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W.P.No.30009 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : **04.10.2024**

CORAM

THE HON'BLE MR. JUSTICE G.K. ILANTHIRAIYAN

W.P.No.30009 of 2024

M/s.Sakthivel Modern Rice Mill,
Rep. by its Proprietor,
K.Sivakumar

... Petitioner

Vs.

1. The Managing Director,
The Tamilnadu Industrial Investment Corporation Limited,
Head Office,
No.692, Anna Salai, Nandanam,
Chennai - 600 035.

2.The Branch Manager,
The Tamilnadu Industrial Investment Corporation Limited,
Cuddalore Branch,
No.60/1B, 1st Floor, Imperial Plaza,
Near Employment Office,
Nellikuppam Main Road,
Cuddalore - 607 001.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Mandamus, to direct the second respondent to avail proper opportunity to the petitioner in person and to consider the petitioner's representation dated 20.09.2024 within a time to be stipulated



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by this Court.

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For Petitioner : Mr.L.Chandra Kumar
for Mr.D.Senthil Kumar

For Respondents : Mr.K. Magesh
Standing Counsel

ORDER

This writ petition has been filed for a direction, directing the second respondent to consider the representation submitted by the petitioner dated 20.09.2024 whereby, seeking direction to accept the demand draft for a sum of Rs.58,00,000/- and release the machinery alone for his part loan.

2. The petitioner is the proprietor of M/s.Sakthivel Modern Rice Mill, No.18, Oraiyur Road, Pudupet, Panruti Taluk, Cuddalore District. He availed term loan and other credit facilities from the respondents for purchasing new machineries and building up of inventories. However, he committed default in repaying the loan amount due to Covid-19. Therefore, the loan account of the petitioner was referred as Non-Performing Asset. Subsequently, the properties which were given as collateral security including the machineries were brought for auction sale.



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3. Infact, the petitioner already challenged the auction notice dated 19.07.2024 before this Court in W.P.No.24459 of 2024. This Court had granted interim stay on condition to pay Rs.50,00,000/- to the credit of loan account dated 21.08.2024. However, the petitioner failed to comply with the order and the order was dismissed on 29.08.2024. As per the auction notice, the upset price for the machineries was fixed at Rs.57.83 lakhs. In so far as the land is concerned, the upset price was fixed at Rs.143.32 lakhs. Thereafter, the petitioner submitted representation along with demand drafts in favour of the second respondent to the tune of Rs.58,00,000/- in order to release the machineries.

4. The learned counsel for the petitioner submitted that on receipt of Rs.58,00,000/-, the second respondent may be permitted to release the machineries alone since the upset price for the machineries was fixed at Rs.57.83 lakhs.

5. On instructions, the learned counsel for the second respondent would submit that even while challenging the auction notice before this



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Court in W.P.No.24459 of 2024, this Court granted stay on condition that the petitioner shall deposit Rs.50,00,000/- on or before 28.08.2024 and the petitioner failed to comply with the said condition. Therefore, only in order to drag on the proceedings, the petitioner repeatedly approaching this Court. He further submitted that the upset price was fixed for the machineries at Rs.57.83 and it may rise in the open auction for the machineries.

6. Considering the above facts and circumstances, the petitioner shall approach the second respondent on or before 18.10.2024 and handover the demand draft for the sum of Rs.58 lakhs. On receipt of the same, the second respondent is directed to receive a sum of Rs.58 lakhs by way of demand draft and adjust the part of the loan amount and release the machineries alone and proceed with auction in respect of the land.

7. With the above directions, this Writ Petition is disposed of. There shall be no orders as to costs.

04.10.2024

Index : Yes/No
Speaking Order : Yes / No
Neutral Citation Case: Yes / No
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To

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Chennai - 600 035.

2. The Branch Manager,
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G.K. ILANTHIRAIYAN. J.,

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