

(1941) 09 MAD CK 0031
In the Madras High Court

The Travancore National Bank Subsidiary Co., Ltd.	APPELLANT
Vs	
M.S. Venkataraman and Others	RESPONDENT

Date of Decision : 08-09-1941

Acts Referred:

Contract Act, 1872 — Section 50

Citation : AIR 1942 Mad 337 : (1942) 55 LW 254 : (1941) 2 MLJ 908

Hon'ble Judges : Lakshmana Rao, J

Bench : Division Bench

Judgement

Lakshmana Rao, J.—The amount in dispute was payable to the Travancore National Bank Subsidiary Co., Ltd., towards future instalments

in respect of chits held by the first respondent, the prize winner, and it was deposited in a Chit Savings Bank account in the name of the first

respondent in the Travancore National Bank Ltd., in accordance with Rule 18 (b) of the Chit Fund Rules. Rule 4 of the Rules of the Chit Savings

Bank account provides that the amount deposited shall not be available for withdrawal for purposes other than for payment of chit instalments till

the termination of the particular chit in respect of which the account is opened and under Rule 5 the chit fund subscriptions due every month are to

be appropriated and adjusted from the Chit Savings Bank account as and when they fall due. Rule 6 provides that the Chit Savings Bank account

is to be treated as an ordinary Savings Bank account only after the termination of the chit, and there was in effect an assignment to the petitioner of

the moneys standing to the credit of the account. The amount was deposited in the manner sanctioned by the petitioner, the promisee, for the

performance of the promise and u/s 50 of the Indian Contract Act the performance is good. In the circumstances the promisee has to take the risk

and the decision of the lower Court is correct. The revision petition therefore fails and is dismissed with costs.