



W.P. No.33853 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16.12.2022

CORAM

THE HON'BLE MR.T.RAJA, ACTING CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

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M/s.A.G.S.Rathna Stores Private Limited
A company registered under the Companies Act
Rep. by its Director G.Amutha
Siva Complex, No.91, Pondy Bazaar,
T.Nagar Chennai 17

... Petitioner

versus

1.Canara Bank
524, Anna Salai,
Teynampet, Chennai 18.

2.Chennai Asset Recovery Private Ltd.,
New No.51, Old No.25,
Ground Floor Seven Wells
Chennai 01

... Respondents

Prayer: Writ Petition under Article 226 of the Constitution of India praying for a Writ of Mandamus directing the respondent Bank to grant time to submit renewal papers till 31.01.2023 pertaining to the open cash credit (OCC) Loan No.0416256002690 pursuant to petitioner's representation dated 30.11.2022.



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For the Petitioner : Mr.K.Anantha Padmanaban

For the Respondents : Mr.P.Kathirvelu,
for the first respondent

ORDER

(Made by the Hon'ble Acting Chief Justice)

The petitioner has filed this writ petition praying for a Writ of Mandamus directing the first respondent Bank to grant time to submit renewal papers till 31.01.2023 pertaining to the open cash credit pursuant to petitioner's representation dated 30.11.2022.

2. Learned counsel for the petitioner submitted that the petitioner has availed various credit facilities from the first respondent bank, which are as follows:

<i>Sl.No.</i>	<i>Loan No.</i>	<i>Nature of Loan/Limit</i>	<i>Date of Sanction</i>	<i>Amount in Rs.Lakhs</i>
1	0416256002690	OCC	07/11/2013	700.00
2	0416746000012	WCTL	28/02/2020	37.70
3	0416768000010	MSME	09/03/2015	5.89
4	0416603000311	VEHICLE	20/09/2019	11.00



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3. According to the petitioner, they had closed loans indicated against Sl.Nos.2 and 3. With regard to the fourth loan viz., vehicle loan, a sum of Rs.47,000/- alone is remaining. However, with regard to the first loan viz., Rs.7 crore, borrowed on 07.11.2013, when the petitioner's father passed away, there was some dispute among the family members, and as a result, there was default in repaying the monthly installments. Therefore, the account of the petitioner was classified as Non-Performing Asset (NPA) on 20.04.2022. The petitioner was also issued with demand notice dated 04.05.2022 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, stating that the outstanding amount as on 03.05.2022 was Rs.7,15,54,605.99. Immediately, on receipt of the demand notice, the petitioner's company took all efforts to close the loans. Finally, a meeting took place between the officials of the bank and the petitioner and the petitioner paid some amount, as a result, the bank officials advised the petitioner to cooperate to clear the dues on or before 23.09.2022 and submit renewal papers or otherwise, the account will slip into non-performing asset as per RBI guidelines and the bank would be forced to issue Recall notice and initiate legal action and SARFAESI action against the petitioner for recovery. Therefore, when the demand notice issued under



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Section 13(2) of the Act dated 04.05.2022 was recalled, the petitioner is unable to approach the Debts Recovery Tribunal because there is no cause of action for the petitioner to knock the doors of the Debts Recovery Tribunal. Hence, the petitioner has filed this writ petition only for a prayer directing the first respondent bank to grant time to submit renewal papers till 31.01.2023 pertaining to the open cash credit.

4. We are unable to accept the prayer of the petitioner. When the petitioner has borrowed loan, the petitioner has to workout the remedy in the manner known to law. Therefore, the writ petition fails and the same is dismissed. There will be no order as to costs. Consequently, WMP Nos.33325 and 33327 of 2022 are closed.

5. The petitioner is given liberty to make fresh a representation to the bank and if any such representation is given, the same may be considered.

(T.R., ACJ.) (D.B.C., J.)
16.12.2022

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tar

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