



C.M.P.(MD)No.14968 of 2025
in CRP(MD)No.1750 of 2011

WEB COP BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated : 12.11.2025

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THE HONOURABLE MR. JUSTICE B.PUGALENDHI

C.M.P.(MD)No.14968 of 2025

in

CRP(MD)No.1750 of 2011

1. A.Subbulakshmi
2. A.Shanmugavel Raju
3. A.Thirumalai Kumaraswamy
4. A.Chandrasekaran
5. A.Vallimayil

... Petitioners

Vs.

1. The Sale Officer/Co-operative Sub Registrar,
Tirunelveli Central Co-operative
Bank Ltd. (Head Office)
Vannarapettai,
Tirunelveli – 627 003.
2. The Deputy Registrar of Co-operative Societies,
Perumalpuram,
Tirunelveli – 627 007.
3. The General Manager,
Tirunelveli Central Co-operative
Bank Ltd. (Head Office)
Vannarapettai,
Tirunelveli – 627 003.



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4. P.Subramanian (died)

5. Nalini

6. Minor Sirambalaji

7. Minor Ajai Prameshwari
(Minor R6 and R7 are represented through
their guardian and mother, 5th respondent)

8. S.Rajathi

9. S.Annamurugan

10. S.Ramadurai (died)

11. Rajeswari

12. Vallithai

13. Sasikala

14. Minor Raju

15. Minor Maheshwaran
(Minor R14 and R15 are represented
through their mother, 13th respondent)

... Respondents

Petition filed under Section 151 C.P.C. to direct the respondents 1 to 3 to receive the repayment of loan by the petitioner's father M.S.Arumugam vide NFSL 469/93 along with the accrued interest within the stipulated time and consequently release the order of attachment made in the schedule property after the receipt of amount.



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For Petitioners : Mr.K.R.Maniaran
For R1 and R2 : Mr.S.Vinodh,
Government Advocate
For R3 : Mr.M.P.Senthil
For R5 to R7 : Mr.H.Arumugam
For R8, R9
and R11 : Mr.S.Kumar
For R12 : No appearance
For R13 to R15 : Mr.S.Balamurugan

ORDER

This petition has been filed by the legal heirs of one M.S.Arumugam, who borrowed loan from the District Central Co-operative Bank, Tirunelveli. The said M.S.Arumugam borrowed a sum of Rs.6,91,000/- from the District Central Co-operative Bank, by mortgaging his properties. Since he failed to repay the loan amount, the Bank has initiated arbitration proceedings and an award was passed in ARC No.91/1995-1996 on 30.09.1995 that the borrower M.S.Arumugam is liable to pay a sum of Rs.8,93,745/-. For realisation of the award amount, the Co-operative Bank has initiated a proceedings under Section 143 of the Tamil Nadu Co-operative Societies Act and brought the mortgaged properties for auction. In the auction held on 22.12.2008, one



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Subramanian has taken two properties for a sum of Rs.15,00,000/- and the sale was also confirmed by an order dated 15.06.2009. Challenging the confirmation of sale, the Co-operative Bank, with a grievance that the procedure as contemplated for public auction has not been followed, has filed C.M.A.(CS)No.37 of 2009 before the Co-operative Tribunal, namely, the Principal District Court, Tirunelveli and the legal heirs of the borrower M.S.Arumugam have also filed an appeal in C.M.A.(CS) No.48 of 2009. The Co-operative Tribunal, by a common order dated 30.06.2011, dismissed both the appeals, by confirming the order of the Sale Officer. Aggrieved over the same, Civil Revisions Petitions have been filed in CRP(MD)Nos.1750 of 2011 and 164 of 2012. This Court, by common order dated 15.10.2024, allowed both the Civil Revision Petitions, setting aside the sale held on 22.12.2008 and the confirmation order dated 15.06.2009 and also set aside the order of the Co-operative Tribunal in C.M.A. (CS) Nos.37 and 48 of 2009 dated 30.06.2011. However, the Co-operative Bank was granted liberty to proceed further with a fresh auction to realize the award amount in A.R.C.No. 91/1995-1996.



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2. The petitioners, the legal heirs of the borrower M.S.Arumugam, have filed this Civil Miscellaneous Petition seeking a direction to the respondents 1 to 3 to receive the loan amount together with interest and release their properties.

3. This Court, by order dated 05.11.2025, entertained this petition and also directed the respondent Bank to get instructions on the contention of the petitioners.

4. The learned counsel appearing for the respondent Bank has expressed his difficulty in getting instructions that despite his information to the respondent Bank, there is no response from the respondent Bank.

5. This Court heard the learned counsel on either side and also perused the materials available on record.

6. The petitioners' father, M.S.Arumugam, borrowed a sum of Rs.6,91,000/- and he failed to repay the loan amount. An arbitration



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proceedings was initiated and an award was also passed in A.R.C.No. 91/1995-1996 on 30.09.1995 that the borrower is liable to pay a sum of Rs.8,93,745/-. For realisation of the award amount, the properties, mortgaged by the borrower M.S.Arumugam, were brought to auction on 22.12.2008 and two properties were sold on 22.12.2008 and the sale was also confirmed on 15.06.2009. However, the auction was conducted without following the procedures. Challenging the confirmation of sale, the Co-operative Bank and petitioners have filed appeals before the Tribunal, which were dismissed by order dated 30.06.2011. Aggrieved over the same, the Civil Revision Petitions in CRP(MD)Nos.1750 of 2011 and 164 of 2012 were filed. This Court, by order dated 15.10.2024, allowed the Civil Revision Petitions, by setting aside the order passed by the Co-operative Tribunal in C.M.A.(CS)Nos.37 and 48 of 2009 and also set aside the sale held on 22.12.2008 and the confirmation order dated 15.06.2009. The Co-operative Bank was also granted liberty to bring the properties for fresh auction. In the meantime, the petitioners have come forward to settle the loan amount together with interest.



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7. This Court is inclined to accept the prayer sought for in this petition that the petitioners are prepared to settle the loan amount together with interest. At the same time, the litigation expenses, suffered by the Bank, in view of the default made by the borrower M.S.Arumugam, needs to be compensated to the respondent Bank.

8. The petitioners claim that they have deposited a sum of Rs.4,00,000/- before the learned Principal District Judge, Tirunelveli, which is now accumulated with interest.

9. The learned Principal District Judge, Tirunelveli, shall release the said amount to the respondent Bank, which can be adjusted towards the loan amount.

10. The petitioners are directed to pay the balance loan amount along with interest to the respondent Bank within a period of four weeks from the date of receipt of a copy of this order. The petitioners are also directed to pay a sum of Rs.1,00,000/- (Rupees one lakh only) towards the litigation expenses to the respondent Bank. The respondent Bank is



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directed to receive the loan amount along with interest and release the properties of the petitioners.

11. With the above direction, this Civil Miscellaneous Petition is disposed of.

12.11.2025

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To

1. The Principal District Judge,
Tirunelveli.
2. The Sale Officer/Co-operative Sub Registrar,
Tirunelveli Central Co-operative Bank Ltd. (Head Office)
Vannarapettai,
Tirunelveli – 627 003.
3. The Deputy Registrar of Co-operative Societies,
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B.PUGALENDHI, J.

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