribunals (for short “MACTs”) did not find a reflection in the ledgers; in hundreds of cases, the Transport Corporations and Insurance Companies had deposited the compensation amounts without mentioning the MCOP case numbers to the credit of which they ought to be deposited or to a different head, as a sequel to which, the compensation amounts had not reached the claimants; in several hundreds of cases disposed of decades ago, lakhs of rupees were found lying in the Civil Court Deposit (CCD) without being invested in Fixed Deposits, thereby depriving the claimants of their legitimate interest component. We have set out above only a few irregularities since we do not want to make this order prolix by listing out all the types of irregularities.

6 Based on the reports submitted by the aforesaid three Committees, the then Portfolio Judges submitted a comprehensive report dated 19.04.2021 to the Hon’ble Chief Justice. It was brought to the notice of the Hon’ble Chief Justice that the situation in the other districts also may be no better and hence, some remedial measures also were suggested.

7 The Hon'ble Chief Justice was of the view that this whole aspect requires to be gone into more on the judicial side, so that appropriate directions can be issued, from time to time, for regularising the maintenance of records and



to put in place a robust, foolproof and uniform system throughout the State, in order that there would not be any scope for such possible misappropriation in the future.

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8 With this objective in mind, the Hon'ble Chief Justice constituted the present Special Bench with a mandate to streamline the existing practice and usher in a foolproof mechanism in the matter of disbursement of compensation amounts in the MCOP jurisdiction. Notification No.136 of 2021 dated 15.06.2021 issued pursuant to the orders of the Hon'ble Chief Justice reads as under:

“NOTIFICATION NO.136 / 2021

A Special Bench consisting of Hon'ble Mr. Justice P.N. Prakash and Hon'ble Mr. Justice Abdul Qudhose has been constituted to deal with the audit of Motor Accident Cases funds in all districts, lodging of criminal complaints against recalcitrant officials and monitoring the investigation in the matters till the filing of charge sheets.

//BY ORDER OF THE HON'BLE CHIEF JUSTICE//

High Court, Madras  
Date: 15.06.2021

Registrar (Judicial)”

9 We took up this assignment with trepidation because we were aware that MCOP jurisprudence is a gold mine as well a mine field and attempts to clean the Augean stables earlier by various Benches of this Court had not yielded the desired results.

10 For instance, a Division Bench of this Court (*A.P. Shah, C.J. and Prabha Sridevan, J.*), in **National Insurance Company Ltd. vs. the Director**



**General of Police and 28 others [(2006) 2 L.W. 176]**, had noticed wholesale fake

insurance claims in various MACTs in the State and directed the C.B.I. to register

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cases and take appropriate action, pursuant to which, the C.B.I. registered a large

number of FIRs and filed final reports against some practitioners and claimants

and thereafter, nothing much is known about those cases. However, the MCOP

jurisprudence is flourishing day by day and new forms of exploitation and

siphoning off of funds are being invented and implemented by the ingenious

stakeholders. Therefore, it will be utopian to believe that the MCOP jurisdiction

which attracts crores of rupees by way of compensation amounts, would escape

the prying eyes of fraudsters. Hence, our endeavour was to identify the leakages

and alert the honest judicial officers and staff as to where all they would have to

be careful while treading over landmines.

11 After taking up the task assigned by the Hon'ble Chief Justice, this

Bench, by order dated 18.06.2021, appointed Mr. K. Seetharaman, Additional

Registrar (Inspection), High Court of Madras, as the Chief Nodal Officer and

Mr.S.Sethuraman, Section Officer (Inspection) and Mr. M. Ilayaraja, Assistant,

Accounts Section, High Court of Madras, as Assistant Chief Nodal Officers, to

assist this Bench. In addition, this Bench appointed the following judicial officers

as District Nodal Officers:



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Sl.No.	District	Name (Mr./Ms./Mrs.)	Designation
1.	Ariyalur	A.Karnan	Additional District Judge
2.	Chengalpattu	K.Ayyappan	Addl. District Judge
3.	Chennai	L.S.Sathiyamurthy	XIII Addl. Judge (CBI Cases)
		A.S.Hariharakumar	XXI Addl. Judge, City Civil Court
4.	Coimbatore	A.S.Ravi	Special Judge, TNPID Court
5.	Cuddalore	S.Balakrishnan	Sessions Judge, Mahila Court
6.	Dharmapuri	A.S.Raja	Chairman, Permanent Lok Adalat
7.	Dindigul	P.Saravanan	Sessions Judge, SC/ST (POA) Court
8.	Erode	N.Muralidharan	I Addl. District Judge
9.	Kanyakumari	R.Joseph Joy & K. Nambirajan	Judge, Family Court Secretary, DLSA, Nagercoil
10.	Karur	M. Christopher	District Judge
11.	Krishnagiri	R.Vijayakumari	Addl. District Judge
12.	Madurai	V.Padmanabhan	I Addl. District Judge
13.	Nagapattinam	J.Tamilarasi	Sessions Judge, POCSO Court
14.	Nammakkal	S.Sashirekha	Sessions Judge, Mahila Court
15.	Nilgiris	C.Sanjai Baba	Dt. Judge-cum-Chief Judl. Magistrate
16.	Perambalur	A.Dhanasekaran	Judge, Family Court
17.	Puducherry	M.Elavarasan	II Addl. District Judge
18.	Pudukottai	Dr.R.Sathya	Sessions Judge, Mahila Court
19.	Ramanathapuram	V.V.Thaniyarasu	Sessions Judge, SC/ST (POA) Court
20.	Salem	T.Munusamy	Presiding Officer, Labour Court
21.	Sivagangai	A.K.Babulal	Sessions Judge, POCSO Court
22.	Thanjavur	P.Indhirani	Judge, Family Court
23.	Theni	J. Venkatesan	Sessions Judge, Mahila Court
24.	Thoothukudi	S.Hema	I Addl. District Judge
25.	Tiruchirappalli	N.S.Srivathsan	Sessions Judge, Mahila Court
26.	Tirunelveli	V.S. Kumaresan	Judge, Family Court
27.	Tiruppur	V. Anuradha	II Additional District Judge
28.	Tiruvallur	P.Vidhya	I Addl. District Judge
29.	Tiruvannamalai	K.Kayathri	Judge, Family Court
30.	Tiruvarur	G.Vijayakumar	Judge, Family Court
31.	Vellore	E.Bakthavachalu	Judge, Family Court
32.	Villupuram	S.Muthukumaravel	Sessions Judge, POCSO Court
33.	Virudhunagar	G.Saran	Addl. District Judge



12 Besides, this Bench issued a slew of directions to the District Nodal

Officers and permitted them to appoint staff members in the rank of Sherishtadar in the District Courts and Taluk Courts as Assistant Nodal Officers. The District Nodal Officers were directed to periodically report to the Chief Nodal Officer and the Assistant Nodal Officers were directed to report periodically to the Assistant Chief Nodal Officers. The Chief Nodal Officer and the Assistant Chief Nodal Officers were directed to report to us.

13 This Bench also appointed Mr. N. Vijayaraghavan, Advocate, who has an exemplary track record in dealing with the cases concerning motor accidents, as *Amicus Curiae* for assistance.

14 This Bench further called all the District Nodal Officers, Assistant District Nodal Officers and the members of the 3 Committees referred to in paragraph 2 (*supra*), for an one day sensitization programme on 10.07.2021 at the Tamil Nadu State Judicial Academy, Chennai, so as to give them a fair and broad idea as to how they should proceed with the inspection of the records of the MACTs in their respective districts.

15 Mr. N. Vijayaraghavan, learned *Amicus Curiae* filed a report titled AC Report No.1 dated 16.07.2021, wherein, he had stated that the embezzlement that had been made in the III Additional District Court, Pattukkottai, may not have



been possible without the possible connivance or negligence of the officials of the State Bank of India, Pattukkottai Branch. Therefore, this Bench, by order dated 23.07.2021, *suo motu* impleaded the State Bank of India, Pattukkottai Branch, as the third respondent in this writ petition and issued notice to M/s. King and Partridge, Advocates, who usually represent the State Bank of India in the High Court.

16 The State Bank of India filed two counter affidavits and an issue arose whether the State Bank of India, Pattukkottai Branch, had acted negligently or improperly *vis-à-vis* the misappropriation of 14 cheques/payment advices in question. The issue as to whether, in these proceedings, the liability of the State Bank of India, Pattukkottai Branch, can be fixed, arose. However, we are relegating this issue to be heard and decided separately by us independent of all the issues that stare at us with regard to the affairs in the MACTs in the State.

17 This Bench held 10 sittings in the open Court on 18.06.2021, 02.07.2021, 23.07.2021, 06.08.2021, 23.08.2021, 09.09.2021, 06.10.2021, 24.11.2021, 10.12.2021 and 06.01.2022 and two meetings in the Tamil Nadu State Judicial Academy, Chennai on 10.07.2021 and 18.12.2021.

18 From the inputs received, from time to time, from the District Nodal Officers and others, we are convinced that the practitioners in the MCOP jurisprudence operate in delineated specific turfs and would not brook



encroachment by anyone. In Chennai, when two young practitioners, M/s.Thambi and Muthu Visakan, started filing MCOP cases, original bundles of 55 cases that were filed by them in Courts Nos. 1 to 6 of Small Causes Court (MACTs) vanished in thin air. On the complaint lodged by the Registrar, Small Causes Court, Chennai, a case in B4 High Court P.S.Cr. No.7 of 2017 was registered. Since there was no progress in the investigation, one of us (PNPJ), while holding sitting in single Bench, transferred the case to CB-CID, which registered an FIR in Cr.No.5 of 2018 on 05.10.2018 under Section 380 IPC and till date, they say that they are clueless.

19 The turf war amongst MCOP practitioners reached a crescendo in Cuddalore District leading to one practitioner lodging a complaint against another, resulting in registration of an FIR in Cuddalore North Town P.S.Cr.No.309 of 2004 for the offences under Sections 341, 323, 324 and 506(II) IPC. The police completed the investigation and filed a final report in C.C. No.1 of 2005 against the practitioner, who was ultimately convicted by the Judicial Magistrate No.II, Cuddalore on 21.08.2008. Thus, indulging in violence is not alien to the practitioners.

20 Inputs received by us also show that the practitioners in the MCOP field are not alone in such misadventures. Unfortunately, they are actively assisted



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by some Court staff and even some judicial officers against whom, the High Court had initiated disciplinary action, as far as possible. We find that the MCOP slush money has eaten into the vitals of the Court system to such a shockingly sad extent that most of our staff are more loyal to the practitioners than to the system as such, since they know that the Presiding Officers are transitory planets unlike the practitioners. Unfortunately, it appears that some innocent and honest staff members also sometimes get caught in the dragnet of departmental proceedings. MCOP money now appears to fund the election to the various Bar bodies which is obvious from the fact that money flows like water in these elections. Why are they doing it? Perhaps, the MCOP practitioners want their cohorts to be in high positions so that they are protected when in trouble. Of late, the MCOP jurisdiction is so attractive that young lawyers gravitate more towards it.

21 A Division Bench of this Court, in **The Divisional Manager, Oriental Insurance Company, Kannur vs. Rajesh and 2 others [2016 (3) CTC 128 : 2016-2-LW 561]**, with an earnest intention to protect the interests of the claimants, issued a slew of well-meaning directions to the Insurance Companies and Transport Corporations to make online transfer of the award amounts in the account of the MACTs prescribing a format and thereafter, directing the MACTs to transfer the award amounts online to the accounts of the claimants.



22 Every right-thinking individual in the judicial system felt euphoric

when these directions were issued. However, the ambulance chasers invented ingenious methods, thereby making such directions meaningless, in that, they opened fresh bank accounts in the name of the claimants in collusion with bank Managers, obtained ATM cards of the claimants, withdrew monies from the claimants' accounts the moment the award amounts were transferred to the bank accounts of the claimants and left the claimants with peanuts. This could be demonstrated with the following instances.

23 In Indian Bank, Nolambur Branch, clients of around 65 practitioners of Chennai have opened **1,696 Savings Bank accounts** in claimants' names during the period 2019 to 2021 and the total amount transacted in these accounts is a whopping figure of **Rs.73,51,79,436/- (Rupees Seventy Three Crores, Fifty One Lakhs, Seventy Nine Thousand, Four Hundred and Thirty Six only)**. Further, out of **1,696 S.B. accounts**, the clients of a particular practitioner have opened **210 Savings Bank accounts** for getting the compensation amounts.

24 Likewise, in Tiruppur District, clients of one particular practitioner have opened 98 Savings Bank accounts in Union Bank of India, Tiruppur Branch. Such examples can be quoted across the entire State.



25

We find that the norms for opening bank accounts have been complied with in breach by the nationalised banks, say by Indian Bank, Nolambur Branch, Chennai and Union Bank of India, Tiruppur Branch, as flagged off by us with specificity. We are told that it is not unique to these banks or branches. It is commonplace across Tamil Nadu, and many other nationalised banks, *etc.* appear to have connived and obliged in flouting the norms. Otherwise, such rampant practice is not possible. After the compensation amount is withdrawn, the account becomes a dead account. We, therefore, deem it fit and proper to send a copy of this order to the regulator-Reserve Bank of India, which shall circulate it to the Corporate Offices of all nationalised banks and obtain a report with regard to this pernicious practice of several nationalised banks in accomodating opening of bank accounts to receive motor accident claims compensation amounts from MACTs in Tamil Nadu and Puducherry. Further, the Reserve Bank of India shall initiate steps to put an end to this practice and such other action as they may decide. The Reserve Bank of India shall further file a report of compliance in this regard within six months from the date of receipt of a copy of this order before the Registrar General of this Court without fail. It shall be considered by this Court as may be necessary in the circumstances of the case.



26 In Tiruppur District, the District Nodal Officer found that a practitioner, in collusion with three others, had withdrawn the compensation

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amounts awarded to several claimants, totally amounting to Rs.3.78 lakhs for over a period of time, by impersonation. To explain the *modus operandi*, the advocate for the actual claimants, colluding with the Sherishtadar of the Sub Court, Dharapuram, had removed the photographs of the actual claimants from the main petition and replaced the same with the photographs of two other persons, thereby impersonating the actual claimants. Subsequently, the advocate for the actual claimants filed cheque applications in the names of the actual claimants and by producing the impersonators in person before the MACT, got the award amounts with interest, by way of cheques. In this connection, on the complaint given by the Sub Judge, Dharapuram, a case in Dharapuram P.S.Cr.No.1075 of 2021 was registered on 28.07.2021 for the offences under Sections 120-B, 193, 201, 205, 209, 419, 420 and 466 IPC and this Court had directed the transfer of the said investigation to the CB-CID and accordingly, the CB-CID re-registered the case as Tiruppur CB-CID (South) Cr. No.2 of 2021 and the investigation is in progress.

27 We now proceed to demonstrate as to how honest judicial officers are vulnerable today in this vitiated environment with the following instances:



27.1 In Virudhunagar District, the District Nodal Officer detected that a Head Clerk by name Ushen Akbar, who had retired on 30.06.2019, over a period of time, slowly and steadily, misappropriated monies to a tune of Rs.28.10 lakhs by transferring the said sum to the accounts of three persons, who are not at all the claimants, but his associates. The judicial officer gave a police complaint, based on which, a case in Virudhunagar DCB Cr. No.21 of 2021 was registered for the offences under Sections 120-B, 408 and 409 IPC against the said Ushen Akbar and 3 others. Apprehending that he may be arrested, the said Ushen Akbar attempted to commit suicide by consuming poison. Before that, he recorded a speech implicating the judicial officer and alleging that on account of the harassment of the judicial officer, he was forced to consume poison and that he was innocent and posted the recorded speech in WhatsApp. Fortunately, his life was saved by the doctors at Meenakshi Mission Hospital, Madurai and thereafter, the police have registered a case against him in Narikudi P.S.Cr.No.1 of 2022 under Section 309 IPC for attempt to commit suicide. While so, the District Nodal Officer, Virudhunagar courageously proceeded with the probe and found that the defalcation was not limited to Rs.28.10 lakhs, but has extended upto Rs.54.15 lakhs as on 22.02.2022. Fortunately, a sum of Rs.47,40,350/- has been recovered from the accused, Ushen Akbar, leaving a balance of Rs.6,74,725/-. Now, the



question that stares at us is, had the said Ushen Akbar died, he would have become a martyr and the poor judicial officer, for having performed his duty in probing a defalcation, would have become an accused.

27.2 In the misappropriation in the III Additional Sub Court, Pattukkottai, which is the parent misappropriation in the series, the delinquent attempted to implicate the judicial officer by saying that a part of the booty was given to the latter. However, thanks to the thorough investigation by the police, coupled with the innocence of the judicial officer, the bluff was blown and the judicial officer saved. Our fear is that, in a given case, an honest judicial officer who is not in the good books of the police for his toughness, can easily become a victim of the machinations of a corrupt staff member resulting in his career getting ruined.

27.3 The District Nodal Officer, Villupuram, in the course of inspection, noticed that a female staff member (removed from service on 11.02.2020) who was dealing with the books of accounts in the Principal Sub Court, Kallakurichi, had misappropriated around Rs.31,10,091/- by forging the signatures of the judicial officer in cheques and fabricating and manipulating various registers by way of erasures and corrections. Pertinent it is to state that in the aforesaid misappropriation, no cheque application was made and consequently, there was no order by the judicial officer also for issue of cheques. On our directions, on the



complaint given by the Principal Sub Judge, Kallakurichi, a case in CB-CID (North) Cr.No.2 of 2021 was registered on 18.12.2021 for the offences under Sections 120-B, 409, 418, 420, 465, 466, 467, 468, 471 and 477-A IPC against three named accused and others and the investigation is in progress.

27.4 The District Nodal Officer, Pudukkottai, in the course of inspection, detected a misappropriation of around Rs.12.50 lakhs by way of making double payment of award amount in a particular case and on her directions, a case in Pudukkottai D.C.B. Cr.No.15 of 2021 was registered on 19.11.2021 against the beneficiary for the offences under Sections 406 and 420 IPC and the investigation is in progress.

27.5 Normally, Court fee should be paid proportionate to the amount claimed. However, while filing the claim petition, a petition seeking exemption from payment of Court fee will be filed by the claimant and a nominal Court fee of around Rs.372.50 per Rs.1,00,000/- would be paid. After the award is passed, the balance of Court fee would be paid for the award sum. In the Sub Court, Dharapuram, a practitioner has submitted 351 fake Court fee stamp papers approximately valued at Rs.1,80,980/- for drawing the compensation amounts with interest, for several years. In connection with this allegation, on the complaint given by the Sub Judge, Dharapuram, a case in Dharapuram P.S. Cr.No.1199 of



2021 has been registered on 20.09.2021 for the offences under Sections 259, 260, 420, 468, 471 and 474 IPC against the said practitioner and the investigation is in

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progress.

27.6 The District Nodal Officer, Cuddalore, detected instances of double payments of award amounts totalling to Rs.5,32,817/-, made by State Bank of India, Chidambaram Main Branch in 3 MCOP cases. In this connection, on the complaint given by the II Additional District & Sessions Judge, Chidambaram, a case in Killai P.S.Cr.No.30 of 2022 was registered on 30.01.2022 for the offences under Sections 120-B, 403, 409, 411, 418, 420, 465, 466, 468, 471 and 477-A IPC against one named accused and unnamed others and the investigation is in progress. Since huge amounts are available in the bank accounts of the MACTs, double payments appear to be a regular feature in several MACTs. However, the District Nodal Officers detected instances of double payments and in certain cases, have even made some claimants pay back the amounts with the threat of criminal action.

27.7 In Thanjavur District, the District Nodal Officer noticed that one Vignesh and 10 others, had received excess compensations to the tune of Rs.67,702/- In this connection, on the complaint given by the I Additional District Judge (PCR Court), Thanjavur, a case in Thanjavur Town South P.S.Cr.No.1358



of 2021 was filed against the aforesaid 11 persons, for the offence under Section 420 IPC and the investigation is in progress.

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28 Most of these misappropriations came to light after the District Nodal Officers appointed by us started scrutinizing the records thoroughly. As and when any misappropriation was reported to us from an MACT, we directed the Judge of the MACT to lodge a police complaint, because, we, as Judges should shoulder the responsibility of setting the criminal law into motion and not relegate the work to any staff. That apart, many a staff are reluctant and scared to implicate their colleagues. Superadded, it may happen that the police investigation may reveal the involvement of the complainant-staff in the embezzlement and the staff member would have to be transposed as an accused in the case. Finally, in the trial, the complainant-staff, who, by then would have retired, may turn hostile to support his erstwhile colleagues. To obviate all these difficulties, we directed the Presiding Officers themselves to lodge the police complaints.

29 What is stated above is only a tip of the iceberg and we are sure that if an independent investigating body is appointed to investigate the affairs in each MACT, more skeletons will tumble out of the cupboard. We refrain from saying anything beyond this.



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30 We have identified the following grey areas in the MCOP jurisdiction

which require to be addressed both on the Administrative Side and Judicial Side.

**Savings Bank A/c vs. Current A/c and Accrued Interest:**

31 We found that there is no uniformity in the opening of bank accounts by the MACTs, in that, some MACTs open Savings Bank A/cs and some others open Current A/cs. We also found that many of the MACTs have not opened an exclusive account for depositing the award amounts in the MCOP field alone. This had resulted in depositing of other amounts like arrears of rent, award amounts in land acquisition proceedings, Judges' bills, contingent bills like electricity charges, *etc.*, along with deposits made in MCOP jurisdiction. The award amounts are not withdrawn by the practitioners immediately on their deposit because of certain other extraneous reasons which we do not want to point out here. Therefore, these amounts accrue interest in the Savings Bank A/cs. It is indeed shocking to note that as on 31.07.2021, we have a whopping figure of **Rs.40,79,12,281/- (Rupees Forty Crores Seventy Nine Lakhs Twelve Twelve Thousand Two Hundred Eighty One)** as accrued interest alone, at our disposal, in various banks pan Tamil Nadu and Puducherry and this amount naturally attracts the attention of fraudsters. If one were to draw a few pails of water from a



gushing river, none would ever know. When amounts under various categories, as stated above, are deposited in the Savings Bank accounts, it would be impossible

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for anyone to apportion the interest component to the respective cases. This accrued interest has to perforce be handed over to the State as “lapse of deposit” and cannot be appropriated by anyone lawfully nor can we permit misappropriation of it by the delinquents. However, if each MACT opens an exclusive Current A/c for itself, the problem of accrual of interest will not arise. But, the MACTs should invest the award amounts deposited by the Insurance Companies / Transport Corporations in Fixed Deposits immediately so that the claimants are also not prejudiced by way of loss of interest.

32 At present, every Court is required to send a monthly statement called Institution, Disposal and Pending (IDP) statement to the High Court through the Principal District Judge. We request the Hon’ble Chief Justice to direct the Registrar General to issue a circular to all the MACTs to include the following details in their monthly IDP statement:

**Details of deposit of award amounts**

S.No.	Date and details of deposits made by Insurance Company or Transport Corporation in the MACT	Date and details of Bank and amount transferred to the claimant’s account.
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Suo Motu W.P. No.12

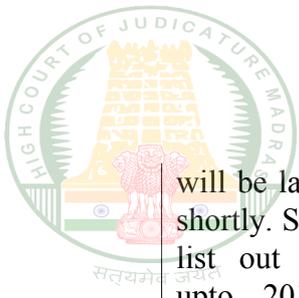


### Receipt and disbursement of FDRs

S.No.	FDRs available at the beginning of the month	FDRs received during the month	FDRs disbursed during the month	FDRs pending at the end of the month
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33 The internal audit wing appears to have noticed a huge accumulation of interest while auditing the accounts of the Small Causes Court, Chennai and had raised the following queries, for which, remarks and reports have been submitted as under:

Query of the Internal Audit Wing	Remarks of the Audit Wing Communicated by High Court	Report submitted by Chief Judge, Court of Small Causes, Chennai
As per Tamil Nadu Financial Code, Article 271(ii)(c) "The period of lapse for civil court's deposits and criminal court deposits is four years. The four years referred to is with reference to the date of the last payment and not from the date of the original deposit. On a scrutiny of Civil Court Deposit Register maintained at this office, deposits for the year 2010 amounting to Rs.39,32,554.08 has been lapsed to Government account lastly, as per Gazette notification Dis.No. 362/HA/2017, dated 08.03.2017. It was told by the authorities that Civil Deposits pertaining to 2011 and 2012 are being consolidated and	Roc.No.46342/1AW/2019-1, dated 02.07.2019- Lapsed Civil Court Deposit – To be remitted to Government account.	Under letter dated 24.07.2019 in Dis No. 2686/19 further time of one month requested to submit the reply.
	letter dated 17.08.2021 in Roc.No.46342/IAW/2019-4, Take necessary action to lapse the CCD amount into Government account immediately as per G.O in force and intimate the fact to audit and also submit the additional particulars.	Under letter dated 21.09.2021 in Dis.No.2295/2021 extension of time requested. The additional particulars called for were also submitted by the Chief Judge, Court of Small Causes, Chennai under letter dated 23.09.2021
	Roc.No.46342/IAW/	Letter dated 12.01.2022 in



will be lapsed to Government shortly. Steps may be taken to list out the finalised cases upto 2015 and lapse the amount to Government under intimation to audit.”

2019-5 dated  
25.11.2021 – Early  
action may be taken to  
furnish the final reply to  
audit.

Dis.No.277/2022 stating  
inspection work as directed in  
Suo Motu W.P.No.12935/2021  
is under progress.

34 This Special Bench, through the efforts of the District Nodal Officers, was able to figure out that a sum of **Rs.40,79,12,281/-** is available as accrued interest in various banks in Tamil Nadu and Puducherry. We suggest that the Hon'ble Chief Justice, being the Administrative Head of the State judiciary, may direct the Registrar General to issue a Circular to all the MACTs for lapsing the accrued interest in various banks in Tamil Nadu and Puducherry, to the respective Governments in terms of the extant rules.

35 The learned *Amicus Curiae* brought to our notice that the Supreme Court is seized of the matter relating to opening of Savings Bank Account / Current Account in **Bajaj Alliance General Insurance Co. Ltd. Vs. Union of India and others [W.P. (Civil) 534 of 2020]**. Therefore, for the present, we direct the MACTs to continue with whatever kind of account they have opened already and await the final decision of the Supreme Court in this regard and act accordingly.



**Disbursement of compensation:**

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36 With the laudable objective of ensuring that the compensation amounts reach the claimants properly, the Government brought into force the Tamil Nadu Motor Vehicles Accident Claims Tribunal Rules, 1989 (for short “the TNMVACT Rules”) by issuing G.O.Ms.No.1170, Home (Transport-VII) Department dated 01.07.1989, which mandates that the compensation amounts of literates, semi-literates and minor claimants should not be disbursed immediately, but should be deposited for future disbursements, *vide* Rule 20(7),(8), (9) and (10). In our considered opinion, these Rules have brought more havoc to the system and have led to accumulation of compensation amounts in various MACTs, ultimately resulting in misappropriation. It is high time that these Rules are revisited and if necessary, amended, because, today, literacy rate is high and people appear to be more well-informed than what they were in the year 1989 when the aforesaid Rules came into force. We also have a robust Legal Services Authority system in place to help the needy. In practice, the practitioners are able to easily circumvent the aforesaid mandates by filing permission petitions with concocted reasons, which, the Presiding Officers, though knowing them to be false, yet, for maintaining a cordial relationship with the bar, are forced to allow them, lest, the



disgruntled send petitions, both anonymous and pseudonymous, against judicial officers to the Vigilance Cell of the High Court. Vigilance enquiry is a nightmare to the honest. That apart, our judicial officers are, sometimes, at the mercy of the practitioners for completing the norms. Fear of boycott of Courts, sometimes, makes our judicial officers blindly allow the cheque petitions.

37 While so, in the course of these proceedings, it was brought to our notice the import of Rule 24 of the TNMVACT Rules on payment of *ad valorem* Court fees and provision for exemption thereof. The decision of a Division Bench of this Court in **A. Valliammal vs. Chitra Travels [(2010) 3 LW 132 : 2011 ACJ 1964]**, needs to be followed while availing and ordering exemption from payment of Court fee. We are informed that it is not being followed at all. It being good and binding law, we would direct that it be adhered to in applicable cases without let or hindrance. Exemption cannot be availed and ordered in breach of this mandate.

#### **Investment of award amounts in Fixed Deposits:**

38 When this Special Bench commenced its proceedings, it was found that most of the 322 MACTs had not invested the award amounts in Fixed Deposits with dispatch. It was also found that renewal of the Fixed Deposits Receipts had not taken place properly. Upon directions from us, the Chief Nodal Officer and the District Nodal Officers undertook a massive drive across all the



MACTs in Tamil Nadu and Puducherry and ensured that the award amounts were invested in Fixed Deposits and renewals also made.

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39 In this regard, we would request the Hon'ble Portfolio Judges of each district to follow up this exercise and ensure that the Fixed Deposits are renewed sooner after maturity.

40 It is worth pointing out, at this juncture, that in fact, there are circulars of the High Court in ROC No.2353-A/2007/F1 dated 14.06.2007 and ROC No.13186/06-B2/F1 dated 04.08.2008, according to which, if investments are not made in Fixed Deposits with promptitude, loss of interest would be collected from the salary of the errant staff concerned. We are afraid that circulars of this kind from the High Court, have had very little impact on the staff because the rigor of the same has seldom been invoked on any staff and hence, they believe that these circulars are merely paper tigers and nothing else.

41 As on 31.01.2022, the total amount lying in Fixed Deposits in all the 322 MACTs works out to a gargantuan sum of **Rs.3524,44,19,718/- (Rupees Three Thousand Five Hundred and Twenty Four Crores, Forty Four Lakhs, Nineteen Thousand and Seven Hundred and Eighteen)**. This amount in Fixed Deposits includes a whopping number of unclaimed ones too. We are informed by several District Nodal Officers that the staff of the MACTs are not able to trace



the back bundles of the MCOP cases in order to find the name and address of the claimants for sending notice to them. For instance, the District Nodal Officer,

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Pudukkottai, has given the following chart which is self-explanatory:

**PARTICULARS OF FDRs IN RESPECT OF MCOP CASES  
FOR WHICH BUNDLES ARE NOT AVAILABLE IN RESPECT OF TRIBUNALS  
IN PUDUKKOTTAI DISTRICT**

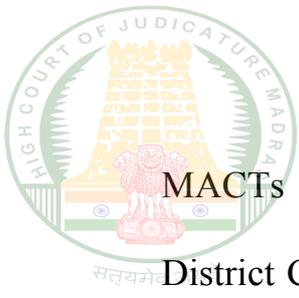
Sl.No.	Name of the Court / Tribunal	Total No of FDR in MCOP Cases	No of FDRS in which bundles are not available in MCOP Cases	Investment Amount in FDR in which Bundles are not available (Rs.)	Total Amount Invested in FDR in MCOP Cases (Rs.)
1.	PDJ	843	15	10,45,037	8,41,46,965
2.	ADJ	816	65	71,95,189	14,59,21,083
3.	EC	760	-	--	12,10,33,631
4.	Mahila	24	--	--	1,17,42,620
5.	CJM	706	48	57,19,201	9,17,30,030
6.	PSJ	613	63	51,59,636	4,66,35,976
7.	ASJ	13	12	16,24,911	18,33,825
8.	Sub Court, Aranthangi	1	--	--	28,000
	<b>Total</b>	<b>3,776</b>	<b>203</b>	<b>2,07,43,974</b>	<b>50,30,72,130</b>

Total No of FDR in which Bundles are not available - **203**

Total Amount invested in FDR in which bundles are not available – **2,07,43,974**

**(Rupees Two Crores Seven Lakhs Forty Three Thousand nine Nundred and Seventy Four)**

42 We were shocked to note that compensation amounts in respect of MCOP cases which are several decades old, are still available with various



MACTs in the State, without being disbursed. For instance, in the Principal District Court, Thanjavur, 1,025 cases with Fixed Deposit Receipts for the period from 1963 to 2010 are still available. We give below a small chart to highlight the magnitude and intensity of the problem by referring to the details of disposed of MCOP cases and their Fixed Deposit Receipts from 1963 to 1968 alone as on 24.02.2022:

#### PRINCIPAL DISTRICT COURT – THANJAVUR

S.No	MCOP. No. & Year	Date of disposal	Award Amount (Rs.)	Amount invested (Rs.)	Name of the bank	Date of maturity	Case bundle available or not
1	3/1963	27.11.1964	1,500	36,500	PNB Thanjavur	04.09.2023	Not Available
2	13/1967	18.08.1970	5,000	55,792	IOB– Dist. Court Branch Thanjavur	23.12.2022	Available
3	14/1968	30.07.1970	5,000	20,665	PNB, Thanjavur	21.04.2023	Not Available
4	34/1968	12.10.1970	2,500	4,497	BOB, Thanjavur	15.06.2023	Not Available
5	35/1968	25.04.1970	500	13,653	PNB, Thanjavur	21.04.2023	Not Available

43 Another intriguing fact is that in many a Court, even after “full satisfaction” (FS) has been recorded, Fixed Deposit Receipts are available. For instance, the following tabular column would show that Fixed Deposit Receipts are still available even after FS has been recorded in the Principal Sub Court, Kumbakonam.



Sl.No.	MCOP NO.	DATE OF DISPOSAL	AWARD AMOUNT (Rs.)	AVAILABLE FDR AMOUNT (Rs.)	NAME OF THE BANK	MATURITY DATE
1	381/2012	12.11.2013	66,000	66,000	Allahabad Bank Kumbakonam	15.03.2022
2	356/2013	09.10.2014	1,50,000	1,92,580	Allahabad Bank Kumbakonam	22.11.2022
3	41/2007	19.08.2008	23,000	41,177	Indian Bank Mutt Street, Kumbakonam	18.04.2022
4	141/2005	25.10.2013	4,620	29,791	Indian Bank Kumbakonam	18.04.2022
5	193/2012	31.01.2014	13,000	15,965	Indian Bank Mutt Street, Kumbakonam	18.04.2022

44 While investigating about Fixed Deposit Receipts, we also stumbled upon huge amounts relating to LAOPs and other cases available in the trial Courts without disbursements for years on end.

45 We also noticed that there are a large number of Fixed Deposit Receipts in various Courts relating to land acquisition matters on which MCOP case numbers have been written.

46 Double investment is yet another regular feature in the MACTs which we observed. To explain, we give below a tabular column showing details of double investment in the Principal Sub Court, Kumbakonam.



S. No.	MCO P No.	Date of Disposal	Award Amount (Rs.)	Amount & Date of Deposit (Rs.)	Name of Bank and date		Remarks
					First invested	Second invested	
1	74/05	18.02.2009	12,750	17,940/- 16.07.2009	IOB, Court Branch, Kumbakonam dated 01.03.2016	Allahabad Bank, Kumbakonam dated 01.03.2016	Those of the Award amounts, decreed in a single case are deposited in two banks.
2	384/08	25.02.2010	63,000	71,906/- 02.06.2012	First Investment Amount paid to Claimant Rs.80,600/- dated 29.08.2013	Allahabad Bank, Kumbakonam dated 02.03.2016	Deposit is made in the Bank, even after the claimant had withdrawn the amount already deposited.
3	110/13	03.07.2014	56,100	63,512/-	First Investment Amount paid to Claimant Rs.63,512/- dated 25.03.2015	IOB, Court Branch, Kumbakonam dated 27.04.2016	Deposit is made in the Bank even after the claimant had received the money from the CCD account.

47 From the above three tabular columns, it is limpid that the Fixed Deposit Receipts are being renewed mechanically without application of mind and thereby providing a fertile opportunity for misappropriation. Assuming for a moment that a claimant was a minor in 1963, we can confidently say that in 2019, he would have attained majority and would have become eligible for receiving his due entitlement. It is indeed sad that in no inspection, these aspects had come to light so far and no thought has been bestowed on the need to disburse the compensation amounts to the victims or to their families. The same state of affairs obtains in almost all the MACTs in the State of Tamil Nadu and we do not want to give more such tabular columns and make this order verbose.



48

At this juncture, it may be pertinent to share a methodology that was adopted in Dindigul for identification of claimants and disbursement of the compensation amounts to them. A complete list of cases with the names and addresses of the claimants for whom disbursement was due was prepared, which was followed up with a meeting of Inspectors of Police and Revenue officials and the list of the names of the claimants was shared to them with a request to them to go to far-flung villages, identify the claimants and bring them to the Court. The list was published in the Court and Bar notice boards. A drive to identify the claimants was undertaken. This proved very effective. Claimants who had no idea that their money was in the Court, came in droves and with the help of the District Legal Services Authority, a total sum of **Rs.3,56,59,475/- (Rupees Three Crores, Fifty Six Lakhs, Fifty Nine Thousand, Four Hundred and Seventy Five)** pertaining to MCOPs upto 2010, was disbursed to **289 claimants**. Poor claimants received the compensation amounts due to them with gratitude and tears in their eyes. Therefore, we request the Hon'ble Portfolio Judges concerned to address these issues on a war footing so that the compensation amounts either reach the doorstep of the claimants or paid to the Government as "lapse of deposits".

49 In Dindigul, while undertaking the exercise of identifying the claimants for disbursement of the compensation amounts, the task was found to be



very uphill, because, in the claim petitions, in order to confer jurisdiction on an MACT, convenient addresses for the claimants were given and claim petitions filed. In fact, in one case, it was observed that a practitioner in Chennai had given his own address as the address of the claimants in over 100 MCOP cases. This pernicious practice should also have to be stopped and the MACTs should understand the spirit of Section 166 of the Motor Vehicles Act and not entertain petitions based on the convenience of the practitioners.

50 The practitioners would not readily come forward to render assistance in this assignment because they would have already got their pound of flesh during the disbursement of the initial deposit by the Insurance Company/Transport Corporation and therefore, the judicial officer concerned, along with the Court staff, should necessarily have to plough a lonely furrow to identify the claimants and make the award amounts reach them. There are several reasons assigned for this accumulation. One such reason is that, during the bifurcation of Districts, such bundles get retained in the Central Record Section of the parent District, whereas, the Fixed Deposit Receipts are carried over to the newly formed District and remain there unclaimed for ages on end.



**Inspection:**

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51 Yet another reason that is touted for such accumulation is, improper inspection of the records of MACTs by the Principal District Judges. Be it noted, MCOP jurisdiction has been conferred not only on the Sub Courts, but also on Additional District Courts and Special Courts to try cases under enactments like SC/ST (Prevention of Atrocities) Act, NDPS Act, *etc.* for these Courts to reach norms. These Additional District Courts and Special Courts are manned by officers of the rank of District Judges. These officers feel offended if the Principal District Judge conducts inspection of their Courts since he is of the same rank, little realizing that the Principal District Judge will not inspect the performance of the judicial officers, but would only conduct inspection of the records on the Administrative Side. Had the Principal District Judge, Thanjavur, conducted the inspection of the records of the III Additional District Court, Pattukkottai, the misappropriation in the latter Court would not have taken place. Therefore, we suggest to the Hon'ble Chief Justice to issue a direction to the Registrar General to direct all the Principal District Judges to conduct inspection of office records of Additional District Judges and Special Judges appointed under various special enactments. Further, we request the Hon'ble Portfolio Judges to cause inspection



of the records of the Court of the Principal District Judges frequently because it is only the want of periodical inspection which has resulted in huge accumulation of monies in the accounts of the Principal District Courts.

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52 Further, we are surprised to note that the Principal District Judges themselves do not periodically inspect their own Court records and leave them to be done by their Chief Administrative Officers, who bestow little attention to this important task. Hence, we request the Hon'ble Chief Justice to direct the Registrar General to direct the Principal District Judges to conduct inspection of their records periodically, at least once in three months.

#### **Separate Bank Account:**

53 Next, it is seen that the designated MACTs (Additional District Courts and Additional Sub Courts) do not have their own bank accounts and instead, they use the bank account of the Principal District Courts and Principal Sub Courts respectively. This has also added to the confusion and accumulation of huge interest in the bank accounts. Therefore, we suggest to the Hon'ble Chief Justice to direct the Registrar General to issue a direction to all the Additional District Courts, Additional Sub Courts and Special Courts which are designated as MACTs, to open separate bank accounts for themselves (be it S.B. A/c or Current A/c, depending upon the direction of the Supreme Court in **Bajaj Alliance**



**General Insurance Co. Ltd. (*supra*)** and maintain the said accounts together with

the relevant registers. In fact, every nationalized bank offers online account

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viewing facility, under which, if the Presiding Officer gives his mobile number with KYC particulars, he will get SMS alerts in his mobile number whenever any transaction takes place in that account. Had this facility been availed of in the Courts in which amounts have been misappropriated, siphoning off of amounts could have been averted. Therefore, we suggest to the Hon'ble Chief Justice to direct the Registrar General to issue a circular to the Presiding Officers in all the MACTs to avail of the online account viewing facility by giving their mobile numbers and KYC particulars and on their transfer, the new incumbents shall furnish the details and continue with the process. We hasten to add that it is not necessary for the judicial officers to give their Permanent Account Number (PAN) in KYC form and instead, it would suffice if they give the Court's Tax Deduction A/c Number (TAN) in the KYC form.

**Mismatch of UTR *qua* MCOP numbers:**

54 The general grievance of the judicial officers is that the Insurance Companies/Transport Corporations transfer the compensation amounts into the bank accounts of the Courts directly without furnishing the UTR memo to the

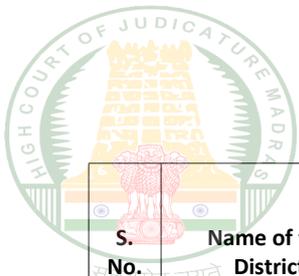


Court and therefore, whenever any amount gets credited into the Courts' accounts, the staff are not able to identify as to which case, the award amounts relate to. We

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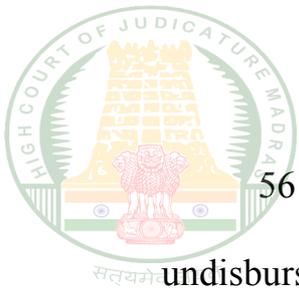
were informed that the Indian Bank, High Court Branch, Chennai, provides a specialized facility called "V-Collect" facility under which ten data fields could be made available to the MACTs. This "V-Collect" facility offered by the Indian Bank is offered by other banks as well, but, under different nomenclature. Hence, we suggest to the Hon'ble Chief Justice to direct the Registrar General to issue a circular to all the MACTs to avail of the "V-Collect" facility offered by the Indian Bank or such similar facilities offered by other nationalized banks, so that the problem of mismatch of UTR-MCOP numbers does not arise at all.

55 By the way, by virtue of the directions issued by us, the District Nodal Officers have been able to bridge the mismatch between the UTR and MCOP numbers substantially and based on the reports submitted by the District Nodal Officers, we give below a chart giving a broad picture of the pendency status and other relevant information relating to MCOPs in the 33 districts in Tamil Nadu/Puducherry as on 07.03.2022.



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S. No.	Name of the District	No. of Tribunals	Type of A/c		Total no. of MCOPs pending	Total no. of FDRs	Total amount invested in FD	Total amount lying without investment in FD	Status of UTR-MCOP Mis-match
			Current	S.B.					
1	Ariyalur	8(4-Estb.)	4	0	846	891	93725772	103676310	40
2	Chengalpattu	12(8-Estb.)	8	0	4768	5933	788859040	318402890	144
3	Chennai	8(1-Estb.)	1 (from 01.11.2021)	1 (Already Opened & Existing)	24242	20335	3598458577	2047070903	469
4	Coimbatore	11(5-Estb.)	5	0	5942	7208	1418333791	345647793	119
5	Cuddalore	16(12-Estb.)	12	0	14698	10656	1712102611	586724171	204
6	Dharmapuri	9 (7-Estb.)	7	0	3761	3488	797246868	232965473	118
7	Dindigul	10(8-Estb.)	1	7	2304	3822	645244958	173961620	15
8	Erode	11	10	1	5694	8589	1877327946	1195234803	454
9	Kanniyakumari	7	2	5	1621	2334	665528476	7738415	5
10	Karur	6(4-Estb.)	4	0	3162	4621	887175915	216863104	0
11	Krishnagiri	12(8-Estb.)	6	2	4857	8173	1594344726	866986505	301
12	Madurai	15 (7-Estb.)	7	0	7220	11309	576897161	295693303	0
13	Nagapattinam	6	6	0	1713	4330	428271369	8343645	13
14	Namakkal	8	8	0	3393	5892	1259562650	529830115	478
15	Nilgiris	4	3	1	141	417	47128171	3514793	0
16	Perambalur	2	2	0	1958	2325	567561047	295789274	108
17	Puducherry	11	4	7	2249	3748	873508765	40908737	21
18	Pudukkottai	8 (4-Estb.)	2	2	2570	3776	503072130	108541669	139
19	Ramanathapuram	7(6-Estb.)	2	4	757	1815	314933419	2979172	20
20	Salem	17 (11-Estb.)	9	2	6697	10804	1944803977	585862159	185
21	Sivagangai	7(5-Estb.)	5	0	1239	2562	475495536	0	3
22	Thanjavur	15 (14-Estb.)	2	12	3537	8485	1163962039	108090976	37
23	Theni	8	7	1	911	1813	497824354	103415218	0
24	Thoothukudi	7	7	0	972	3232	584267933	102603881	0
25	Trichy	8(7-Estb.)	5	2	6154	6764	974766104	285281831	1
26	Tirunelveli	14 (13-Estb.)	12	1	8334	14055	2086795911	434672137	74
27	Tiruppur	13(10-Estb.)	10	0	11096	10420	1999919144	2052178790	204
28	Tiruvallur	13(12-Estb.)	12	0	3687	6255	1277279010	337643887	198
29	Tiruvannamalai	8	8	0	4710	5057	1597744130	142455743	383
30	Tiruvarur	4	4	0	1361	1990	318101769	90868036	33
31	Vellore	14	14	0	6066	6883	1145924638	493575455	29
32	Villupuram	14	11	3	10021	7999	1191018050	273131524	214
33	Virudhunagar	9(8-Estb.)	5	3	2038	6056	1275233731	161858097	0
	<b>Total</b>	<b>322</b>	<b>205</b>	<b>54</b>	<b>158719</b>	<b>202037</b>	<b>35182419718</b>	<b>12552510429</b>	<b>4009</b>



56 The above chart would give a bird's eye view of the availability of

undisbursed Fixed Deposit Receipts in each District as on 31.01.2022 for the benefit of Portofolio Judges, who are requested to ensure that the MACTs in their districts take steps for disbursing compensation amounts to eligible claimants, thereby reducing the accumulation of Fixed Deposit Receipts so as to prevent further misappropriation.

**Need for a permanent audit:**

57 The hard reality is that there has not been any audit of the accounts of the Courts in Tamil Nadu and Puducherry for the last several decades. What the auditors from the Accountant General's office do is, they audit the accounts in respect of funds sanctioned by the Government and the expenditure made from and out of the said funds and nothing beyond that. Whereas, when monies in terms of crores are coming on the judicial side into the Court's accounts, there is absolutely a need for a proper financial audit of these amounts by an independent Government auditor. The High Court (Principal Seat & Madurai Bench) has an in-house audit section comprising 2 Financial Advisors, 2 Chief Accounts Officers, 10 Audit Officers in the cadre of Accounts Officer and 8 Audit Superintendent in the cadre of Assistant Accounts Officer, on deputation from the State Government who are required to work in tandem with a team of our own



officers consisting of 1 Assistant Registrar, 5 Section Officers, 5 Assistant Section Officers, 5 Assistants, 5 Computer Operators and 5 Office Assistants *vide* G.O.Ms.No.507, Home (Courts-V) Department dated 13.06.2017.

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58 We find that our officers in the Audit Section have not stepped out of the portals of the High Court to conduct the audit of accounts of the MACTs and have instead, sent the deputationists randomly to some Courts for audit. These deputationists have absolutely no clue about the working of the financial side of the Court system. They simply go to the Courts in the name of inspection, enjoy the hospitality and courtesies offered to them and return with a report that everything is fine in the State of Denmark! In our considered view, the MCOP jurisdiction, being one of opulence, should be under the watchful eyes of the Audit Department of the High Court and therefore, we suggest to the Hon'ble Chief Justice to direct the Registrar General to direct the in-house audit wing of the High Court comprising our staff and the deputationists to inspect the accounts of the MACTs annually, as that would send a clear signal to the fence-sitters that they would stand easily exposed. Presently, it is sad that we are locking the stables after the horses have bolted, as most of the accused are retired employees, against whom, recovery proceedings cannot be initiated so easily in view of the rigour of Rule 9(b) of the Tamil Nadu Pension Rules. It is suggested to the Hon'ble Chief



Justice to direct the Registrar General to direct that one staff member of ours from the in-house audit department shall accompany one deputationist to each District for auditing the MACTs and submit the audit report to the Portfolio Judge concerned. We are fortified in making this suggestion from the communication in ROC No.280/A/2014/G2 dated 21.09.2015 of the Registrar General to the Principal Secretary to Government, Home (Courts-V) Department wherein functional structure of the audit party has been stated as under:

Sl.No.	Name of Post	Nature of Work
1	Audit Officer (Group 'B' Post in the cadre of Accounts Officer/Audit Superintendent (Group 'B' Post in the cadre of Assistant Accounts Officer	They will act as Head of the Audit Party - Supervising the audit work and to verify the accounts
2	Section Officer/Assistant Section Officer	To verify the Court Registers and records and to assist Accounts records verification and Court matters verification.
3	Assistant	To assist Accounts/Court matters for verification
	Functions of Touring Audit Party (TAP) Cent per cent verification of accounts, records and registers of every financial years in respect of District Courts/Subordinate Courts	

59 A reading of the above clearly shows that Section Officers/Assistant Section Officers of the High Court should have to verify the Court registers and the audit officers who have gone on deputation, should have to supervise the audit work and verify the accounts. Therefore, our staff in the in-house audit wing which has been constituted under G.O. Ms.No.507 (*supra*) cannot absolve



themselves of their duty to go for inspection. Had they gone on timely inspection along with the deputationists, we are sure that it would have acted as a deterrent

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and instilled fear in the minds of prospective fraudsters. After completing the audit, the in-house audit wing should be directed to submit their inspection report to the Portfolio Judges concerned. Therefore, we suggest that the Hon'ble Chief Justice may issue a direction to the Registrar General to direct the in-house audit wing to submit their inspection report to the Portfolio Judges concerned.

**Choice of bank branches:**

60 There is no dispute that all MACTs shall maintain their accounts only in nationalized banks and not in any scheduled bank. But, it has been brought to our notice by the Chief Nodal Officer and the District Nodal Officers that such Fixed Deposits appear to have been made in nationalized banks within the districts in far-flung places and at times, even outside the districts as well. For example, a Tribunal in Chennai has invested in a Fixed Deposit in Corporation Bank, Guduvanchery Branch, which is more than 25 kms. away, whereas, the claimant has his residence in Otteri, Chennai. We are aware of a Circular issued by the Registrar, High Court, in ROC No.3422A/93/F1 dated 13.09.1993 directing the MACTs to make Fixed Deposits preferably in nationalized banks where the claimant has his account. But, this has resulted only in multiplication of problems,



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inasmuch as, the Court staff are not able to visit the far-flung branches for the purpose of renewal of Fixed Deposits. Now that Core Banking Solution has been introduced, it may not be necessary to make Fixed Deposits in far-flung branches or in the branch where the claimant has his account. As a matter of fact, there are even instances of deposits having been made in companies and cooperative societies. The MCOP jurisdiction, being a money spinner, makes the Branch Managers of banks stand in serpentine queues before the Presiding Officers of the MACTs seeking deposits with various attractive *quid pro quos*. How long can any judicial officer remain a Buddha and spurn such offers? We have to put an end to this obnoxious practice and insulate our judicial officers from falling a prey to such allurements. We suggest that the choice of the nationalized banks shall be based on their vicinity within 5 kms. being the maximum from the Tribunal concerned and not beyond that. Each MACT shall choose five nationalized banks and respective branches within a radius of 5 kms. to invest in fixed deposits, however, strictly on a rotational basis. Where a nationalized bank is located in a Court campus, such branch should be included as one amongst the five branches. We suggest to the Hon'ble Chief Justice to direct the Registrar General to issue a circular on the above lines to all the MACTs.



61 It was brought to our notice that when a Fixed Deposit account is opened in the name of a minor, the interest component does not get credited to the

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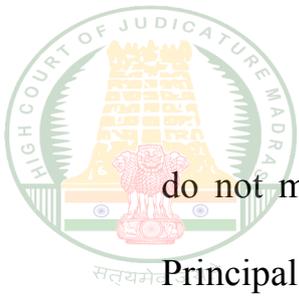
Savings Bank a/c of the said minor if the Savings Bank a/c is in a bank different from the bank where the fixed deposit has been made. To obviate this, the MACTs should ensure that the fixed deposits in the names of the minors are made in the nationalized banks, though not in the same branch in which the minor has his/her Savings Bank a/c, so that the interest component is automatically credited into the account of the minor without Court intervention. We suggest to the Hon'ble Chief Justice to direct the Registrar General to issue a circular on the aforesaid lines.

**Maintenance of registers:**

62 It was brought to our notice that the general practice in the MACTs is to maintain the following registers:

- a CR 35 – CCD Ledger
- b CR 36 – CCD - Deposit Register
- c. CR 37 – CCD - Repayment Register
- d. Cash Book (TNTC5)
- e. CR 63 - Register of Investments

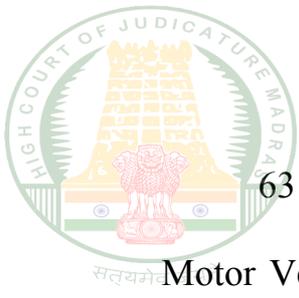
We were shocked to notice that these registers are not maintained by several MACTs. For example, in all the districts, the Additional District Courts and the Additional Sub Courts have been invested with MCOP jurisdiction. These Courts



do not maintain these registers separately. Instead, they use the registers of the Principal District Court and the Principal Sub Court respectively for their

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transactions. When enquired by us, they stated that they do not have enough staff strength to maintain these registers separately. We find that much accumulation of compensation amounts in the Principal District Courts and Principal Sub Courts has been on account of the above factor. When the Additional District Courts and Additional Sub Courts want MCOP jurisdiction for the purpose of reaching norms, they cannot shirk their responsibility and be heard to say that their accounts should have to be maintained by the Principal District Courts and Principal Sub Courts. At least for MCOP cases, these Additional District Courts and Additional Sub Courts should be directed to maintain their own bank accounts and their own registers. If the Additional District Courts and Additional Sub Courts need additional staff strength, it is for them to submit a proposal to the High Court for sanction of the requisite staff strength from the Government. Therefore, we suggest that the Hon'ble Chief Justice may direct the Registrar General to issue a circular to all the Additional District Courts and Additional Sub Courts holding MCOP jurisdiction to maintain their own registers for receiving, investing and disbursing compensation amounts in the MCOP jurisdiction.



63

We hasten to note that a new dispensation under Chapter XI of the Motor Vehicles Act, 1988, read with the amended Central Motor Vehicle Rules, 1989, is taking effect on and from 01.04.2022. There is going to be a tectonic change in practice and procedure in the maintenance of registers, conduct of cases, maintenance of bank accounts, receiving award amounts, investing them and disbursement of the same. In the light of this new dispensation from 01.04.2022 and the Motor Accident Claims Annuity Deposit (MACAD) scheme, the existing Rule 20 of the TNMVACT Rules, 1989, necessarily requires amendment. Therefore, we suggest to the Hon'ble Chief Justice to direct the Registrar General to address the Government to make necessary amendments to the TNMVACT Rules in sync with the amended Central Motor Vehicles Rules, 1989.

**Summation:**

64 We feel that these proceedings cannot go on forever. It is not meant to be a fishing expedition or intended to clean the cobwebs in each and every MACT. That is a judicial impossibility. We have dug as deep as we could. Our deep dive during the ten hearings in the open Court and two meetings at the Tamil Nadu State Judicial Academy have yielded substantive dividends. We have noticed a systematic failure at all levels. There is a realisation and recognition of issues which needs immediate attention.



65 The UTR - MCOP numbers mismatch has largely been addressed.

Pending mismatches have been sorted out, by and large, with the active cooperation of all stakeholders. The template for future guidance and compliance is also in place. It is made clear that all stakeholders shall abide by their respective obligations in this regard - as Insurance Companies / Transport Corporations and such other depositors of award sums - by submitting UTR numbers with MCOP numbers, sending e-mails to MACTs in 48 hours of such deposit, and filing physical proof as well with MACTs, on proper acknowledgment, without any let or hindrance. Any failure, if brought to the notice, of this Court would be viewed very seriously and legal consequences shall follow. No excuses or exemptions or explanations would be acceptable as the whole issue arose, triggered by this UTR-MCOP mismatch, in the first place.

66 It is also made clear that all the MACTs shall ensure continued investment of award amounts in Fixed Deposits with standing instructions to the banks, subject to automatic renewal and / or disbursement of the same. Having captured our findings on issues brought under the scanner, we deem it fit to issue the following slew of directions. We make it clear that it would be open to all stakeholders, if and when faced with difficulties, to approach this Court for



clarification or modification. For this purpose, these proceedings shall be kept open-ended.

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**DIRECTIONS:**

67 All the MACTs shall continue to maintain the bank accounts which they are maintaining as on this date, for the purpose of depositors' compliance. The said bank account numbers shall be mentioned in each of the awards for compliance, along with e-mail ID of MACTs concerned.

68 It is made clear that subject to the orders of the Supreme Court in **Bajaj Alliance General Insurance Co. Ltd. (supra)**, all MACTs in Tamil Nadu and Puducherry shall maintain Savings Bank A/c / Current A/c, as the case may be, from the date of orders of the Supreme Court, as may be decided.

69 All Insurance Companies, Transport Corporations and such other depositors shall make deposits of the awards to the bank accounts of the respective MACTs, as incorporated in the awards themselves, together with UTR and MCOP numbers, without fail. On such deposit, the depositors shall send e-mails to the e-mail IDs identified in the award itself by the MACTs, within 48 hours of such deposit and the said e-mails shall be followed by submission of proof of deposit physically before MACTs, on proper acknowledgement by the depositors, without



fail. It is made clear that any clarification sought by MACTs shall be responded to by the depositors forthwith.

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70 Upon such deposit of the award sums, the MACTs shall give standing instructions to bank branches for the investment of award sums forthwith as Fixed Deposits for minimum period of 91 days, subject to automatic renewal / and or disbursement of the same, as the case may be.

71 It is made clear that all the MACTs shall invest in Fixed Deposits only in five select nationalised bank branches, within the vicinity of 5 kms. of the Court premises, including in nationalized bank branch within the Court complex, on rotational basis.

72 It is further made clear that though initial deposit of the award amounts may be in the bank account of the MACTs concerned, the said MACTs shall invest in Fixed Deposits on rotational basis in 5 select nationalized bank branches, within 5 kms. vicinity, including the bank account of MACTs concerned.

73 Insofar as the bank accounts of the claimants, the MACTs shall ensure that bank accounts were pre-existing before the date of claim, if the claimants had such account. If no such bank accounts are available, then, new account shall be opened in such bank branch within the place of ordinary



residence of the claimants alone. The MACTs shall ensure compliance with this direction by obtaining an affidavit from the claimants during trial, that bank account details furnished by them were as above and not in breach of the abovesaid requirement.

74 For the sake of ready reference and also for the purpose of convenience of the Registry in getting appropriate orders from the Hon'ble Chief Justice, the suggestions put forth to the Hon'ble Chief Justice in this order and the corresponding requests made to the Hon'ble Portfolio Judges, are set out hereunder:

**Suggestions to the Hon'ble Chief Justice:**

- i. The Hon'ble Chief Justice, being the Administrative Head of the State judiciary, may direct the Registrar General to issue a Circular to all the MACTs for lapsing the accrued interest in various banks in Tamil Nadu and Puducherry, to the respective Governments in terms of the extant rules, *vide* paragraph 34 (*supra*);

In addition to the above, we suggest to the Hon'ble Chief Justice to:

- ii. to direct the Registrar General to issue a circular to all the MACTs to include the details contained in paragraph 32 (*supra*) in their monthly IDP statement;
- iii. issue a direction to the Registrar General to direct all the Principal District Judges to conduct inspection of office records of Additional



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District Judges and Special Judges appointed under various special enactments, *vide* paragraph 51 (*supra*);

- iv. direct the Principal District Judges to conduct inspection of records of their own Courts periodically, say at least once in three months, *vide* paragraph 52 (*supra*);
- v. to issue a direction to all the Additional District Courts, Additional Sub Courts and Special Courts which are designated as MACTs, to open separate bank accounts for themselves (be it S.B. A/c or Current A/c, depending upon the direction of the Supreme Court in **Bajaj Alliance General Insurance Co. Ltd.** (*supra*) and maintain the said accounts together with the relevant registers, *vide* paragraph 53 (*supra*);
- vi. to issue a circular to the Presiding Officers in all the MACTs to avail of the online account viewing facility by giving their mobile numbers and KYC particulars and on their transfer, the new incumbents shall furnish the details and continue with the process, *vide* paragraph 53 (*supra*);
- vii. to issue a circular to all the MACTs to avail of the “V-Collect” facility offered by the Indian Bank or such similar facilities offered by other nationalized banks, so that the problem of mismatch of UTR-MCOP numbers does not arise at all, *vide* paragraph 54 (*supra*);



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- viii. direct the Registrar General to direct the in-house audit wing of the High Court comprising our staff and the deputationists to inspect the accounts of the MACTs annually as that would send a clear signal to the fence-sitters that they would stand easily exposed, *vide* paragraph 58 (*supra*);
- ix. direct the Registrar General to direct that one staff member of ours from the in-house audit department shall accompany one deputationist to each District for auditing the books of accounts of the MACTs and submit the audit report to the Portfolio Judge concerned, *vide* paragraph 58 (*supra*);
- x. issue a direction to the Registrar General to direct the in-house audit wing to submit their inspection report periodically to the Portfolio Judges concerned, *vide* paragraph 59 (*supra*);
- xi. direct the Registrar General to issue a circular to all the MACTs *qua* choice of nationalized banks for investing MCOP compensation amounts in Fixed Deposits, *vide* paragraph 60 (*supra*);
- xii. direct the Registrar General to issue a circular to all the MACTs *qua* investment of minors' share of MCOP compensation amounts, *vide* paragraph 61 (*supra*);



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xiii. direct the Registrar General to issue a circular to all the Additional District Courts and Additional Sub Courts having MCOP jurisdiction, to maintain their own registers for receiving, investing and disbursing compensation amounts in the MCOP jurisdiction, *vide* paragraph 62 (*supra*);

xiv. direct the Registrar General to address the Government to make necessary amendments to the TNMVACT Rules in sync with the amended Central Motor Vehicles Rules, 1989, *vide* paragraph 63 (*supra*)

**Request to the Hon'ble Portfolio Judges:**

- i. The Hon'ble Portfolio Judges of each district may kindly ensure that the investments made in Fixed Deposits in the MCOP jurisdiction are renewed sooner after maturity, *vide* paragraph 39 (*supra*);
- ii. The Hon'ble Portfolio Judges may kindly ensure that the compensation amounts either reach the doorstep of the claimants or paid to the Government as "lapse of deposits", *vide* paragraph 48 (*supra*);
- iii. The Hon'ble Portfolio Judges may kindly cause inspection of the records of the Court of the Principal District Judges frequently because it is only the want of periodical inspection which has resulted in huge accumulation of monies in the accounts of the Principal District Courts, *vide* paragraph 51 (*supra*);



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- iv. The Hon'ble Portfolio Judges may kindly ensure that the MACTs within their respective districts take steps for disbursing compensation amounts to eligible claimants, thereby reducing the accumulation of Fixed Deposit Receipts so as to prevent further misappropriation, *vide* paragraph 56 (*supra*); and
- v. The Hon'ble Portfolio Judges may kindly study the reports submitted by their respective District Nodal Officers and take remedial measures in this regard, *vide* paragraph 78 (*infra*).

75 This Court places on record its profound appreciation to Mr.K.Seetharaman, the Chief Nodal Officer, the High Court Inspection Committee comprising Mr. S. Sethuraman, Section Officer (Inspection), High Court, Madras and Mr. M. Ilayaraja, Assistant, Accounts Section, High Court, Madras, the 3-Member Sub Judge Committee comprising Mr.S. Prakash, Chief Judicial Magistrate, Kumbakonam, Mr.T.Balamurugan, Chief Judicial Magistrate, Tiruvarur and Mr.S.Annamalai, Special Sub Judge, Special Sub Court to deal with MCOP Cases, Thanjavur; The Additional District Judge-cum-Principal Sub Judge Committee comprising Mr. N.S. Srivatsan, Sessions Judge (Mahila Court), Tiruchirappalli and Mr. G.N. Saravanakumar, Principal Sub Judge, Thanjavur; the District Nodal Officers and Assistant District Nodal Officers. Our above

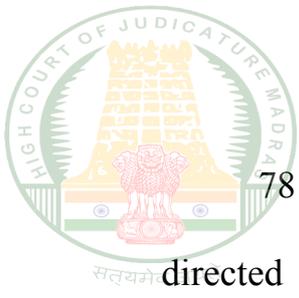


appreciation may be recorded in the service register of the officer/staff member concerned.

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76 The District Nodal Officers and Assistant District Nodal Officers have done an excellent job in their respective Districts for streamlining the records of the MACTs. We place on record our sincere appreciation to each one of them individually. Our appreciation may be recorded in their service register. *En passant*, we hereby withdraw our request to the Hon'ble Chief Justice not to transfer the District Nodal Officers midway and now, it is open to the Hon'ble Transfer Committee to make transfer of the District Nodal Officers and Assistant District Nodal Officers, as it deems fit.

77 This Court also places on record its deep sense of gratitude and appreciation to Mr. N. Vijayaraghavan, learned *Amicus Curiae*, for his able and yeoman assistance and cooperation to the Court, as has been his virtue throughout, with his rich experience in the MCOP jurisdiction, but for which, it would have been well-nigh impossible for this Court to suggest remedial measures enumerated above for streamlining the methods *qua* disbursement of compensation amounts to the claimants in the MCOP jurisdiction.



78

The Chief Nodal Officer and the Assistant Chief Nodal Officers are

directed to place the reports submitted by the District Nodal Officers, to the Portfolio Judges concerned, for follow up action.

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79

Before parting with the case, we deem it fit to place on record our observations as under:

There are 322 MACTs in Tamil Nadu and Puducherry dealing with 1,57,719 MCOP cases as on 31.01.2022. We have not yet opened the Pandora's box but have only scratched the surface of the MCOP jurisdiction and that itself shows the existence of a cancerous tumour beneath, which is corroding the vitals of the Civil and Criminal Courts which are vested with MCOP jurisdiction. It is, therefore, imperative that honest judicial officers and staff are protected from contamination. In **Rasmita Biswal vs. Divisional Manager, National Insurance Company Ltd. (AIR 2022 SC 85)**, the Supreme Court has suggested that the appellate jurisdiction of the High Courts *qua* MCOP cases should be taken away and conferred on separate Appellate Tribunals so that the High Courts could concentrate on Constitutional matters. Taking a cue from the aforesaid suggestion of the Supreme Court, we suggest that our Civil



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and Criminal Courts also be divested of the powers to try MCOP cases and instead, like the District Consumer Commission, separate Tribunals manned by retired District Judges can be established for dealing with MCOP cases in all the districts. The awards of such Tribunals can be appealed against in the Appellate Tribunal that has been suggested by the Supreme Court in **Rasmita Biswal** (*supra*). At present, some of the judicial officers are happier than before in reaching norms by disposing of only MCOP cases, instead of Civil and Criminal Cases. If our suggestion finds acceptance by the Central Government and necessary amendments brought to the Motor Vehicles Act, the Civil and Criminal Courts would have enough time to dispose of commercial suits and Sessions trials respectively in huge numbers. In fact, there is a complaint that on account of delay in disposal of commercial disputes, foreign investors are reluctant to come to India. This grievance would stand addressed to some extent if our Civil Courts are left to do such serious matters than trying MCOP cases which do not involve any complicated questions of fact and law. We understand that the Artificial Intelligence Committee appointed by the Supreme Court is working to put in place an



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algorithm for a consistent and uniform assessment of compensation in MCOP matters to be dealt with by Artificial Intelligence. We hope, at least, that fructifies soon and comes to the rescue of the District Judiciary.

80 The Additional Registrar (Inspection), officers and the staff in the Inspection Cell are directed to receive the reports submitted by the District Nodal Officers, process them and place them for orders before the Hon'ble Portfolio Judges concerned, for follow up action. Wherever reports have not been received from the District Nodal Officers, it shall be followed up, obtained and placed before the Portfolio Judges concerned, after due processing.

81 The references to the various misappropriations and frauds catalogued above, are based only on *prima facie* materials and we are not giving any finding as to the culpability or otherwise of the accused persons allegedly involved in these cases. It is for the trial Courts concerned to proceed with the cases without being influenced, in any manner, by what has been stated herein.

82 While concluding Part I of our order, having relegated the issue of liability or otherwise of State Bank of India, Pattukottai Branch, we deem it fit to allude to Jonathan Swift's description of the moral standards of the Lilliputians in his celebrated novel "Gulliver's Travels". Lilliputians are portrayed as very small-



sized people, hardly six inches in height but with high moral values. Jonathan

Swift says:

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“The Lilliputians look upon fraud as a greater crime than theft, and therefore, seldom fail to punish it with death; for they allege that care and vigilance may preserve man’s goods from theft, but honesty has no defence against superior cunning.”

The proceedings are further adjourned to 01.04.2022 to decide the question of the liability of the State Bank of India, Pattukkottai Branch.

**(P.N.P., J.) (A.Q., J.)**  
**17.03.2022**

cad

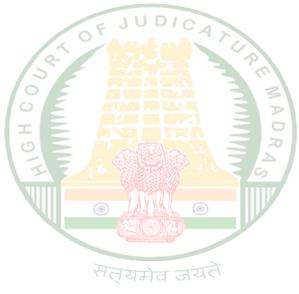
To

- 1 The Registrar General  
High Court of Madras  
Chennai 600 104
- 2 The Registrar (Judicial)  
High Court of Madras  
Chennai 600 104
- 3 The Additional Registrar (Inspection)  
High Court of Madras  
Chennai 600 104
- 4 The Director  
Tamil Nadu State Judicial Academy  
Greenways Road  
R.A. Puram, Chennai 600 028



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- 5 The Reserve Bank of India  
Fort Glacis, 16, Rajaji Road  
Fort St George, Chennai 600 001  
(attention invited to paragraph 25)
- 6 Mr. N. Vijayaraghavan, *Amicus Curiae*  
No.3, I Street  
North Gopalapuram, Chennai 600 086
- 7 The Secretary-General  
General Insurance Council  
V Floor  
National Insurance Building  
14, Jamshedji Tata Road  
Churchgate, Mumbai 400 020  
General Insurance Company, Mumbai,  
is put on notice for and on behalf of  
Insurance Companies dealing with  
motor insurance claims in Tamil Nadu
- 8 Mr. C. Mohan  
M/s. King & Partridge  
Catholic Centre  
II Floor, 108 Armenian Street  
Chennai 600 001



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*Suo Motu* W.P. No.12



**P.N. PRAKASH, J.**

and

**ABDUL QUDDHOSE, J.**

cad

*Suo Motu* W.P. No.12935 of 2021

17.03.2022