



W.P.(MD) No.22101 of 2025

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **13.08.2025**

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.(MD) No.22101 of 2025

Rengaraj

.. Petitioner

Vs

1.The Regional Director,
Reserve Bank of India,
Classive Fort,
Rajaji Road,
Parry's, Chennai.

2. The Managing Director cum Chief Executive Officer,
Indian Overseas Bank,
No.763, Annasalai,
Chennai.

3.The Branch Manager,
Indian Overseas Bank,
Thiruvanmai Kovil Branch,
Drunk Road,
Thiruvanai Kovil,
Trichy.

.. Respondents



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PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Mandamus, directing the respondents herein to pay a compensation amount of Rs.5.00 crores (Rupees Five Crores only) to the petitioner on the basis of the petitioner's representation dated 07.07.2025 within the time stipulated by this Court.

For Petitioner : Mr.B.Jameelarasu

For Respondents : Mr.N.Dilip Kumar
Standing Counsel for R2 & R3

ORDER

The petitioner is before this Court for a Mandamus to direct the respondent Bank to pay compensation of Rs.5,00,00,000/-(Rupees Five Crores only) to the petitioner based on the representation dated 07.07.2025.

2. The aforesaid representation of the petitioner has already been considered and disposed by the third respondent. The petitioner has alleged that several irregularities were committed by the officials of the Bank namely one K.Rajaraman who was working as the Senior Manager and by one



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K.Rajasekar, who is the Branch Manager in connection with the several proprietary concerns/NTDs of S.Murugan. It is submitted that they have colluded and sanctioned loan and obtained securities of innocent persons which included the petitioner's sister namely, Pankajam who is merely an employee of Vasan Catering Service Centre, a proprietary concern in the name of the petitioner's sister namely Pankajam, who was merely a name lender. It is submitted that the petitioner's father Late Mr.Seenivasan had innocently offered a valuable property as a security for the loan advanced by the respondent bank which was eventually securitized as the loans were not repaid and the accounts were declared as NPA under the provisions of the SARFAESI Act, 2002 read with relevant circulars issued by the Reserve Bank of India. It is submitted that the bank has itself initiated proceedings against the three named persons namely K.Rajaraman, the Senior Manager of the Indian Overseas Bank, the main accused S.Murugan who had floated several proprietaries/partnership concerns by duping the Bank and the employees and K.Rajasekar, Branch manager of the respondent Bank. It is submitted that they have also been sentenced since they have been found guilty for various offences under the provisions of the IPC namely Section 120 read with 420



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IPC and Section 13(ii) read with 13(i)(d) of the Prevention of Corruption Act, 1988.

3. It is submitted that the petitioner's father died intestate and but for the securitization of the property by the respondent bank under the provision of SARFAESI Act, 2002, the petitioner would be entitled to have a share in the property which is more than Rs.2,00,00,000/-(Rupees Two Crores only). It is submitted that the trial Court namely, II-Additional District Judge(CBI Cases), Madurai has convicted the above three persons by an order dated 12.03.2020 in C.C.No.02/2011. It is therefore submitted that the petitioner is entitled for the compensation of Rs.5,00,00,000/-(Rupees Five Crores only)..

4. Mr.N.Dilip Kumar, learned Standing Counsel for the respondent Bank on the other hand would submit that the petitioner's father Late Mr.Seenivasan had offered the security for the loans in the name of Vasan Catering Service, a proprietary concern which was connected with the main accused in the above case. It is submitted that since the loan was not repaid, the account was declared as NPA and the asset was securitized under the



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provision of the SARFAESI Act, 2002. Hence, it is submitted that the petitioner cannot claim any right. It is submitted that the property was also sold under the provisions of Security Interest (Enforcement) Rules, 2002. That apart, it is submitted that the petitioner had also filed O.S.No.386 of 2010 before the I-Additional Sub Court, Trichirappalli, to partition the property which had already been securitized under the provisions of the SARFAESI Act, 2002 and the Security Interest (Enforcement) Rules, 2002.

5.Having considered the submissions made by the learned counsel for the petitioner and the learned standing counsel for the respondent bank, I am of the considered view that the prayer of the petitioner for compensation of Rs.5,00,00,000/- (Rupees Five Crores only) under Article 226 of the Constitution of India is impermissible. The compensation has to be paid, if at all, has to be by way of judgment and decree from a civil Court of competent jurisdiction and in accordance with the procedure under the Civil Procedure Code and Civil Rules of Practise. Therefore, this writ petition is liable to be dismissed. Therefore, liberty is given to the petitioner, if the petitioner is so advised to approach the civil Court of competent jurisdiction for



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compensation. It is made clear that the observations contained in this order shall not be considered by the trial Court in case a suit is filed by the petitioner.

6. This Writ Petition is dismissed with the above liberty. No Costs.

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Index : Yes / No
Internet : Yes / No
NCC : Yes/No

PJL

To

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C.SARAVANAN, J.

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