



WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:10.11.2021

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.NO.11137 of 2021

and

W.M.P.No.11774 of 2021

M/s Saleem Timber Traders Private Limited,
rep by its Director,
Mr. O. Mohammed Saleem,
357/1, Kundrathur Road,
Porur, Chennai- 600 116.

..Petitioner

Vs

The South Indian Bank Limited,
rep by its Branch Manager,
No.133, MSR Complex, Kundrathur Main Road,
Porur, Chennai-600 116.

..Respondent

PRAYER: Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorarified Mandamus to quash the Respondent's notice dated 25.03.2021 under the ref no.NPA/1//2020-2021 classifying the Petitioner's account as Non-Performing Asset.

For petitioner : Mr. S. Diwakar

For Respondents : Mr. R. Imayavaramban

ORDER

The petitioner has filed this Writ petition seeking issuance of a Writ of Certiorarified Mandamus to quash the Respondent's notice dated 25.03.2021 under the ref no.NPA/1//2020-2021 classifying the Petitioner's account as Non-Performing Asset.



2. The case of the petitioner is that he is engaged in timber business and in the year 2014, he availed the credit facilities to the tune of about Rs.5,96,53,795.10/- from the Respondent bank herein by providing additional security including guarantors and by mortgaging the properties. Even thereafter, he was availing credit facilities from the Respondent Bank continuously and there was a healthy relationship between the petitioner and the Respondent bank and the petitioner was prompt in repaying the outstanding loan including the interest amounts even during the covid period. While being so, the petitioner requested for extension of loan to the Respondent and he further mortgaged one more property to the tune of Rs.1.16 crores, however, the respondent neither extended the loan nor released any additional fund to the petitioner's account. Instead, the Respondent had declared the Petitioner's account as Non-Performing Asset(NPA) vide letter dated 25.03.2021 and further directed the petitioner to settle the entire outstanding amount of Rs.5,96,53,795/- vide notices dated 08.04.2021 . Hence, the petitioner left with no other remedy, has filed the present Writ Petition seeking the above relief.

3. The learned counsel for the petitioner submits that the petitioner was prompt in repaying the loan even during pandemic period and despite the request being made by the petitioner for extension of loan upon provision of security to the tune of Rs.1.16 crores, the respondent bank has declared the petitioner's account as Non-performing Asset against the RBI guidelines which resulted in filing of the present Writ Petition. Hence, the impugned notice dated 25.03.2021 issued by the Respondent herein declaring the petitioner's account as Non-performing Asset is liable to be quashed.

4. The learned counsel for the Respondent submits that the petitioner had availed huge amount of loan from the Respondent to tune of about Rs.5,96,53,795.10/- and has defaulted in repaying the same and that the petitioner's account was declared as Non-performing Asset as per the RBI guidelines. Further, the remedy available to the petitioner is to file an appropriate petition before the ombudsman. Instead of filing an appropriate petition before the ombudsman, filing the Writ Petition before this Court is not sustainable. Hence, the present petition filed before this Court for quashment of the notice issued by the Respondent bank is liable to be dismissed.

5. In view of the aforesaid submissions, there being a dispute with regard to repayment, this Court is of the considered opinion that there being an allegation that the petitioner having defaulted in repaying the loan obtained from



the Respondent bank, the remedy open to the petitioner is to approach the Ombudsman and this Writ Petition is not maintainable.

6. Accordingly, this Writ Petition is dismissed, granting liberty to the petitioner to work out his remedy before the banking Ombudsman in accordance with law. No Costs. Consequently, the connected Miscellaneous Petition is Closed.

Sd/-
Assistant Registrar (CCC)

//True Copy//

Sub Assistant Registrar

NHS

+1cc to M/s.Rajesh Ramanathan, Advocate, S.R.No.58082

+2ccs to M/s.Ramalingam, Advocate, S.R.No.58257

W.P.NO.11137 of 2021
and
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GPL (CO)
SU (17/12/2021)