

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED 04.02.2020

CORAM

THE HONOURABLE MR. JUSTICE M. SATHYANARAYANAN

AND

THE HONOURABLE MRS. JUSTICE R. HEMALATHA

WP.No.2456/2020

The Authorised Officer
South Indian Bank Limited
registered office at No.43,
Ground Floor, Hameedia Centre
Haddows Road, Nungambakkam
Chennai-6.

.. Petitioner

Versus

- 1.The District Collector
Salem, Tamil Nadu.
- 2.M/s.Venus P.P.V.Spinning Mills Pvt Ltd
A4-Unit, The Salem Industrial Co-op Estate Ltd
Udayampatti, Salem 636 140.
- 3.Mr.V.Sekar
- 4.Mr.K.Duraiaraj

.. Respondents

PRAYER:- Writ petition filed under Article 226 of the Constitution of India prays to issue a Writ of mandamus directing the 1st respondent to dispose of the application filed under Section 14 of SARFAESI Act in August 2019 within a time frame pertaining to the secured property belonging to the respondents 2 and 3 herein.

For Petitioner : Mr.M.L.Ganesh

For R1 : Mr.R.Vijayakumar, AGP

ORDER

[Order of the Court was made by M.SATHYANARAYANAN,J.,]

- (1)By consent, the writ petition is taken up for final disposal.
Mr.Mr.R.Vijayakumar, learned Additional Government Pleader accepts notice on behalf of the 1st respondent.
- (2)The petitioner/Bank had extended financial assistance /

facilities to the respondents 2 to 4 and the credit facilities were periodically enhanced to the present limit of Rs.13.30 Crores. Respondents 2 to 4, in order to secure the financial facilities, had also executed necessary secured documents and also created mortgage in respect of some immovable properties. In view of the default committed by the borrowers/respondents 2 to 4, their Loan Account has been classified as 'Non Performing Asset' [NPA] on 30.06.2018. The petitioner/Bank has issued a Demand Notice under section 13[2] of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [in short 'the SARFAESI Act'] on 27.03.2018, calling upon the borrowers/respondents 2 to 4 to pay an amount of Rs.14,37,74,485.50p., as on 26.08.2018 together with an interest at the rate of 15.5% p.a., with monthly rest and penal interest from 31.07.2018 and it was received by them on 29.08.2018. It is the further case of the petitioner/Bank that despite receipt and acknowledgment of the said notice, no efforts have been taken by the respondents/borrowers to settle the dues and therefore, the petitioner/Bank took the symbolic possession of the secured assets on 24.01.2019 and issued the Possession Notice under Section 13[4] of the SARFAESI Act, and all statutory formalities have also been complied with. According to the petitioner/Bank, as on 31.07.2019, the respondents/borrowers are due and payable a sum of Rs.16,02,15,509.50p., with subsequent interest and the petitioner/Bank, in order to take the actual possession of the secured assets, has moved the 1st respondent by filing an application under Section 14[1] of the SARFAESI Act on 01.08.2019.

- (3) The learned counsel for the petitioner/Bank would submit that despite the said application dated 01.08.2019 is in order, it is yet to be entertained by the 1st respondent and since the dues are mounting day-by-day, the petitioner/Bank is intend to proceed further to recover the dues and hence, prays for appropriate orders.
- (4) The Court heard the submissions of Mr.R.Vijayakumar, learned Additional Government Pleader appearing for the 1st respondent and also perused the materials placed before it.
- (5) This Court, taking into consideration the limited scope of prayer sought for by the petitioner/Bank and without going into the merits of the application dated 01.08.2019 filed by the petitioner/Bank before the 1st respondent as well as the averments made in the petition, directs the 1st respondent to accord priority and give a disposal of the application dated 01.08.2019 filed under Section 14[1] of the SARFAESI Act, on merits and in accordance with law, within a period of eight

weeks from the date of receipt of a copy of this order and communicate the decision taken, to the petitioner/Bank as well as to the person/s concerned / respondents 2 to 4 [borrowers] herein.

(6)The writ petition stands disposed of accordingly. No costs.

Sd/-

Assistant Registrar (CS-IV)

//True Copy//

Sub Assistant Registrar

AP

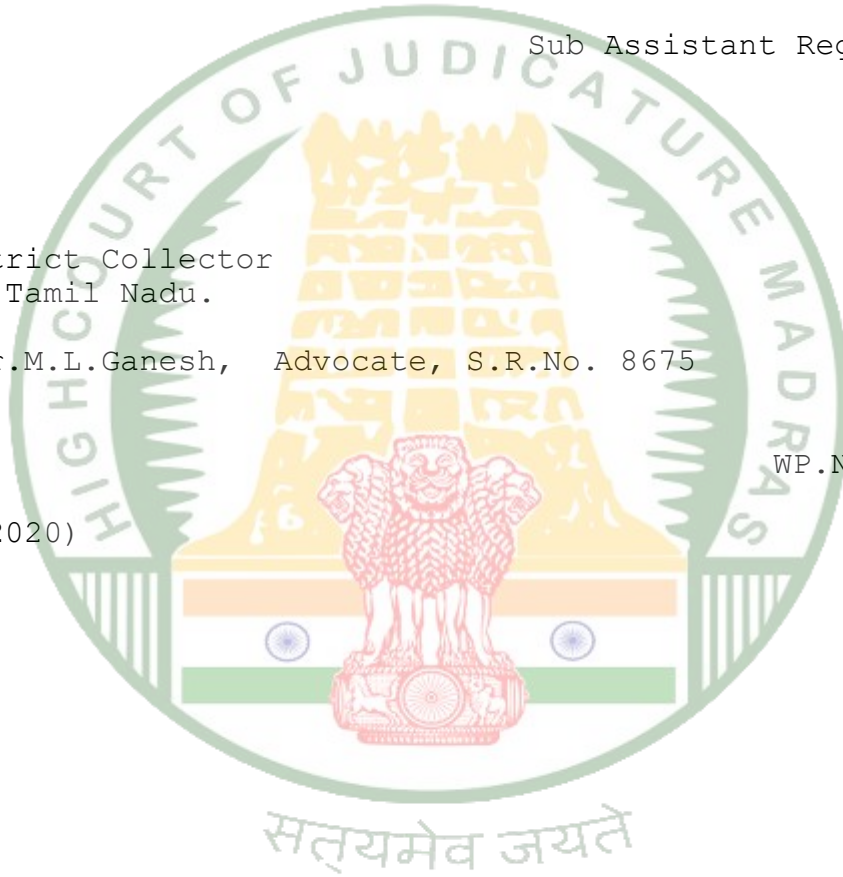
To

1.The District Collector
Salem, Tamil Nadu.

+1cc to Mr.M.L.Ganesh, Advocate, S.R.No. 8675

BP (CO)
GN(04/03/2020)

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