

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03.01.2018

CORAM:

THE HON'BLE MR.JUSTICE S.MANIKUMAR

AND

THE HON'BLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

W.P.No.32524 of 2017
and WMP No.35853 of 2017

Mr.P.Md.Aadil

... Petitioner

vs.

1. The Chief Manager,
Indian Bank, Asset Recovery Management,
Branch-II, No.55, Ethiraj Salai,
Egmore, Chennai - 600 008.

2. Mr.Siddiq Ahmed ... Respondents

WRIT Petition filed under Article 226 of the Constitution of India, praying for the issuance of a writ of Mandamus, directing the respondent Bank to release the house property item No.4 at New Door No.132 Old No.338/11 Plot No.5 (Southern side) Kottai Patel Yahoob Sahib Street Vaniyambadi Municipal Town Comprised in T.S.No.650 as Settlement T.S.No.1 Ward D Vaniyambadi Taluk Vellore Districts after receipt of balance sale price or in alternative to refund the no lien amount deposited by the petitioner herein at Indian Bank Purasaiwalkam Branch.

For Petitioner : Mr.S.Ilamparithi

For Respondents : Mr.R.Ramesh (for R1)

ORDER

(Order of the Court was delivered by S.MANIKUMAR, J)

Material on record discloses that Indian Bank, Asset Recovery Management Branch-II, Chennai, has sanctioned loan facilities to M/s.Chennai Prime Leathers, on the security of several immovable properties, including a house and ground at Door No.132, Old No.338/11, Plot No., Kottai Patel Yahoob Sahib Street, Ward No.3, Block No.15, Vaniyambadi Municipal Town comprised in T.S.No.650 as per Settlement T.S.No.1, Ward No.D, Vellore District.

2. On account of default, account became a Non-Performing Asset in the year 2012. Bank issued sale notice on 06.12.2012, in respect of four secured assets, inclusive of the house property stated supra, belonging to Mr.Siddique Ahmed, one of the partners of M/s.Chennai Prime Leathers. There was no bidder for the auction held on 22.01.2013.

3. Bank has issued another notice on 19.10.2013, for sale of the four secured assets. Reserve price of the abovesaid property was fixed as Rs.23.83 Lakhs. Nobody participated in the auction held on 27.11.2013. Mr.Siddique Ahmed, one of the partners of M/s.Chennai Prime Leathers, informed the petitioner of the sale of the house property at Vaniyambadi. He requested the petitioner to purchase the abovesaid house property for value of Rs.27 Lakhs and that the same could be paid directly to the bank, in the loan account. Petitioner agreed to purchase the said property for Rs.27 Lakhs, though, bank had fixed the reserve price as Rs.23.83 Lakhs.

4. Petitioner has further submitted that believing the said representation, he had deposited Rs.13.60 Lakhs in the no-lien account of M/s.Chennai Prime Leathers at Indian Bank, Purasaivakkam Branch, Chennai on various dates viz., 01.08.2013, 02.08.2013, 05.08.2013, 06.08.2016 and 31.08.2013, respectively.

5. Petitioner has further contended that in the month of July Mr.Siddique Ahmed, one of the partners of M/s.Chennai Prime Leathers, informed him that bank has sanctioned one time settlement of loan account for Rs.162.68 Lakhs, subject to payment of the same, within a month and requested the petitioner to deposit the balance sale price.

6. On 19.07.2017, the petitioner gave a letter through Mr.Siddique Ahmed, informing the bank of the petitioner's readiness to purchase the said Vaniyambadi house property belonging to Mr.Siddique Ahmed, and to keep the said amount as upfront amount for settlement under the one time settlement scheme sanctioned to M/s.Chennai Prime Leathers.

7. Though, the petitioner sent another letter dated 03.11.2017, informing his readiness to deposit the balance sale price, the respondent bank, on 03.11.2017, cancelled the one time settlement and consequently issued the sale notice on 09.11.2017, intending to sell all the secured assets including the abovesaid house property at Vaniyambadi, for which the petitioner had already deposited a sum of Rs.13.60 Lakhs, in the no-lien account of M/s.Chennai Prime Leathers.

8. Petitioner has further contended that a sum of Rs.15.77 Lakhs has already been appropriated towards the loan account of M/s.Chennai Prime Leathers. In the abovesaid circumstances,

petitioner has sought for a writ of mandamus, directing the bank to release the abovesaid house property, after receipt of balance sale price or in the alternative to refund the no lien amount deposited by the petitioner with Indian Bank, Purasaiwakkam Branch.

9. On 14.12.2017, Mr.R.Ramesh, learned counsel for the bank, present in Court was directed to take notice. He was further directed to get instructions on the prayer sought for.

10. Today, Mr.R.Ramesh, learned counsel for the Bank, acknowledged appropriation of Rs.15.77 Lakhs, in the no lien account of M/s.Chennai Prime Leathers and further submitted that bank is acceptable to the prayer sought for on condition that the petitioner, should pay a further sum of Rs.15 Lakhs.

11. Though upset price of the abovesaid property has been fixed as Rs.27.50 lakhs in the sale notice dated 09.11.2017, Mr.S.Illamparithi, learned counsel for the petitioner agreed that in addition of Rs.15.77 Lakhs, already appropriated by Indian Bank, a further sum of Rs.15 Lakhs would be deposited in the no lien account of M/s.Chennai Prime Leathers, within a month from today. Submission of both the learned counsel is placed on record.

12. In the light of the consensus arrived at by both parties, Mr.P.Md.Aadil, petitioner herein, shall make a further deposit/payment of Rs.15 Lakhs to Indian Bank, Asset Recovery Management Branch-II, Chennai, within one month from today, and on such deposit/payment, Indian Bank, Asset Recovery Management Branch-II, Chennai, is directed to release the house property at Door No.132, Old No.338/11, Plot No., Kottai Patel Yahoob Sahib Street, Ward No.3, Block No.15, Vaniyambadi Municipal Town comprised in T.S.No.650, Settlement T.S.No.1, Ward No.D, Vellore District, immediately and the original title deeds in respect of the abovesaid property be handed over to the petitioner.

13. Bank is also directed to cancel the encumbrance, if any made with respect of the abovesaid property and the petitioner be communicated of the result.

14. With the above directions, the writ petition is allowed. No costs. Consequently, the connected Writ Miscellaneous Petition is closed.

Sd/-

Assistant Registrar(CO)

//True Copy//

Sub Assistant Registrar

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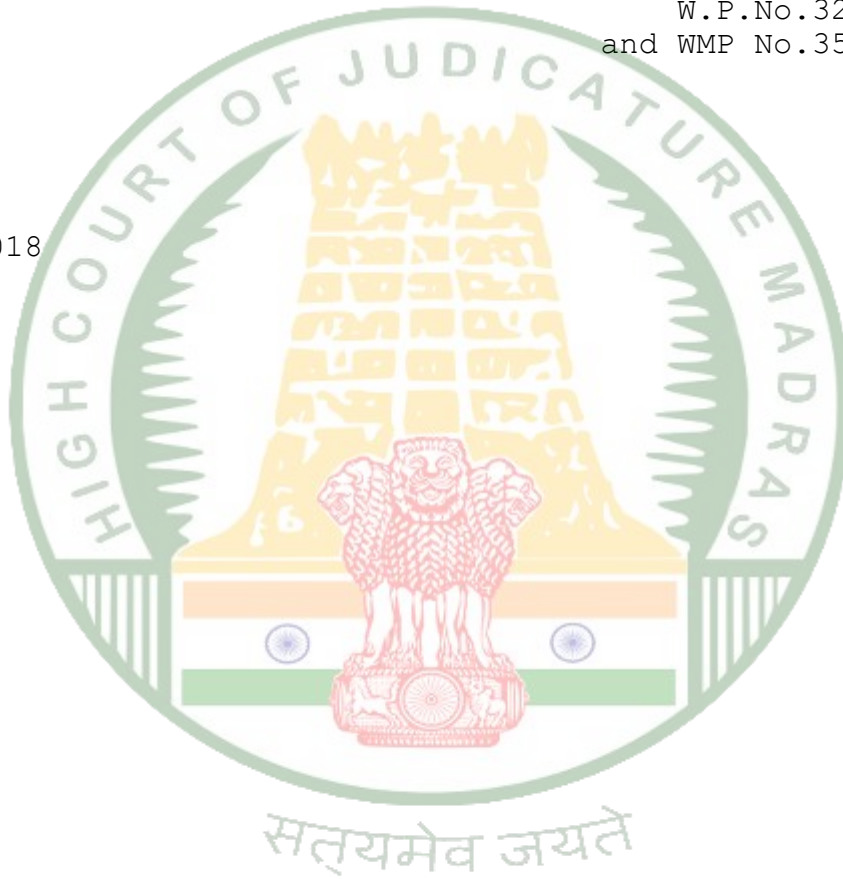
To

The Chief Manager,
Indian Bank, Asset Recovery Management,
Branch-II, No.55, Ethiraj Salai,
Egmore, Chennai - 600 008.

+1 cc to Mr.S.Ilamparithi Advocate sr 247

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