

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.09.2015

CORAM:

THE HON'BLE MR. JUSTICE SATISH K. AGNIHOTRI
and
THE HON'BLE MR. JUSTICE K.K.SASIDHARAN

W.P. No. 30679 of 2015

M/s. Sri Devi Industries,
rep. By its Prop.Mr.V. Raj Kumar,
No.5 Singanna Naicken Street,
Chennai.1.

Petitioner

Vs.

State Bank of Patiala,
rep. By its Chief Manager,
George Town Branch,
No.50 Broadway,
Chennai 600 108.

Respondent

Writ Petition filed under Article 226 of the Constitution of India seeking a writ of certiorari to call for records made in demand notice Ref. No.SBP/2015-16/171, dated 29.07.2015 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (for short " the SARFAESI Act") issued by the respondent herein and quash the said notice.

For petitioner

Mr. S.V. Jayaraman
Sr. Counsel
for
Mr. G. Ramadurai

ORDER

(Order of the Court was delivered by SATISH K. AGNIHOTRI, J.)

Questioning the legality and validity of the demand notice dated 29.07.2015, the petitioner-company has filed this writ petition on the ground that, without considering the payment made by the petitioner, the Bank has issued the impugned notice.

2. Once an asset has been declared as a non-performing asset, the Bank is entitled to take recourse to the measures as prescribed under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (for short "the SARFAESI Act").

3. According to the learned counsel for the petitioner-company, pursuant to the earlier demand notice dated 01.09.2014, the petitioner-company has made substantial payment to the tune of Rs.16,00,000/- and thus, further proceedings were dropped by the respondent-Bank. But, without considering the aforesaid facts, the impugned demand notice dated 29.07.2015 has been issued by the respondent-Bank.

4. On a perusal of the records, it appears that on 29.07.2015, the respondent-Bank served a demand notice on the petitioner-company, who happens to be the borrower, calling upon the petitioner-company to make the payment within a period of sixty days, as required under the provisions of law. The petitioner-company, as it appears, has not taken up any step to clear the outstanding dues. Further, the petitioner-company has not shown any reason for exercise of writ jurisdiction, at this stage.

5. In such view of the matter, we are not inclined to interfere with this writ petition, at this stage. Accordingly, this writ petition stands dismissed. No costs. Connected miscellaneous petition is dismissed. However, the petitioner is at liberty to make a representation to the respondent-Bank, if so advised, under the provisions of Section 13 (3-A) of the SARFAESI Act and the same shall be considered and decided by the respondent-Bank before taking further steps or measures, under the provisions of law.

-sd/-

ASSISTANT REGISTRAR (CS-III)

/ TRUE COPY /

SUB-ASSISTANT REGISTRAR

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To,

The Chief Manager,
State Bank Of Patiala,
George Town Branch,
No.50, Broadway,
Chennai-600 108.

+1 CC to Mr.G. Ramadurai Advocate. SR.NO. 52632

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CO-VD

JD 13/10/2015