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**(1977) 03 MAD CK 0003**  
**In the Madras High Court**

V. Sridhar, President, Sri Rao Bahadur Vemur Ranganathan  
Chetty Charities

APPELLANT

Vs

The State of Tamil Nadu

RESPONDENT

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**Date of Decision :** 21-03-1977

**Acts Referred:**

Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959 — Section 3, 3(1),  
3(2), 3(3)

**Citation :** (1978) 1 MLJ 437

**Hon'ble Judges :** S. Mohan, J

**Bench :** Single Bench

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**Judgement**

S. Mohan, J.—One Vemur Ranganathan Chetty of Triplicane left a will dated 30th January, 1949 bequeathing all his properties to be taken

over after his life-time by the executors who were also the trustees under a settlement deed dated 28th January, 1949 executed by him. Under the

settlement deed he directed the members of the Governing Body of Sree Venkateswara Students Hostel, Triplicane, be appointed as trustees. He

also directed the performance of certain charities and religious services mentioned therein. Clause 6 of the settlement deed directed that the

trustees shall after the expiry of one year from the time of his death obtain vacant possession of premises No. 7, South Mada Street, Triplicane and

Nos. 31 and 35, Thulasisingaperumal Koil Lane, Triplicane, from the tenants and convert them into a hostel for women belonging to any of the four

communities of Hindus provided they are vegetarians and on payment of reasonable occupational charges as in vogue in Sree Venkateswara

Students Hostel, Triplicane.

2. Certain complaints were received that the hostel for women was not being

maintained properly. After a formal enquiry by the Assistant Commissioner, Hindu Religious and Charitable Endowments, Madras the Government directed a full-fledged enquiry u/s 3(1) of the Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959 (here in after referred to as the Act) by its memorandum dated 4th January, 1973. The Commissioner, in turn, authorised the Assistant Commissioner, Madras to conduct the enquiry. This was duly notified to, the trustees in office by memorandum, dated 10th February, 1973. The Assistant Commissioner enquired into the matter and submitted his report on 31st December, 1973. The Commissioner accordingly recommended to the Government the issue of a show cause notice to extend the provisions of the Act on the following grounds:

1. The trustees have not established a hostel for Hindu Vegetarian ladies in premises No. 7, South Mada Street, Triplicane after effecting necessary alterations and additions to Nos. 31, 31-35, T.P. Koil Street, Triplicane as desired by the donor;
2. that the trustees have not taken any steps to evict the tenants from the premises Nos. 31-35, T.P. Koil Street, Triplicane, Madras-5 simultaneously with their action to vacate the lessee in premises No. 7, South Mada Street, Madras-5;
3. that no action has been taken to perform the charities like donation for the renovation of the temples, payments during Upanayanam and contributions to the charitable institutions and no steps have also been taken to invite applications for offering assistance for the above said charities;
4. that the construction of a prayer hall was made only during 1971-72 even though the trustees have entered into the management of the institution even prior to 1961;
5. and that the allocation of funds for the several charities is not done as per the percentage fixed by the donor and in respect of the charities not performed the funds for the same have not been set apart.

3. The Government accordingly issued a show cause notice on 1st June, 1974 and called upon the trustees why Vemur Ranganathan Chetty

Charities should not be notified u/s 3 of the Act. The trustees, through the President of the Board of Trustees made their representations, which

were examined fully. The Government by G.O. No. 1033, Commercial Taxes and Religious Endowments, dated 22nd July, 1976 extended the

provisions of the Act to the petitioner charity. It is to quash this order the present writ petition has been preferred.

4. The learned Counsel for the petitioner urges two points in support of the writ petition. Firstly, it is not a charity within the meaning of the Act and

secondly, the petitioner had no effective opportunity to put forth its case. The learned Counsel relies on a decision of Ramakrishnan, J., reported in

Venkatarama Iyer v. Government of Madras. (1967) 30 L.W. 613.

5. The learned Government Pleader draws my attention to Clause 6 of the settlement deed and states that clause undoubtedly envisages a

charitable purpose. His further submission is that it is not correct to say that there was no enquiry. On the contrary, in the enquiry conducted by the

Assistant Commissioner, the petitioner did participate on more than one occasion. When the matter reached the stage of Section 3(3), a show

cause notice was issued for which representations were also furnished by the petitioner charities. Therefore, the entire procedure has been properly

followed and no objection could be taken to the same.

6. The decision cited by the petitioner has no application to the facts of this case, since that was a case wherein no enquiry whatsoever took place.

7. Clause 6 of the deed of settlement runs as follows:

The trustees shall as soon as possible after the expiry of one year from the time of the death of the settlor obtain vacant possession of premises No.

7, South Mada Street, Triplicane, and Nos. 31-35, Thulasingaperumal Koil Lane, Triplicane, from the tenants and effect alterations and additions

to the premises at a cost of about Rs. 5,000 converting door Nos. 31-35, Thulasingaperumal Koil Lane, Triplicane into kitchen and bath-room

and establish in the said premises a hostel for the use of lady students belonging to any of the four communities of Hindus provided they are

vegetarians of course on payment of reasonable occupational charges as in vogue in Sree Venkateswara Students' Hostel, Triplicane.

8. Running a hostel for Hindu women is undoubtedly a charitable purpose. Therefore, the provisions of the Act are certainly attracted. Hence the

first contention of the petitioner fails.

9. Turning to the lack of opportunity I find on a perusal of the records produced

before me that the petitioner did participate on 8th October, 1971

when the enquiry was conducted by the Assistant Commissioner. On these materials when the matter was forwarded to the Government, the

Government on being satisfied that the provisions of the Act should be extended, issued the show cause notice u/s 3(3) for which the petitioner did

file its representations. Therefore, the entire procedure contemplated u/s 3 of the Act has been fully followed. Section 3 states as follows:

Where the Government have reason to believe that any Hindu or Jain public charitable endowment is being mismanaged, they may direct the

Commissioner to inquire, or to cause an inquiry to be made by any officer authorised by him in this behalf, into the affairs of such charitable

endowment, and to report to them whether, in the interest of the administration of such charitable endowment, it is necessary to extend thereto all

or any of the provisions of this Act and of any rules made thereunder.

10. That enquiry in this case has been conducted by the Assistant Commissioner in which, as I said above, the petitioner did participate.

11. Section 3(3) of the Act is to the following effect:

If, after considering the report of the Commissioner, submitted under Sub-section (1), the Government are satisfied that such charitable

endowment is being mismanaged and that, in the interests of the administration of such charitable endowment, it is necessary to extend thereto all

or any of the provisions of this Act and of any rules made thereunder, they may, by notification, extend to such charitable endowment the said

provisions, and thereupon, the provision as extended shall apply to such charitable endowment as if it were a specific endowment:

Provided that before issuing such a notification, the Government shall publish in the Fort St. George Gazette, a notice of their intention to do so,

specifying the reasons for the action proposed to be taken by them and fixing a period which shall not be less than two months from the date of

publication of the notice, for the persons interested in the endowment concerned to show cause against the issue of the notification and consider

their objections, if any.

12. In the instant case, after the materials were collected by the Assistant Commissioner, they were forwarded to the Commissioner who

recommended the issue of the show cause notice on five grounds mentioned

above. The Government was also satisfied about the desirability of extending the provisions of the Act and issued the show cause notice on 1st June, 1974 to which representations were filed through the President of the Board of Trustees. This was considered by the Government and then the ultimate order came to be passed. Therefore, there is absolutely no flaw in the procedure adopted.

13. Venkatarama Iyer v. Government of Madras (1967) 80 L.W. 613 was a case in which no enquiry was conducted. Therefore, the case is distinguishable. However, in dealing with the scope of the section, the learned Judge (Ramakrishnan, J.) has made the following observations which are material for our purposes:

The language of Section 3 of the Act makes it clear that after the report of the Inspector reaches the Government, the trustee will have an opportunity of showing cause; but it appears to me that, that opportunity will not be the same as an opportunity u/s 3(2) of facing a full and detailed enquiry. What is stated above is intended to lay stress on the importance of conducting the statutory enquiry u/s 3(2) with all the formalities that this section has prescribed.

14. As I have observed, the procedure indicated in the section has been properly followed in this case. Therefore the second contention of the petitioner also fails. Consequently I hold, this writ petition carries no merit and it is hereby dismissed. However, there will be no order as to costs.