BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **28.11.2025**

CORAM:

THE HONOURABLE **DR.JUSTICE ANITA SUMANTH**
AND
THE HONOURABLE **MR.JUSTICE C.KUMARAPPAN**

W.P.(MD)No.34353 of 2025 &
W.M.P.(MD)Nos.27166 & 27167 of 2025

V.Ganapathy,
Proprietor,
M/s. Sri Maruthi Polymers Company,
S/o.P.Vadamalaimuthu,
15-2-10-A, Perumal Koil Street,
B.Meenakshipuram,
Bodinayakkanur,
Theni District – 625 513. ... Petitioner

Vs.

1.Tamilnad Mercantile Bank Limited,
Represented by its Branch Manager,
Bodinayakkanur Branch,
D.No.22 Ponnambalam Street,
Bodinayakkanur - 625 513,
Theni District.

2.The Authorised Officer,
Tamilnad Mercantile Bank Ltd,
Regd Office 57, Victoria Extension Road,
Tuticorin - 628 002.

3.The Authorised Officer ,
Tamilnad Mercantile Bank Ltd,
Regional Office,
Madurai

4.United India Insurance Company Ltd,
Represented by its Branch Manager,
Divisional Office Tuticorin
457, Victoria Extension Road,
Tuticorin – 628 002.

5.Regional Manager,
United India Insurance Company Ltd,
No.7A, West Veli Street,
Madurai District. ... Respondents

PRAYER:- Writ Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorari, calling for the records relating to the impugned possession notice dated 07.10.2025, pre-sale notice dated 14.10.2025 and recall notices dated 31.10.2025 and 17.11.2025 issued by the first respondent Bank, quash the same as illegal and void.

For Petitioner	: Mr.Isaac Mohanlal Senior Counsel for Mr.H.Thayumanaswamy
For Respondents	: Mr.N.Dilip Kumar (R1 to R3)
	: Mr.C.Karthik (R4 & R5)

ORDER

(Order of the Court was made by **DR.ANITA SUMANTH, J.)**

This Writ Petition has been filed seeking a writ of Certiorari, as against possession notice dated 07.10.2025, pre-sale notice dated 14.10.2025 and recall notices dated 31.10.2025 and 17.11.2025 issued under Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest, 2002 (in short 'SARFAESI Act').

2.We have heard the detailed submissions of Mr.Isaac Mohanlal, learned senior counsel for Mr.H.Thayumanaswamy, for the petitioner, Mr.N.Dilip Kumar, learned counsel for the Tamilnad Mercantile Bank Limited/R1 to R3 and Mr.C.Karthik, learned counsel for the United India Insurance Company Limited/R4 & R5.

3.Brief facts are as follows. The petitioner had obtained insurance cover from the United India Insurance Company Limited (in short 'UIICC') in respect of the factories, stock, machinery and business of its company, which relates to HDPE Woven Sacks and PP Covers. There was a fire in the factory premises on 27.05.2018, pursuant to which FIR was registered and a claim submitted to the Insurance Company.

4.According to the petitioner, the total value of loss was quantified at Rs.59,89,400/-. The petitioner admittedly availed certain cash credit facilities and other financial facilities from the Tamilnad Mercantile Bank Limited (in short 'Bank'). The affidavit filed in support of the Writ Petition is completely bereft of any particulars or details in relation to these financial facilities.

5.All parties however agree that the financial facilities had been availed from 2007 onwards. The account of the petitioner was declared as a Non-Performing Asset on 17.10.2021, as conveyed by Mr.Dilip, on instructions.

6.The bank initiated proceedings in terms of the SARFAESI Act by issuing recall notices on 18.10.2021 and 04.05.2022 for closure of the loan account. Demand notices under Section 13(2) of the SARFAESI

Act were issued on 25.10.2021 and 18.05.2022, followed by a possession notice under Section 13(4) of the SARFAESI Act on 01.12.2022.

7.In the meanwhile, the insurance claim of the petitioner came to be repudiated by United India Insurance Company on 02.08.2019, which order was challenged by the petitioner in W.P(MD)No.21344 of 2019. The Bank, Insurance Company and the petitioner were heard and an order came to be passed on 31.08.2020 wherein learned Judge, dismissed the Writ Petition, holding at para 7 as follows:

> *'7. On a careful perusal of the entire material on record, I come to the tentative conclusion that the blame may have to be borne more by the officials of Tamilnadu Mercantile Bank. I am not in a position to give a finding that the Insurance Company has to bear the consequences for the omission on the part of the Bank. As rightly pointed out by the learned counsel for Tamilnadu Mercantile Bank, the petitioner also may have to shoulder a part of the blame. The petitioner has been a long standing customer of the Bank. He ought to have diligently ensured that correct particulars are reflected in the insurance policy. He had not done so. Since the case is full of factual disputes and since they arises out of contractual obligations, I am of the view that the petitioner ought to move either the jurisdictional Civil Court or the State Consumer Commission. Therefore, leaving open to the petitioner's rights, I dismiss the writ petition.'*

8.As against that order, the petitioner filed W.A(MD)No.854 of 2020, which came to be disposed on 11.03.2021, confirming the order of the writ Court.

9.The petitioner then approached the District Consumer Disputes Redressal Commission, Theni under Section 12(1) of the Consumer Protection Act, 1986 and under Section 35 of the Consumer Protection Act, 2019. The complaint came to be partly allowed and opposite party No.1/Insurance Company was directed to settle the insurance claim in the following terms:

> *'In the result, the complaint is partly allowed. We direct the opposite party No.1 to settle the insurance claim of the complainant's fire accident policy Nos. 0901001118P100562-442 and 0901001117P119085680 totaling claim amount of Rs.57,07,000/- (Rupees Fifty Seven Lakhs Seven ousand only) with 12% interest p.a. from the date of the complaint till the actual date of repayment, within one month from the date of receipt of this order. We also direct the Opposite Parties 1-3, jointly and severally to pay a sum of Rs.2,00,000/- (Rupees Two Lakhs only) to the complainant towards compensation for deficiency in service and mental agony caused to the complainant also within one month from the date of receipt of this order, failing which the Opposite Parties 1-3 should pay the above*

said amount of Rs.2,00,000/- (Rupees Two Lakhs only) with interest calculated at the rate of 9% p.a. from the date of filing of the complaint till realization of the amount. Further, we direct the Opposite Parties 1-3 to jointly and severally pay a sum of Rs.30,000/- (Rupees Thirty Thousand Only) towards the costs to the complainant also.'

10. Both the Insurance Company and Bank filed appeals in FA.No.67 of 2024 and FA.No.127 of 2024 before the State Consumer Disputes Redressal Commission, Madurai.

11. By way of re-deposit, the Insurance Company has remitted a sum of Rs.29,68,500/- in FA.No.67 of 2024 and the Bank has remitted the sum of Rs.1,15,000/- in F.A.No.127 of 2024.

12. Upon a detailed hearing, we record that all parties are consensus ad idem that the petitioner will approach the Debt Recovery Tribunal by way of a securitization appeal challenging the impugned recovery process. We record the same.

13.With this, nothing further remains to be considered in this appeal except to say that, the Debts Recovery Tribunal, if it is calling upon the petitioner to effect interim payments, may take note of the amounts deposited by the Insurance Company and Bank in FA.No.67 of 2024 and FA.No.127 of 2024 before the State Consumer Disputes Redressal Commission, Madurai respectively, in quantification of the amounts to paid by the petitioner.

14. With this, this writ petition stands disposed.

15. Securitization appeal, if filed within a period of two weeks from the date of receipt of a copy of this order, will be taken on file without reference to limitation, but ensuring compliance with all other statutory requirements. No costs. Consequently connected Miscellaneous Petitions are closed.

[A.S.M.J.,] & [C.K.J.,]
28.11.2025

NCC :Yes
Index :Yes
Internet :Yes

ps/mbi

To

1.The Presiding Officer,
Debts Recovery Tribunal,
Madurai.

Dr.ANITA SUMANTH, J.
AND
C.KUMARAPPAN, J.

ps/mbi

Order made in
W.P.(MD)No.34353 of 2025

Dated:
28.11.2025