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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23.02.2023

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THE HON'BLE Mr. JUSTICE **C.V.KARTHIKEYAN**

W.P.No.12458 of 2021

and

W.M.P.Nos.13244 & 19451 of 2021

M/s.Global Marketing & Manufacturing Enterprises,
Rep.by its Proprietor, Mr.Juzar.S
26 B1, Bharathi Colony Main Road,
Peelamedu, Coimbatore – 641 004.

.. Petitioner

Vs.

1.The Regional Director,
Reserve Bank of India,
Rajaji Salai, Chennai.

2.The Chief Manager,
Axis Bank, Lakshmi Mills Branch,
Nos.1133, 1135 and 1136,
Avinashi Road, P.N.Palayam,
Coimbatore – 641 037.

... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Mandamus, directing the 2nd respondent to release debit freeze and unblock current account held vide No.914020026851707 of the petitioner and resume the operation of petitioner's current account back to normalcy based on petitioner's representation vide e-mail dated 24.05.2021.



For Petitioner

.. Mr.G.Abraham Prabhu

For R1

.. Mr.C.Mohan

For M/s.King & Partridge

For R2

.. Mr.R.Palanikumar Ramesh

ORDER

This Writ Petition has been filed in the nature of a Mandamus seeking a direction to the 2nd respondent to release debit freeze and unblock the Current Account No.914020026851707 in the name of the petitioner, M/s.Global Marketing & Manufacturing Enterprises at Peelamedu in Coimbatore. The petitioner also seeks that the said operation of the account should be brought back to normalcy. The petitioner had given a representation on 24.05.2021 in this regard.

2.The petitioner had the aforementioned account with the 2nd respondent / Axis Bank, Lakshmi Mills Branch, P.N.Palayam, Coimbatore. Subsequently, they also had an account with Bank of Baroda. It appears that there were some issues with respect to the operating that account, more



particularly, the loan which had been given by the Bank of Baroda, which had turn into a non-performing asset. The Bank of Baroda apparently had issued a letter to the 2nd respondent / Axis Bank. The 2nd respondent acted on the said letter and after so acting, had issued the following e-mail to the petitioner herein,

“Greetings from Axis Bank Ltd.

We have received the attachment letter from Bank of Baroda, basis the letter we have Debit Freezed your account. Hence request you to submit the account closure request at our branch at the earliest.

Account No : 914020026851707

Account Name : Global Marketing & Manufacturing Enterprises

For further queries request you to contact the undersigned.

Thanks and Regards

Balaji Singh R

Customer Service Officer – CA

Wholesale Banking Service

Axis Bank Ltd

PN Palayam, Coimbatore – 641037

D: 0422 – 4343050.”



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3.The reading of the e-mail shows that the 2nd respondent had already frozen the account and then had put the petitioner on notice. The petitioner should have been put on notice when the communication was received from the Bank of Baroda. Then the petitioner could have arranged funds to repay the loan with Bank of Baroda. Unfortunately, the 2nd respondent had not taken that step.

4.The 2nd respondent must also realize that the petitioner is their customer to whom they have an obligation. This obligation should be discharged in letter and in spirit. The order directing freezing of the account does not stand judicial scrutiny, since proper procedure to put the petitioner on notice has not been done. Even if the 2nd respondent is under an obligation to follow the guidelines of the Reserve Bank of India, still it would only be appropriate that they also follow their primary obligation to their customer, namely to put the customer on notice and then to de-freeze the account.



5.The act of freezing the aforementioned account is hereby interfered with and the 2nd respondent is directed to permit operation of the said account. Immediately, thereafter, the 2nd respondent may also address the Bank of Baroda, Nanjappa Road Branch which had issued the letter to them and inform them about the amount available in the Current Account and inform them that the account had been de-freezed and that they may take necessary steps in manner known to law to secure their interest. But the operation of the account must be permitted. Necessary action to be taken to permit operation of the account within a period of three working days from the date of receipt of a copy of this order.

6.With the above observations, this writ petition stands allowed. No costs. Consequently, connected civil miscellaneous petitions are closed.

23.02.2023

Index:Yes/No
Internet:Yes/No
smv



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C.V.KARTHIKEYAN,J.
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