

W.P.No.13531 of 2021

THE HON'BLE CHIEF JUSTICE
and
P.D.AUDIKEVALU, J.

(Made by the Hon'ble Chief Justice)

The intransigence on the part of a nationalised bank requires to be appropriately dealt with.

2. The Indian Overseas Bank, as purported secured creditor exercising authority under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, put up a property for sale. The petitioner purchased it at the auction and obtained the sale certificate upon paying the full consideration.

3. In course of the relevant borrower's challenge to the steps taken by the secured creditor, it was discovered that the security furnished was on forged or fabricated papers and the Debts Recovery Tribunal held that no mortgage in respect of the property had been created at all. As a consequence, the sale made by the Indian Overseas Bank was annulled and the relevant Sub-Registrar directed to undo the mutation in favour of the present petitioner and record

the property in the name of the original owner.

4. Quite alarmingly, the sale proceeds have not been refunded. The conduct of the bank is so shocking that it needs to be dealt with at this level, rather than make the petitioner run from pillar to post before any other forum.

5. Apart from this nationalised bank trying to wriggle out of its obligation to the petitioner, the bank shows the doors of the appropriate DRT to this petitioner and even refers to the provision of the Civil Procedure Code by requiring a constitutional court to abandon reason and common sense. Nationalised banks tend to indulge in such highhandedness because of the complete lack of accountability of its officers. It is inconceivable that a nationalised bank would not refund the money to the petitioner and otherwise compensate the petitioner upon the sale being annulled for no fault on the part of the petitioner.

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6. The Chairman of the Indian Overseas Bank will file an affidavit to indicate how this petitioner may be compensated for the

immeasurable misery that this petitioner had to suffer for the Indian Overseas Bank having granted credit facilities by relying on forged documents, possibly with the connivance of its officers. Such affidavit must be before this court when the matter appears next.

7. List the matter on 21.10.2021.

(S.B., C.J.) (P.D.A., J.)
16.09.2021

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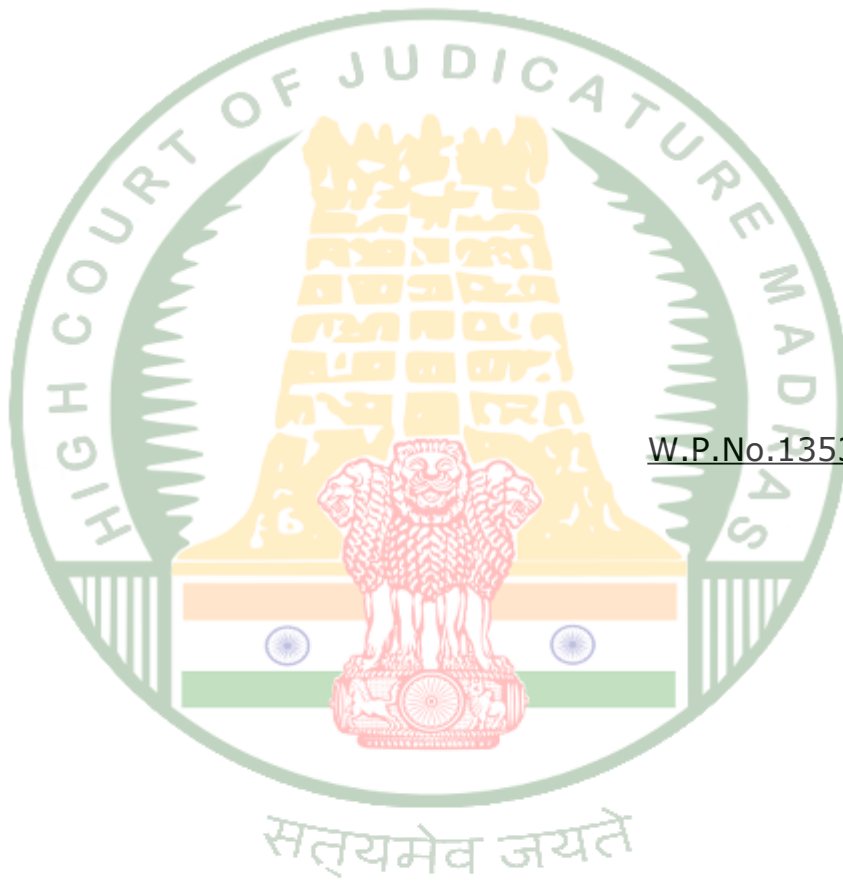


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