



WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 07.12.2021

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THE HON'BLE MR.JUSTICE KRISHNAN RAMASAMY

W.P.NO.342 OF 2018

R.Prabakaran

...Petitioner

Vs

1. The Banking Ombudsman,  
Office of the Banking Ombudsman,  
Reserve Bank of India Building (II Floor),  
Fort Glacis,  
Post Box No.40,  
16, Rajaji Salai,  
Chennai - 600 001.

2. The Canara Bank,  
Represented by  
The Branch Manager,  
SME Branch,  
No.80, A K Complex,  
Kamatchi Amman Koil Street,  
Pondicherry 605 001.

... Respondents

Prayer Writ Petition filed under Section 226 of the Constitution of India, prayed for the issuance of Writ of Certiorarified Mandamus, calling for the records of the first respondent pertaining to his proceedings dated 07.12.2017 and the second respondent pertaining to his proceedings dated 10.11.2017 and quash the same and direct the respondent to sanction the loan claimed by the petitioner vide applications dated 26.04.2017 and 31.18.2017.

For Petitioner : Mr.K.S.Karthik Raja

For R1 : No Appearance

For R2 : Mr.K.Rajesh  
for M/s.T.S.Gopalan & Co



## ORDER

This Writ Petition has been filed, for the issuance of Writ of Certiorarified Mandamus, calling for the records of the first respondent pertaining to his proceedings dated 07.12.2017 and the second respondent pertaining to his proceedings dated 10.11.2017 and quash the same and direct the respondent to sanction the loan claimed by the petitioner vide applications dated 26.04.2017 and 31.18.2017.

2.The case of the petitioner is that, the petitioner is running a grocery shop in the name of style of 'Sri Lakshmi Narasimmar Maligai' from 05.04.2014. To develop his grocery shop, the petitioner met the first respondent and requested for a loan of Rs.10 lakhs. Thereafter, on 31.08.2016, the petitioner submitted the application for Loans to Micro & Small Enterprises (MSEs). However, the second respondent rejected the petitioner's application vide proceedings dated 10.11.2017, stating that the Project is not economically viable. Moreover, earlier loan granted is under Non Performing Asset. Against which, the petitioner preferred an appeal before the first respondent. The first respondent also rejected the plea of the petitioner vide proceedings dated 07.12.2017. Aggrieved over the said order, the present Writ Petition has been filed.

3.The sole contention of the petitioner is that, he has submitted all the required documents and his CIBIL score is 678, therefore, the petitioner is entitled to get the loan, inspite of the same, the respondents have refused to sanction the loan.

4.Per Contra, the learned counsel appearing for the second respondent submitted that the petitioner has already obtained two loan, which was defaulted. In the rejection letter passed by the second respondent, it is clearly stated that the earlier loan granted is under Non Performing Asset. Hence, the respondents refused to grant loan.

5.Heard the learned counsel for the petitioner as well as the learned counsel appearing for the second respondent and perused the materials available on record.

6.Upon hearing, it appears that the petitioner is running a grocery shop. For the purpose of developing his shop, the petitioner has submitted an application for loan before the second respondent and the same was rejected vide proceedings dated 10.11.2017, for the reason that the earlier loan obtained by the petitioner was defaulted and it is under Non Performing Asset. Therefore, they could not sanction the another loan.



7. This Court is of the view that, it is upto the respondents to decide as to whether the loan can be sanctioned or not, based on the viability. Since the earlier loan obtained by the petitioner is under Non Performing Asset, the second respondent rejected the application of the petitioner, which was confirmed by the first respondent in appeal proceedings dated 07.12.2017. Therefore, this Court is not inclined to interfere with the proceedings of the respondents 1 and 2, dated 10.11.2017 and 07.12.2017 respectively.

8. In view of the above, this Writ Petition stands dismissed. No costs.

Sd/-  
Assistant Registrar(CCC)

//True Copy//

Sub Assistant Registrar

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To:

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Pondicherry 605 001.

+1cc to M/s.T.S.Gopalan & Co, Advocate, S.R.No.64472

W.P.No.342 of 2018

SRA(CO)  
RLP(07/01/2022)