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W.P.No.197 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:18.08.2025
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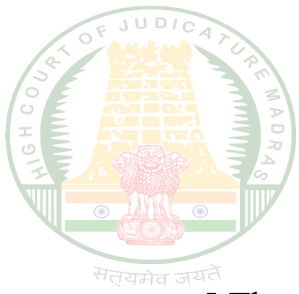
THE HONOURABLE MRS JUSTICE N. MALA

Writ Petition No.197 of 2025
and W.M.P.Nos. 209,211,213 & 214 of 2025

K.Gnanavel,
Managing Partner of
M/s.Sri Azhagu Nachiamman Modern Rice Mill ... Petitioner

Vs.

- 1.The Chairman and Managing Director,
The Tamil Nadu Industrial Investment Corporation Ltd.,
692, Annasalai,
Nandanam, Chennai – 600 035.
- 2.The Deputy General Manager,
LM & R and Recovery,
The Tamil Nadu Industrial Investment Corporation Ltd.,
692, Annasalai,
Nandanam, Chennai – 600 035.
3. The Senior Regional Manager,
The Tamil Nadu Industrial Investment Corporation Ltd.,
692, Annasalai,
Nandanam, Chennai – 600 035.
- 4.The Assistant General manager,
LM & R and Recovery,
The Tamil Nadu Industrial Investment Corporation Ltd.,
692, Annasalai,
Nandanam, Chennai – 600 035.

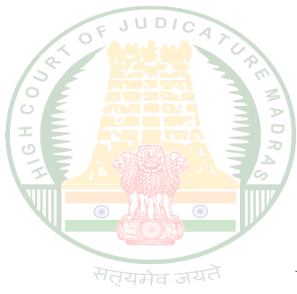


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5. The Senior Manager,
LM & R and Recovery,
The Tamil Nadu Industrial Investment Corporation Ltd.,
692, Annasalai,
Nandanam, Chennai – 600 035.
 6. The Branch Manager,
The Tamil Nadu Industrial Investment Corporation Ltd.,
Villupuram Branch,
No.23-A, Ranganathan Road (Hotel Woodland Complex),
1st Floor, Chennai-Trichy Trunk Road,
Villupuram – 605 602.
 7. The Branch Manager,
The Tamil Nadu Industrial Investment Corporation Ltd.,
Kallakurichi Branch,
No.59, Gopuram Towers, 3rd Floor,
Durugam Road, Kallakurichi – 606 202.
 8. The Branch Manager,
The Tamil Nadu Industrial Investment Corporation Ltd.,
Sri Lakshmi Complex (1st Floor), 4/22, Omalur Main Road,
Swarnapuri, Salem – 636 004.
- ... Respondents

Writ Petition filed under Article 226 of Constitution of India, praying for issuance of Writ of Certiorari calling for the records pertaining to the Impugned notice dated 07.03.2023 bearing TIIC/KKCHI/LEGAL/2022-23, issued by the 8th respondent and the consequential possession notice dated 08.08.2023 bearing TIIC/VPM/LAO/2-23-24 and the impugned auction-sale notice dated 05.12.2024 bearing TIIC/VP/LAO/2024-25, both issued by the 6th respondent and quash the same.



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For Petitioner : Mr.D.Prabhu Mukunth Arun Kumar

For Respondents 1 to 8 : Mr.Sulaiman Basha

ORDER

The relief sought by the petitioner in this writ petition is to call for the records pertaining to the Impugned notice dated 07.03.2023 bearing TIIC/KKCHI/LEGAL/2022-23, issued by the 8th respondent and the consequential possession notice dated 08.08.2023 bearing TIIC/VPM/LAO/2-23-24 and the impugned auction-sale notice dated 05.12.2024 bearing TIIC/VP/LAO/2024-25, both issued by the 6th respondent and quash the same.

2. The case of the petitioner is the petitioner involved in the business of running a modern rice mill, registered as a Small Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 and availed term loans of Rs. 1.4 Crore (Loan A/c No. 67T0014) and Rs.27 Lakh (Loan A/c No. 67T0018) in 2022 and repaid Rs.36,15,743/- before facing financial difficulties. Due to non-payment, the loans were classified as Non-Performing Assets (NPA), and the respondents issued notices in 2023, demanding a sum of Rs.1,52,40,000/- as repayment under Section 29 of the State Financial



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Corporation (SFC) Act, 1951. The respondents later took constructive possession of the petitioner's pledged lands and issued an auction notice on 05.12.2024 for an e-auction on 09.01.2025 to recover the outstanding dues. Meanwhile, the petitioner sent a letter dated 23.12.2024 to the respondents to cancel the proposed e-auctioning. However, the same was not considered. Challenging the same, the petitioner has come forward with the present writ petition.

3. Learned counsel for the petitioner submitted that the petitioner had already given a letter dated 23.12.2024 to the respondents, requesting the cancellation of the e-auction notification, which was scheduled on 09.01.2025. Since, no interim order was granted, the respondents have proceeded with the auction, but there was no bidders.

4. Learned standing counsel appearing for the respondents would submit that as on 09.01.2025, the outstanding dues to be paid by the petitioner is Rs.1.85 crore and as of 28.02.2025, the due amount is Rs.1,92,96,000/-. However, the petitioner has not paid the aforesaid amount, till date.

5. Heard the learned counsel on either side and perused the materials



available on record.

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6. At the time of hearing, this Court raised a question to the learned counsel for the petitioner that whether he is willing to pay 75% of the outstanding due amount to the respondents and the learned counsel for the petitioner submitted that he does not have any amount to pay. Hence, no interim order was granted by this Court.

7. Considering the submission made by the learned counsel on either side and in order to provide one more opportunity to the petitioner, this Court directs the respondents 1 to 3 to consider the petitioner's letter/representation dated 23.12.2024, seeking cancellation of the e-auction notification, after giving due notice to the petitioner, affording an opportunity of personal hearing, considering the documents submitted by the petitioner on merits, in accordance with law and pass appropriate orders, within a period of eight weeks from the date of receipt of a copy of this order.

8. In the event of considering the representation of the petitioner positively, then no auction is necessary on the part of the respondents. If it is otherwise, the respondents are at liberty to proceed with auction and issue a fresh possession notice in accordance with law.



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9. This writ petition is disposed of with the aforesaid observation and directions. No costs. Consequently, connected miscellaneous petitions are closed.

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Index : Yes/No
Speaking Order : Yes/No
Neutral Citation : Yes/No
vm/ak

To:

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692, Annasalai,
Nandanam, Chennai – 600 035.
- 2.The Deputy General Manager,
LM & R and Recovery,
The Tamil Nadu Industrial Investment Corporation Ltd.,
692, Annasalai, Nandanam, Chennai – 600 035.
3. The Senior Regional Manager,
The Tamil Nadu Industrial Investment Corporation Ltd.,
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Nandanam, Chennai – 600 035.
- 4.The Assistant General manager,
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692, Annasalai,



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N. MALA, J.

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