



W.P.No.178 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 05.09.2024

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

**W.P.No.178 of 2024
and W.M.P.No.192 of 2024**

Ashok Memory (India) Private Limited,
rep.by its Director, Lalji Bharadwaj,
New No.9 (Old No.3), 6th Main Street,
Gopalapuram, Chennai-600 086.

... Petitioner

Vs.

- 1.The State Bank of India,
rep.by its Assistant General Manager,
Fraud Monitoring Cell,
State Bank of India,
Stressed Assets Resolution Group,
Corporate Centre,
Mumbai-400 005.
- 2.The State Bank of India,
Stressed Assets Management Branch-(4105),
Red Cross Buildings,
No.32, Montieth Road, Egmore,
Chennai-600 008.



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3.Ashok Magnetics Limited,
Rep.by Liquidator, V.Nagarajan,
B-73, SIPCOT Industrial Complex,
Gummidipoondi-601 201.

... Respondents

PRAYER : Writ Petition filed under Article 226 of the Constitution of India praying for issuance of a Writ of Certiorari, to call for the records of the respondent and quash the impugned order dated 05.12.2023 in reference No.SARG/FMD/2023-24/SCN/69.

For Petitioner	:	Ms.Rita Chandrasekar for Mr.V.P.Mohammed Moin
For Respondents	:	Mr.M.L.Ganesh for R1 and R2 No-appearance for R3

ORDER

This Writ Petition has been filed challenging the show cause notice issued by the first respondent dated 05.12.2023.

2. The learned counsel appearing for the petitioner submits that the petitioner has not borrowed any loan from the first respondent Bank, however, the petitioner was a Corporate Guarantor to the loan availed by the



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third respondent and due to non-repayment of loan by the third respondent, the first respondent has issued the impugned show cause notice dated 05.12.2023 to the petitioner to show cause and make submissions in writing within 15 days from the date of receipt of the letter as to why the account of the petitioner should not be categorised and reported as fraud as per RBI Guidelines. Challenging the same, the present Writ Petition has been filed.

3. The learned counsel appearing for the petitioner further submits that it would suffice, if this Court permits the petitioner to make an objection before the respondents 1 and 2 within a period of four weeks from the date of receipt of a copy of this order and thereafter, the respondents 1 and 2 may be directed to consider the same and pass appropriate orders. Till such time, this Court may direct the respondents 1 and 2 not to take any coercive steps against the petitioner.

4. The learned counsel appearing for the respondents 1 and 2 submits that the petitioner is a Corporate Guarantor to the loan availed by



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the third respondent and the third respondent has not paid the loan amount and thereby, the impugned show cause notice was issued against the petitioner. If at all the petitioner is having any grievance, the petitioner can very well canvass all the points before the Authority.

5. Heard the learned counsel appearing for the petitioner and the learned counsel appearing for the respondents 1 and 2.

6. In view of the limited request sought for by the learned counsel appearing for the petitioner, this Court, without interfering with the impugned show cause notice, permits the petitioner to make an objection before the respondents 1 and 2 within a period of four weeks from the date of receipt of a copy of this order and on receipt of the same, the respondents 1 and 2 are directed to consider the same and pass appropriate orders as expeditiously as possible. Till such time, the respondents 1 and 2 are directed not to take any coercive steps against the petitioner.



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7. Accordingly, this Writ Petition is disposed of. There shall be no order as to costs. Connected miscellaneous petition is closed.

05.09.2024

NCC: Yes / No
Index : Yes / No
Speaking Order : Yes / No
ssb

To

1.The State Bank of India,
rep.by its Assistant General Manager,
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M.DHANDAPANI, J.

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