



W.P.(MD) No.21419 of 2024

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 01.09.2025

CORAM:

THE HONOURABLE Ms.JUSTICE P.T.ASHA

W.P.(MD) No.21419 of 2024
and W.M.P(MD).No.18125 of 2024

Velmurugan

... Petitioner

-VS-

1.The Reserve Bank of India,
Fort Glacis, 16, Rajaji Road,
Fort St George, Chennai.

2.The Branch Manager/The Authorized Officer,
Union Bank of India,
Stressed Asset Management Branch,
No.38, 39 Whites Road, Royapet, Chennai.

... Respondents

Prayer: Petition filed under Article 226 of the Constitution of India, to issue a writ of Mandamus, to direct the first respondent to direct the second respondent to return the EMD amount of Rs.15,30,000/- along with 25% of required deposit amount of Rs.26,95,000/- in the successful bid in terms of e-auction held on 27.03.2024 by the second respondent to the petitioner with interest by considering the petitioner letter dated 16.04.2024 and notice dated 07.05.2024.



W.P.(MD) No.21419 of 2024

WEB COPY

For Petitioner : Mr.D.S.Haroon Rasheed

For R-2 : Mr.R.Sankar Ganesh

ORDER

The petitioner seeks a Mandamus to the first respondent to direct the second respondent to return the EMD amount of Rs.15,30,000/- along with 25% of the requisite deposit amount of Rs.26,95,000/- deposited by the petitioner pursuant to the e-auction held by the second respondent on 27.03.2024 with interest by considering the petitioner's letter dated 16.04.2024 and notice dated 07.05.2024.

2. It is the case of the petitioner that on 08.03.2024, the second respondent bank has issued a paper publication informing the public about the e-auction sale for the immovable property situated at Old T.S.No.3929/1, Corresponding New Ward B, New Block 17, New T.S.No.31-part, measuring an extent of 11,503 sq.ft of vacant land at Annamalai Nagar, Trichy. The petitioner is the Managing Director of one Teeepta Sangam Private limited, a company that comprises of one



W.P.(MD) No.21419 of 2024

WEB COPY

Managing Director, two Admin Directors and six Board of Directors. They had all participated in the aforesaid e-auction for purchasing the land for their company. The petitioner's company has been declared the successful bidder and the second respondent bank had accepted their bid to purchase the land. The petitioner's company had agreed to purchase the property for a total sale consideration of Rs.1,69,00,000/- (Rupees One Crore and Sixty Nine Lakhs only) and as per the conditions of the tender, 10% of the EMD amount i.e., a sum of Rs.15,30,000/- (Rupees Fifteen Lakhs and Thirty Thousand only) was paid on 27.03.2024 and on the next day i.e., 28.03.2024, 25% of the bid amount i.e., Rs.26,95,000/-(Rupees Twenty Six Lakhs and Ninty Five Thousand only) was paid to the second respondent bank. Totally, a sum of Rs.42,25,000/- (Rupees Forty Two Lakhs and Twenty Five Thousand only) was paid and the balance 75% i.e., Rs.1,26,75,000/-(Rupees One Crore Twenty Six Thousand and Seventy Five Thousand only) was to be paid within 15 days from the date of confirmation of the sale.



W.P.(MD) No.21419 of 2024

WEB COPY

3. After the 25% of the bid amount was paid, the second respondent bank has handed over the documents to the petitioner. On scrutinizing the same, the petitioner came to know that the property belongs to Waqf Board and the petitioner has also verified the performa of the Waqf Board, which shows that the property in question belongs to one Kayamsa Masuthi Waqf. The title for the same was described in Doc.Nos.680, 681 and 626, dated 17.09.1864 and 14.08.1864. The Waqf Board has also indicated the registering authority not to register any document belongs to the Waqf property.

4. After coming to know about the same, the petitioner had approached the second respondent bank in-person and expressed their unwillingness to purchase the property stating that the same is encumbered. It is the grievance of the petitioner that the second respondent bank has suppressed the aforesaid fact and proceeded to sale the property by e-auction. Hence, they have come forward with the present writ petition.

5. Heard the learned counsels on either side.



W.P.(MD) No.21419 of 2024

WEB COPY

6. Along with the writ petition, the petitioner has annexed a list of properties belonging to the said Kayamsha Dargah in Trichy. A perusal of the same does not indicate that the survey number, in which the property in question is now situated. The records would further show that even in the e-auction sale notice, an encumbrance in respect of the property in the form of an attachment dated 18.07.2017 has been shown, despite which, the petitioner has proceeded to participate in the auction. After having participated in the auction and emerged successful, the petitioner cannot wriggle out of the contract. The petitioner by participating in the auction and emerging as the successful bidder and thereafter retracting consent, is causing loss to the bank, since the bank would have to once again proceed to hold the e-auction and start afresh.

7. The petitioner has also not been able to show any extraneous circumstances except the fact that the property is encumbered, which is known even when the e-auction notice has been put up. The e-auction notice had clearly spelt out the consequences of not paying the balance amount within the specified



W.P.(MD) No.21419 of 2024

WEB COPY

period. The petitioner who having willingly participated in the e-auction, after knowing the encumbrance, cannot now turn around and withdraw his offer. Against the heading details of encumbrances in the e-auction notice, it has been clearly stated that there is an attachment dated 18.07.2017 issued by Trichy Income Tax Central Circle—1. The terms and conditions of the sale have also been provided to the e-auction website. Therefore, I do not see any reason to issue a mandamus and if the petitioner is of the opinion that a fraud has been played, the petitioner shall workout his remedy elsewhere.

8. With the above observation, this Writ Petition is dismissed. No costs. Consequently, connected Miscellaneous Petition is closed.

01.09.2025

NCC : Yes/No
Index : Yes/No
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W.P.(MD) No.21419 of 2024

P.T.ASHA, J.

Rmk

W.P.(MD) No.21419 of 2024

01.09.2025