



WP No.9290 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04.04.2024

CORAM

THE HON'BLE MR.SANJAY V.GANGAPURWALA, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE J.SATHYA NARAYANA PRASAD

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1.M/s.A.G.S.Rathna Stores (P) Ltd
rep. By its Director G.Amutha,
No.91, Pondy Bazar,
T.Nagar, Chennai 17

2.M/s.Kodai Valley View Resorts P Ltd
rep. By its Director G.Amutha,
D.No.s8/58, 8/59 Post offices Road,
Kodaikanal, Dindigul District 624 101
Registered Office,
No.5, lakshmi narasimhan St.,
T.Nagar, Chennai 17

: Petitioners

versus

Canara Bank,
rep. By its Authorised Officer,
Teynampet Branch,
No.563/1, Anna Salai,
Teynampet, Chennai 18

: Respondent

Prayer: Petition filed under Article 226 of the Constitution of India for
issuance of a Writ of Certiorarified Mandamus calling for the records of



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the sale notice dated 20.02.2024 and all further proceedings thereto including the purported auction sale said to have held on 11.03.2014 on the file of the respondent concluding an auction of the second petitioner's property being in gross violation to the interim orders dated 19.02.2024 in SA No.96 of 2024 on the file of Debts Recovery Tribunal-III, Chennai, and quash the said sale notice dated 20.02.2024 and all further proceedings thereto and consequently direct the respondent to restore the property to the second petitioner by accepting the entire dues payable.

For Petitioners	:	Mr.S.R.Rajagopal, Senior Counsel, for Mr.V.Anil Kumar
For Respondent	:	Mr.P.Raghunathan, for M/s.T.S.Gopalan & Co.

ORDER

(Made by the Hon'ble Chief Justice)

We have heard Mr.S.R.Rajagopal, learned Senior Counsel for the petitioners and Mr.P.Raghunathan, learned counsel for the respondent.



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2. The petitioners are challenging the sale notice dated 20.02.2024. The learned Senior Counsel submits that in spite of the order of *status quo* in operation, the bank has issued the sale notice. The petitioners have also challenged the said sale notice before the Debts Recovery Tribunal.

3. Learned Senior Counsel submits that earlier, an order of *status quo* was passed on 19.02.2024. The petitioners took out demand drafts for Rs.72 lakh. The first installment of Rs.72 lakh was paid and accepted; however, the second installment of Rs.72 lakh was not accepted by the bank. The bank has again issued a fresh sale notice. The same was also challenged. The Debts Recovery Tribunal, mechanically, had directed the petitioners to deposit 10% more, without considering that the earlier proceedings are pending and the order of *status quo* is in force. When the order of *status quo* was passed in the earlier proceedings, the bank clandestinely withdrew the earlier sale notice and issued a fresh sale notice. Such an act is not permissible.



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4. Learned Senior Counsel submits that the petitioners are ready to deposit the entire amount within fifteen days.

5. The matter is already pending with the Debts Recovery Tribunal. The Debts Recovery Tribunal has passed an order of *status quo* upon conditions. The condition imposing payment of 10% is also less than the amount due.

6. Be that as it may, all these contentions can be raised before the Debts Recovery Tribunal. The Debts Recovery Tribunal is certainly bound to consider all the contentions raised by the parties and pass appropriate order.

7. If the petitioners are aggrieved by the orders passed, then the petitioners may assail the same. In that event, all contentions are kept open.

8. Considering the subsequent event that has taken place, the Debts Recovery Tribunal may endeavour to decide the securitisation application filed by the petitioners, expeditiously.



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9. The writ petition is accordingly disposed of. There shall be no order as to costs. Consequently, WMP Nos.10312 and 10313 of 2024 are also closed.

10. WMP No.10311 of 2024 filed to permit the petitioners to join together and file a single writ petition is allowed and disposed of.

(S.V.G., CJ.) (J.S.N.P., J.)
04.04.2024

Index : Yes/No
Neutral Citation : Yes/No
tar

To

The Authorised Officer,
Canara Bank,
Teynampet Branch,
No.563/1, Anna Salai,
Teynampet, Chennai 18



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THE HON'BLE CHIEF JUSTICE

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