



C.R.P(MD)No.374 of 2023

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 21.03.2023

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

C.R.P(MD)No.374 of 2023

Balaji Educational and Charitable
Trust rep by its
Managing Trustee
P.Muthuveeran
Door No.49/3 Kalathu Road,
Allur,
Tiruchirapalli-101

... Petitioner/Petitioner

-VS-

Nil

... Respondent/Respondent

PRAYER: Civil Revision Petition is filed under Article 227 of the Constitution of India, to set aside the order dated 24.08.2022 made in Trust O.P.No.39 of 2022 passed by the learned Principal District Judge, Trichy and allow the above civil revision petition.

For Petitioner : Mr.C.Jeganathan
for Mr.Veera Kathiravan
Senior Counsel



C.R.P(MD)No.374 of 2023

WEB COPY

ORDER

The petitioner is a registered Trust and had moved Trust O.P.No.39 of 2022 before the Principal District Judge, Trichy, for permission to sell 2.5 acres of land of the petitioner Trust.

2.It is the case of the petitioner that the learned Principal District Judge, has dismissed the said Trust O.P filed by the petitioner by merely observing that the loan was obtained even prior to the pandemic period and there is no evidence to show that such loan was approved by the Board of trustees as per Clause 7 (l) of the Trust Deed, which was marked as Ex.P.1. It is submitted that the conclusion arrived in para 21 of the impugned order to reject the prayer for permission to sell 2.5 acres of land to liquidate the liabilities to the Bank viz., Karur Vysya Bank, in respect of the loan obtained by the petitioner during 2013-2016, is unjustified. It is further submitted that if the petitioner was put to adequate notice, the petitioner would have furnished copies of the resolutions passed on 12.09.2016, 12.10.2016 and the resolutions passed on 11.07.2021. It is submitted that as per clause 7(g) of the Trust Deed, is empowered to acquire on lease or by purchase or otherwise, to sell, mortgage, lease, transfer or any other manner so whatever to construct the building and to carry out the improvements there of for the purpose of the Trust.



C.R.P(MD)No.374 of 2023

WEB COPY

3.I have considered the arguments advanced by the learned counsel appearing for the petitioner.

4.The petitioner trust was formed in the year 2005 by a registered document No.1934 of 2005, dated 24.10.2005, under clause 7(g) of the Trust Deed, reads as under:

“g)To acquire on lease or by purchase or otherwise to sell, mortgage, lease, transfer or any other manner so whatever properties, movables or immovables, to construct building and to carry out their improvements there of for the purpose of the Trust and to manage and deal with properties, movable or immovable and all other assets of the Trust and to mortgage them to repay loans or otherwise and to deal generally with the assets for the purpose of the Trust with the (3/4)th majority of approval of the Board of Trustees.”

5.The facts on record indicate that the petitioner has borrowed the following amounts from Karur Vysya Bank:

S.No.	Nature of Facility	Date of Loan	Amount(in Rs.)
1.	Term Loan Building-1(1195.716.553)	16.05.2013	Rs.2,00,00,000/-
2.	SOD – RE(1195.280.1050)	26.10.2016	Rs.40,00,000/-



C.R.P(MD)No.374 of 2023

WEB COPY

3.	Term Loan Building-ii(1195.715.276)	26.10.2016	Rs.61,00,000/-
4.	HPL – OTHERS(1195.722.382)	26.10.2016	Rs.9,00,000/-

6.The petitioner also appears to have servicing the loan taken from Karur Vysya Bank as detailed above. However, due to the outbreak of the Pandemic during March 2020, the petitioner was unable to repay the loan, as a result of which, the loan account of the petitioner with the said Bank became a NPA and therefore, notice under Section 13(2) of SARFAESI Act, was issued to the petitioner Trust on 29.06.2021. As per the aforesaid notice, the petitioner has to pay a sum of Rs.1,17,93,665.05/-, in respect of the above mentioned loan, as detailed below:

S.No.	Nature of Facility	Balance Outstanding as on date Rs.
1.	Term Loan Building-1(1195.716.553)	Rs.20,13,910.96
2.	SOD – RE(1195.280.1050)	Rs.47,34,363.39
3.	Term Loan Building-ii(1195.715.276)	Rs.46,48,546.28
4.	HPL – OTHERS(1195.722.382)	Rs.3,96,844.42
	Total	Rs.1,17,93,665.05

7.In this context, the petitioner Trust has passed a resolution on 11.08.2021 authorizing the Chairman and Managing Trustee of the petitioner to initiate



C.R.P(MD)No.374 of 2023

WEB COPY

appropriate steps for the sale of the properties to liquidate the liability. The resolutions that have been passed earlier were not called for before the impugned orders were passed, particularly, the resolutions dated 12.09.2016 and 12.10.2016. Therefore, the impugned order is set aside and the matter is remanded back to the trial Court to pass a fresh order. The petitioner is directed to file copies of the resolutions before the Principal District Judge, Trichy, within a period of two weeks from the date of receipt of a copy of this order. On filing of such resolutions, the Principal District Judge, Trichy, shall endeavour to pass fresh order on merits in Trust O.P.No.39 of 2022, within a period of two months therefrom.

8. With the above direction, this Civil Revision Petition is disposed of. No costs.

21.03.2023

NCC : Yes / No
Internet : Yes / No
Index : Yes / No



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C.R.P(MD)No.374 of 2023

C.SARAVANAN, J.

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To:

- 1.The Principal District Judge,
Trichy.
- 2.The Section Officer,
Vernacular Records,
Madurai Bench of Madras High Court,
Madurai.

Order made in

C.R.P(MD)No.374 of 2023

Dated:

21.03.2023