



WEB COPY



W.P.No.25099 of 2019

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.04.2023

CORAM

THE HONOURABLE MR. JUSTICE M.DHANDAPANI

W.P.No.25099 of 2019
and
W.M.P. No.24671 of 2019

M/s.Sri Lakshmi Saraswathi Spin Tex Limited
No.9 (Old No.8)
Crescent Road,
Shenoy Nagar,
Chennai – 600 030.

.. Petitioner

Vs.

1. Reserve Bank of India,
Represented by its
Chief General Manager,
New Central Office Building,
Shahid Bhaghat Singh Road,
Mumbai – 400 001.

2. Bank of Maharashtra
Rep. By its Assistant General Manager,
Assistant General Manager,
No.603, Anna Salai,
Chennai – 600 006.

.. Respondents

Writ Petition filed under Article 226 of the Constitution of India
to issue an order, a Writ of Certiorari to call for the records pertaining to



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rejection order passed by the 2nd respondent vide AA19/SLSSL/13(2)/REPLY/2019-20, dated 20.07.2019 and quash the same as illegal and devoid of merits.

For Petitioner : Mr.Adinarayana Rao
For Respondents : Mr.C. Mohan
for M/s.King & Patridge for R1

ORDER

The writ petition has been filed challenging the rejection order passed by the 2nd respondent vide AA19/SLSSL/13(2)/REPLY/2019-20, dated 20.07.2019 and to quash the same.

2. It is the case of the petitioner that they applied for Cash credit Facility cum Loan for carrying out their business and the same was also sanctioned by the 2nd respondent to the tune of Rs.12 crores. Since, there was Global recession in Textile Industry and moreover due to outstanding amount to be cleared from one of the purchasers of the petitioner, the 2nd respondent issued the Notice of Default. In the meantime, on 01.01.2019, R.B.I. has issued a Circular to all Banks in order to safeguard the manufacturers directing them to consider re-structuring of Loans even for NPA Accounts based on which, the petitioner has submitted application on



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11.07.2019, but the same was rejected. Hence this writ petition has been filed.

3. Learned counsel for the petitioner submitted that petitioner's representation has not been considered in a proper manner and the same has been rejected by the 2nd respondent under SARFAESI ACT, which is not related to petitioner's category. Moreover, he submitted that the Circular issued by the 1st respondent dated 01.01.2019 are applicable to NPA accounts. Hence, he submits that it would suffice if this Court issues direction to the 2nd respondent to consider the petitioner's representation afresh in the light of the Circular issued by the 1st respondent on merits within a time frame to be fixed by this Court.

4. The learned counsel appearing for 1st respondent has no objection for said order being passed.

5. Heard the learned counsel appearing on either side and perused the materials placed before this Court.



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6. Taking into consideration the factual aspects of the matter, this Court without interfering the impugned order and without going into the merits of the case, directs the petitioner to submit a fresh representation along with a copy of this order to the 2nd respondent, within a period of two weeks from the date of receipt of a copy of this order. On receipt of the same, the 2nd respondent shall entertain the said representation and pass orders on merits and in accordance with law as per the terms of the guidelines issued by the 1st respondent as expeditiously as possible.

7. This writ petition is disposed of with the aforesaid directions. No costs. Consequently, connected miscellaneous petition is closed.

03.04.2023

Speaking/Non Speaking order

Index : Yes/No

Internet: Yes/No

Neutral citation : Yes / No

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M.DHANDAPANI, J.
vsi2

To

1. The Chief General Manager,
Reserve Bank of India,
New Central Office Building,
Shahid Bhaghat Singh Road,
Mumbai – 400 001.

2. The Assistant General Manager,
Bank of Maharashtra
Assistant General Manager,
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