



W.A.(MD)No.985 of 2022

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 02.09.2022

CORAM

THE HONOURABLE MR.JUSTICE **S.S.SUNDAR**
and
THE HONOURABLE MRS.JUSTICE **S.SRIMATHY**

W.A(MD)No.985 of 2022
and
C.M.P.(MD)No.7934 of 2022

S.Rajendran

... Appellant

Vs.

1.M/s.Axis Bank,
represented by its Branch Manager,
Main Branch Office, Tirunelveli District.

2.The Manager,
M/s.Axis Bank, Agri Area Office,
Virudhunagar District.

... Respondents

Prayer: Writ Appeal filed under Clause 15 of the Letter Patent to set aside the order passed by this Court, dated 01.08.2022 in W.P.(MD)No. 16983 of 2022.

For Appellant :Mr.B.Rajesh Saravanan



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JUDGMENT

(Judgment of the Court was delivered by **S.S.SUNDAR, J.**)

This Writ Appeal is directed against the order passed by this Court, dated 01.08.2022 in W.P.(MD)No.16983 of 2022.

2.Heard Mr.B.Rajesh Saravanan, learned Counsel for the appellant.

3.The appellant filed a Writ Petition in W.P.(MD)No.16983 of 2022 for issuance of a Writ of Mandamus to direct the respondents to accept Rs.1,10,000/-, as fixed interest/due amount from the appellant and permit him to renew the loan A/c.No.915030040083481 before the due date of 30.09.2022 on the basis of the representation dated 04.06.2022 sent by the appellant within a stipulated time as may be fixed by this Court.

4.The contention of the appellant is that he availed agricultural loan from the respondent bank and that they made unnecessary demand. It is his further case that the respondent bank had demanded a sum of Rs.1,39,589/- on 11.01.2022 and asked the appellant to pay a sum of



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Rs.1,10,000/-. When the appellant paid a sum of Rs.1,10,000/- on 13.01.2022 and 19.01.2022, the respondent bank demanded a further sum of Rs.1,39,589/-, towards penal interest. Thereafter, the appellant received an SMS from the respondent bank indicating that the appellant have to pay a sum of Rs.22,42,543/-, which includes principal and interest. Since the respondent bank had demanded immediate payment by the said communication, the appellant filed a Writ Petition as stated above.

5.The learned Single Judge of this Court dismissed the said Writ Petition only on the ground that the Writ Petition against the respondent bank is not maintainable by referring to the judgment of Honourable Supreme Court in the case of ***Federal Bank Limited vs Sagar Thomas and others***, reported in ***(2003) 10 SCC 733***. Aggrieved by the same, the present Writ Appeal is filed.

6.This Court is unable to find any legal ground to interfere with the order of the learned Single Judge. The appellant has availed financial assistance from the respondent bank. It is purely a commercial contract between the appellant and the respondent bank. If there is a dispute between the appellant and the respondent bank in relation to a loan transaction, this Court cannot dealt with such issue in a Writ Petition



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under Article 226 of Constitution of India. The respondent bank is a private bank and has not performing any statutory functions by entering into a contract with the appellant.

7.The Honourable Supreme Court in the case of ***Federal Bank Limited vs Sagar Thomas and others***, reported in ***(2003) 10 SCC 733***, held as follows:

“33.For the discussion held above, in our view, a private company carrying on banking business as a scheduled bank, cannot be termed as an institution or a company carrying on any statutory or public duty. A private body or a person may be amenable to writ jurisdiction only where it may become necessary to compel such body or association to enforce any statutory obligations or such obligations or public nature casting positive obligation upon it. We don't find such conditions are fulfilled in respect of a private company carrying on a commercial activity of banking. Merely regulatory provisions to ensure such activity carried on by private bodies work within a discipline, do not confer any such status upon the company nor put any such obligation upon it which may be enforced through issue of a writ under Article 226 of the Constitution. Present is a case of disciplinary action being taken against its employee by the appellant bank. The respondent's service with the bank stands terminated. The action of the Bank was challenged by the respondent by filing a writ petition under Article 226 of the Constitution of India. The respondent is not trying to enforce any statutory duty on the part of the Bank. That being the position, the appeal deserves to be allowed.”

8.The learned Counsel for the appellant submitted that the said judgment cannot be applied in the present case, as the Honourable Supreme Court was dealt with the Writ Petition filed by an employee of the bank.



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9.This Court is unable to find any difference between the situation handled by the Honourable Supreme Court and the present case, where, the appellant has just raised an issue or dispute that arising out of a commercial contract with the respondent bank. Hence, this Court find no merit in this Writ Appeal. Accordingly, this Writ Appeal is dismissed. No costs. Consequently, connected miscellaneous petition is closed.

[S.S.S.R., J.] [S.S.Y., J.]
02.09.2022

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