



W.A.(MD) No.2482 of 2025

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 07.01.2026

CORAM:

THE HONOURABLE DR.JUSTICE G.JAYACHANDRAN

and

THE HONOURABLE MR.JUSTICE K.K.RAMAKRISHNAN

W.A.(MD)No.2482 of 2025

and

C.M.P.(MD)No.14285, 16621 & 17119 of 2025

1.The Deputy General Manager,
Zonal Office,
Indian Bank,
2nd Floor, Jenni Plaza,
Cantonment, Trichy,
Trichy District.

2.The Senior Manager,
Indian Bank,
Sundar Nagar,
Trichy.

All the above 1 & 2 are represented
by the Authorised Officer,
Sundar Nagar Branch, Trichy.

... Appellants

-VS-



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1.D.Balan

2.The Chairman / Managing Director,
Head Office,
Indian Bank,
No.66, Rajaji Salai, Chennai.

... Respondents

PRAYER: Writ Appeal filed under Clause XV of the Letters Patent Act, praying to praying to set aside the order dated 30.07.2025 made in W.P. (MD)No.10056 of 2024, on the file of this Court and allow this Writ Appeal.

For Appellants : Mr.P.N.Satagopan
For Respondent No.1 : Mr.K.Mahendran
For Respondent No.2 : No appearance

JUDGMENT

[Judgment of the Court was made by DR.G.JAYACHANDRAN, J.]

Appeal filed by the Bank being aggrieved by the order passed by the learned Single Judge in W.P.(MD)No.10056 of 2024 dated 30.07.2025.

2.It is a pathetic case of an auction purchaser who had parted away a sum of Rs.56,25,000/- pursuant to the auction notice published by the appellants herein. The subject matter is the property given as security by a



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borrower from the appellant bank and for its default, property was brought to sale, in which the first respondent has participated and being the successful bidder he has paid the entire bid amount of Rs.56,25,000/- and also obtained sale certificate, but the bank had failed to deliver the possession of the property to the auction purchaser citing the pendency of DRT proceedings in S.A.No.349 of 2016.

3.In the said circumstances, the first respondent has approached this Court seeking for Mandamus directing the respondent to hand over physical possession of the property or to refund the sale amount along with commercial interest and compensation of Rs.20,00,000/-. The learned Single Judge having considered the relief sought in the Writ Petition and the defence taken by the bank had allowed the Writ Petition and passed the following order:

"2. This petition has been filed by the petitioner seeking a Mandamus to direct the respondents to hand over physical possession of property admeasuring 2700 Sq.Ft with building constructed thereon bearing Door No.12, in Plot No. 107, situated at Survey No. 17/2, 17/8, 17/9, 17/10, 17/11, 17/12, 17/13, 17/14, 18/4, 19/1, 19/2, 19/3 and 19/4 (more particularly at S.No. 19/2), Indira Nagar, K.Saathanur Village, Trichy Corporation, Trichy East Taluk, Trichy Revenue District, K.Saathaur SRO, Trichy Registration District



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to the petitioner immediately or to refund the amount of Rs.56,25,000/- along with commercial interest calculated from the date of sale with compensation of Rs.20,00,000/- on the basis of representation made by this petitioner, dated 29.09.2023.

3. It appears that the petitioner has purchased the property in an auction conducted before the DRT. The property belonged to a borrower, who had defaulted. The petitioner has paid Rs.56,25,000/- and has thus purchased the property 20.04.2016. Thereafter, a sale certificate was also issued to the petitioner on 03.06.2016, which has been registered. However, the petitioner has not been able to take the possession of the property.

4. It appears that the borrower's brother has also incidentally filed a S.A.No.349 of 2016 under the provision of SARFAESI Act 2002 read with the relevant rules, wherein the petitioner has been arrayed as the fourth respondent. It appears that petitioner has not appeared and therefore, petitioner has also been set ex-parte in S.A.No.349 of 2016.

5. The learned counsel for the respondents on the other hand would submit that since the case is pending in S.A.No.349 of 2016 and therefore, the respondents Bank is neither in a position to give a clear possession of the property nor refund the amount to the petitioner



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that was paid by the petitioner pursuant to the auction purchase made on 20.04.2016.

6. In my view, there is no justification on the part of the respondents Bank in retaining the amount without handing over the clear possession of the property to the petitioner. In fact, the Hon'ble Division Bench of this Court has come down heavily on Tamil Nadu Mercantile Bank Limited in its order in the case of M/s.Hari & Keerti Engineers Private Limited, Vs. Tamil Nadu Mercantile Bank Limited (2024 (2) TLNJ 63 (Civil)), where the Court has also ordered Rs.2,00,000/- as cost apart from interest at the rate of 18% from the date of payment till the date of repayment.

7. There are no other extenuating circumstances, except for the pendency of S.A.No.349 of 2016 before the DRT, filed at the instance of the borrower's brother. The petitioner cannot be penalized, if the respondents Bank is unable to give a clear title and possession to the property merely because proceedings are pending before the DRT at the behest of the brother of the borrower.

8. Considering the same, there shall be a direction to the respondents Bank to consider the petitioner's representation dated 29-09-2023 for either handing over clear possession of the property to the petitioner within a period of 30 days from date of



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receipt of copy of this order or in the alternative, refund the entire amount that was paid by the petitioner towards the purchase value, registration charges, stamp duty charges together with interest at the rate of 12%. It is made clear that in case, the respondents fails to comply with the above stipulations, the respondents shall also be liable to pay a further cost of Rs.2,00,000/- to Adayar Cancer Institute, Chennai."

4.The bank being aggrieved, the present appeal is filed on the ground that the property was brought for sale as per the provisions of SARFAESI act and due to interjection by the borrower, possession of the property could not be handed over to the auction purchaser / writ petitioner. The borrower is disputing the memorandum of deposit of title deed and the first respondent being the auction purchaser on payment of entire sale consideration is now in possession of the original documents including memorandum of deposit of title deed. Though, the issue now before the DRT is regarding the genuineness of the MODT, the first respondent though a party to the proceedings has not produced that document for scientific examination of its genuineness.

5.Learned Counsel appearing for the first respondent submits that the bank has not made any request for production of the original



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document. Even the first respondent is ready to handover entire document to the bank, provided they re-pay the sale consideration along with interest and compensation.

6.The sum and substance of the dispute centers around the genuineness of the alleged mortgage deed. The matter is between the banker and the borrower. In the dispute between them, the writ petitioner as an auction purchaser is at sufferance. Pendency of SARFAESI proceedings cannot put the writ petitioner / auction purchaser at perpetual inconvenience. Therefore, the learned Single Judge has rightly allowed the Writ Petition. The only grievance for the banker / appellant could be the delivery of original documents. Therefore, it is sufficient to direct the first respondent to hand over all the original documents to the bank and also take necessary steps to cancel the registration of the sale certificate. This should be done by the first respondent within a period of fifteen [15] days from the date of receipt of the sale consideration with 12% interest and other charges mentioned in paragraph No.8 of the order passed in W.P. (MD)No.10056 of 2024, spent by the writ petitioner. The appellant bank, to pay the money as per the order passed by the learned Single Judge mentioned in paragraph No.8, on or before **15th February, 2026**. On such payment, on or before 2nd March, 2026, the first respondent has to cancel the sale and also hand over all the original documents to the bank.



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7. With the above direction, this Writ Appeal stands disposed of. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

[G.J., J.] & [K.K.R.K., J.]

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NCC : Yes / No

Index : Yes / No

Internet: Yes / No

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AND
K.K.RAMAKRISHNAN, J.

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