

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 16.12.2015

CORAM:

THE HON'BLE MR. JUSTICE SATISH K. AGNIHOTRI
and
THE HON'BLE DR. JUSTICE P. DEVADASS

W.P. Nos.39543 and 39544 of 2015
and

M.P. No.1 of 2015[2 Nos]

Ashok Magnetics Limited
(formerly AML Steel Limited)
Registered Office
AML Towers
No.9, VI Street, Gopalapuram
Chennai 600 086
represented by its DirectorPetitioner in WP.39543/15

Ankit Ispat (P) Ltd.
Registered Office
AML Towers
No.9, VI Street, Gopalapuram
Chennai 600 086
represented by its Director ...Petitioner in WP.39544/15

Vs.

1. The State Bank of India
Stressed Assets Management Branch
Red Cross Building
No.32, Montieth Road, Egmore
Chennai 600 008
represented by its General Manager

2. The Authorised Officer
State Bank of India
Stressed Assets Management Branch
Red Cross Building
No.32, Montieth Road, Egmore
Chennai 600 008
...Respondents in both the WPs

Writ Petitions filed under Article 226 of the Constitution of India seeking a writ of certiorarified mandamus calling for the records relating to the notices issued by the respondents herein in SAMB/CLO/111/MS/1349 and 1359 respectively dated 19.10.2015 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and quash the same and forbear the respondents from initiating or continuing any proceedings under the SARFAESI Act during the pendency of the Reference under Case Nos.156 and 157 of 2015 respectively on the file of the Board for Industrial Finance and Reconstruction, New Delhi.

For petitioner in : Mr. Vijay Narayan, Senior Counsel
W.P. No.39543 of 2015 for M/s. Al. Ganthimathi

For petitioner in : Mr.Ar.L.Sundaresan, Senior Counsel
W.P. No.39544 of 2015 for M/s. Al. Ganthimathi

COMMON ORDER

(delivered by SATISH K. AGNIHOTRI, J.)

Questioning the correctness of the notices dated 19 October 2015 issued by the respondent bank under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (for short "the SARFAESI Act") and also for a direction forbearing the respondents from initiating or continuing any proceedings under the SARFAESI Act, during the pendency of reference under Case Nos.156 and 157 of 2015 on the file of the Board for Industrial and Financial Reconstruction, New Delhi, the petitioners have preferred the instant writ petitions.

2. The respondent Bank, exercising its power under Section 13(2) of the SARFAESI Act, issued demand notices dated 19 October, 2015, asking the petitioners to discharge in full their liabilities within a period of 60 days from the date of the said notices. The petitioners have informed the respondent bank about the pendency of the proceedings before the Board for Industrial and Financial Reconstruction vide communications dated 24 November 2015. On receipt of the abovesaid information, it is found that no further step has been initiated by the respondent bank and as such, at this stage, the instant writ petitions

being premature, are not maintainable. However, liberty is reserved to the petitioners to make a further representation under the provisions of Section 13(3-A) of the SARFAESI Act, if so advised. Needless to state that the respondent bank is under an obligation to consider the said representations and pass a reasoned order, before taking further action thereafter.

3. The writ petitions stand dismissed with the above observations. No costs. Connected Miscellaneous Petitions are closed.

Sd/-

Assistant Registrar(CS V)

//True Copy//

Sub Assistant Registrar

cad

To

1. The General Manager
The State Bank of India
Stressed Assets Management Branch
Red Cross Building
No.32, Montieth Road, Egmore
Chennai 600 008
2. The Authorised Officer
State Bank of India
Stressed Assets Management Branch
Red Cross Building
No.32, Montieth Road, Egmore
Chennai 600 008

+1cc to Mrs.AL.Ganthimathi, Advocate, S.R.No.67823

+1cc to Mrs.AL.Ganthimathi, Advocate, S.R.No.67824 (10.06.2016)

W.P. Nos.39543 and 39544 of 2015

GJ(CO)

CA(05/01/2016)