



WEB COPY



W.P.No.11316 of 2015

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.04.2025

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THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.No.11316 of 2015

And

M.P.No.2 of 2015

Indian Overseas Bank
Tiruppur Main Branch
Rep. by its Asst. General Manager
No.122, Kumaran Road,
Tiruppur – 641 601.

... Petitioner

Vs.

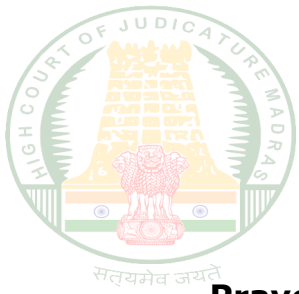
1.The Employees Provident Fund Organization
Regional Office,
Bhavishya Nidhi Bhavan
Post Box No.3875,
Dr.Balasubramaniam Road,
Coimbatore – 641 018.

2.The Recovery Officer,
Office of the Employees Provident Fund Organization
Bhavishya Nidhi Bhavan,
Post Box No.3875
Dr.Balasubramaniam Road,
Coimbatore – 641 018.

3.M/s.Wagon Wheet Knit Works

4.Asset Reconstruction Company (India) Ltd.,
The Ruby, 10th Floor,
29, Senapathi Bapat Marg,
Dadar (West)
Mumbai 400 028.

... Respondents



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Prayer:

Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorari calling for the records relating to the proceedings of the second respondent pertaining to the order in letter No.TN/RO-CBE RECY/45452/2015 dated 19.01.2015 and the consequential orders in letter No.TN/RO-CBE-RECY/45452/2015 dated 09.02.2015 and TN/RO-CBE-RECY/45452/2015 dated 26.03.2015 quash the same.

For Petitioner : Mr.F.B.Benjamin George
For Respondents : Mr.C.Kulanthaivel for R1 & R2
R3 & R4 – No Appearance

ORDER

The petitioner has filed this writ petition seeking issuance of Writ of Certiorari calling for the records relating to the proceedings of the second respondent pertaining to the order in letter No.TN/RO-CBE RECY/45452/2015 dated 19.01.2015 and the consequential orders in letter No.TN/RO-CBE-RECY/45452/2015 dated 09.02.2015 and TN/RO-CBE-RECY/45452/2015 dated 26.03.2015 and to quash the same.

2.The learned counsel appearing for the petitioner submitted that the petitioner is a Nationalized Bank. During the course of business the third respondent availed various credit facilities from the



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petitioner for its business requirement. The said loans were secured by movable and immovable properties. Since the third respondent committed default in repayment of the dues, the loan accounts became NPA and as on 30.07.2012, the third respondent was in due and liable to pay a sum of Rs.30,10,82,007/- to the petitioner and hence the petitioner initiated SARFAESI proceedings and the third respondent's properties were assigned to the fourth respondent for recovering the NPA by realization of underlying securities. Thereafter the petitioner came to know that the third respondent did not make EPF contribution and the second respondent issued prohibitory order as against the petitioner.

3.The learned counsel appearing for the petitioner further submitted that during the pendency of this writ petition, the third respondent paid a sum of Rs.12,20,00,000/- as one time settlement in lieu of the loan borrowed from the petitioner Band and the fourth respondent released the entire properties in favour of the third respondent. Hence, there is no relationship between the petitioner Bank and the third respondent. Hence, this Court may grant liberty to the respondents 1 and 2 to recover the dues from the third respondent in the manner known to law.



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4.The learned counsel appearing for the respondents 1 and 2 submitted that this Court may grant liberty to the respondents 1 and 2 to recover the dues from the third respondent and its properties in the manner known to law.

5.Heard the learned counsel appearing for the petitioner and the learned counsel appearing for the respondents 1 and 2. There is no representation for the respondents 3 and 4.

6.Since the third respondent has paid a sum of Rs.12,20,00,000/- as one time settlement in lieu of the loan borrowed from the petitioner Band and the fourth respondent released the entire properties in favour of the third respondent and since there is no relationship between the petitioner Bank and the third respondent as on date, this Court is inclined to set aside the impugned orders and this Court grants liberty to the respondents 1 and 2 to recover the dues from the third respondent and its properties in the manner known to law.

7.The writ petition is allowed. The proceedings of the second



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respondent pertaining to the order in letter No.TN/RO-CBE
RECY/45452/2015 dated 19.01.2015 and the consequential orders in
letter No.TN/RO-CBE-RECY/45452/2015 dated 09.02.2015 and TN/RO-
CBE-RECY/45452/2015 dated 26.03.2015 are set aside. No costs.
Consequently, connected miscellaneous petition is closed.

24.04.2025

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Index: Yes/ No
Speaking Order: Yes/ No
NCC: Yes/ No

To

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