IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 23.08.2021

CORAM

THE HONOURABLE MR.JUSTICE R.MAHADEVAN

W.P.NOS.29066, 29072 & 29077 OF 2018
&
W.M.P.NOS.33990, 34000 & 33999 OF 2018

Mrs.G.Baby ... Petitioner in W.P.No.29066 of 2018

R.Ezhumalai ... Petitioner in W.P.No.29072 of 2018

S.Manikandan ... Petitioner in W.P.No.29077 of 2018

Versus

1. The Regional Manager,
   Regional Office, Indian Bank,
   No.55, Ethiraj Salai,
   Egmore, Chennai - 600 008.

2. The Branch Manager,
   Indian Bank, East Tambaram Branch,
   No.149, Baratha Matha Street,
   East Tambaram, Chennai. ... Respondents in all WP's

PRAYER:-

Writ Petitions filed under Article 226 of the Constitution of India praying for issuance of a Writ of Mandamus directing the respondents to consider the petitioners' representation dated 24.5.2017, 24.5.2017 and 28.07.2017 respectively and pass on orders to re-sanction the loans under the Prime Minister Employment Generation Programme (PMEGP) Scheme.

For Petitioner : Mr.D.Senthil Kumaar in all the writ petitions

For Respondents : Mr.L.Ramkumar for R1 & R2 in all the writ petitions

ORDER

The relief sought for in these writ petitions is to issue a Writ of Mandamus to direct the respondents to consider the petitioners' representations and pass on order to re-sanction the loan under the Prime Minister Employment Generation Programme (PMEGP) Scheme.

2. According to the petitioners, they participated in Entrepreneurship Development Programme training conducted by the Ministry of Micro, Small & Medium Enterprises Department between 26.09.2016 and 6.10.2016. For having successfully completed the training imparted to the petitioners, certificates were issued to them on 6.10.2016. Thereafter, the proposals submitted by the petitioners for carrying on business and for sanction of loan amount was scrutinised and loans were also sanctioned to the tune of Rs.25 lakhs (Rs.10 lakhs towards capital expenditure and Rs.15 lakhs towards working capital) and the same was disbursed during the year 2016 as per the terms and conditions of the loan. On the basis of the loan amount received, the petitioners purchased machineries and other allied products to run the business. The instalments were paid periodically to the bank. While the petitioners were carrying on their business, the Manager of Micro, Small and Medium Enterprises conducted an inspection on 16.03.2017. Subsequently, on 04.05.2017, the officials of the first respondent conducted an inspection during which they have orally called upon the petitioners to repay the entire loan amount on the ground that there is no asset creation made and the unit is not functioning in a full-fledged manner as expected. The Bank also issued a notice calling upon the petitioners to repay the balance loan amount else threatened to close the business units of the petitioners. Having left with no other alternative, the petitioners borrowed amount from various sources and repaid the loan amount.

3. The grievance of the petitioners is that they have started manufacturing units in a small scale. They have obtained the loan amount from the respondents and anticipated to repay the same in instalments. However, due to the hasty action resorted to by the bank, the petitioners were constrained to repay the entire balance loan amount. Now, the manufacturing units of the petitioners have become sick and the petitioners and their staff have become jobless. By highlighting the above situation, the petitioners have submitted representations on 24.5.2017, 24.5.2017 and 28.7.2017 respectively to the 1st respondent bank seeking to re-sanction loan for their projects

under PMEGP Scheme, but till date, the respondents have not sanctioned them loans. Hence, they have come forward with these present writ petitions.

4. Heard the learned counsel appearing for the petitioners and the learned counsel appearing for the respondents.

5. Admittedly, the respondents bank has sanctioned loan to the petitioners after scrutinising their eligibility. The loan amount was also periodically repaid by the petitioners without any default. While so, the petitioners were directed to repay the entire loan amount in one lumpsum on the ground that the petitioners did not indulge in asset creation, which is one of the terms and conditions of the loan. The petitioners also repaid the loan amount by borrowing from third parties. The petitioners therefore now submitted representations to the respondents bank to re-sanction the loan amount under the Prime Minister Employment Generation Programme by citing their promptness in repaying the earlier loan. Having regard to the above, this Court directs the petitioners to approach the first respondent and submit their respective representations within a period of two weeks from the date of receipt of a copy of this order. On receipt of the same, the first respondent shall consider the representations of the petitioners for re-sanction of the loan amount, on merits and in accordance with law, after affording opportunity to the petitioners and pass orders thereof within a period of six weeks thereafter.

6. The Writ petitions are disposed of with the above directions. No costs. Consequently the connected miscellaneous petitions are closed.

Sd/-
Assistant Registrar(CS II)

//True Copy//

Sub Assistant Registrar

msr/rsh

To

1. The Regional Manager,
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No.55, Ethiraj Salai,
Egmore, Chennai - 600 008.

2. The Branch Manager,
Indian Bank, East Tambaram Branch,
No.149, Baratha Matha Street,
East Tambaram, Chennai.

+3ccs to Mr.D.Senthil Kumaar, Advocate, S.R.Nos.42236 to 42238
+3ccs to Mr.L.Ramkumar, Advocate, S.R.Nos.41990 to 41992

W.P.NOS.29066, 29072 &
29077 OF 2018

KSM(CO)
PBS/06/10/2021