



W.P.(MD) No.21189 of 2019

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 21.06.2024

CORAM

THE HON'BLE MR.JUSTICE C.SARAVANAN

W.P.(MD)No.21189 of 2019

S.Jayasankar

... Petitioner

Vs.

1.The Divisional Director,
Khadi and Village Industries Commission,
Ministry of Micro Small and Medium Enterprises,
Govt. of India,
No.10 Bye Pass Road,
Madurai - 10.

2.The Branch Manager,
Indian Bank,
102/9A to C, Aranthangi Main Road,
Nagudinagudi Post,
Pudukottai District - 614 616.

... Respondents

Prayer:- Writ Petition filed under Article 226 of Constitution of India for issuance of a Writ of Mandamus, directing the second respondent to unfreeze the petitioner's Account No.6454368510, for enabling him to access his account on the basis of his representations, dated 20.09.2019 and 27.09.2019, within the time frame fixed by this Court.

For Petitioner : Mr.T.Vadivelan

For Respondents : No Appearance



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ORDER

This Writ Petition has been filed for issuance of a Writ of Mandamus, directing the second respondent to defreeze the petitioner's Account No.6454368510, for enabling him to access his account on the basis of his representations, dated 20.09.2019 and 27.09.2019.

2. There is no representation on behalf of both the respondents, though the first respondent has filed a counter affidavit.

3. The petitioner claims to have completed the training of Entrepreneurship Development Programme [EDP] under the Prime Minister's Employment Generation Programme [PMEGP] floated by Rural Self Employment Training Institute of the first respondent's Commission. Pursuant to the above, the petitioner applied with the first respondent for loan/financial assistance to start a manufacturing unit of RCC Bricks and Blocks under the PMEGP Scheme through application dated 15.06.2018. The said application was approved by the first respondent and the name of the petitioner was sponsored under the above said scheme by the District Level Task Force Committee at Pudukkottai District, by responding to the



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proposals sent by the first respondent to the second respondent, vide proceedings dated 24.07.2017.

4. It is the case of the petitioner that after verification and scrutiny of the loan application, a sum of Rs.5,00,000/- was sanctioned by the second respondent on 10.06.2019 and that the petitioner was required to deposit Rs.23,750/- towards his own contribution, within a week to release the first installment and that the same was deposited by the petitioner with the second respondent Bank and that the petitioner has also executed necessary documents, including the deposit of title deeds in the name of the second respondent Bank.

5. It is submitted that the second respondent Bank has released Rs.1,75,000/- on 23.07.2019 and credited the same to the petitioner's Account. It is the further case of the petitioner that thereafter, the Manager of the second respondent Bank demanded a sum of Rs.30,000/- towards processing charges for disbursement of the loan, to which, the petitioner has also replied that the said amount will be paid after disbursing the loan amount. However, the Manager of the second respondent Bank refused to disburse the loan.



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6. It is further submitted that the second respondent has also frozen the account of the petitioner, disabling him to access the account by stating that the electricity service connection obtained by him for the proposed Unit for 1.84 K.W. was not sufficient to run the manufacturing Unit of RCC Bricks and Blocks.

7. It is the case of the petitioner that he has also enquired with the Electricity Board regarding the query raised by the second respondent, but they replied that the single phase electricity service connection was sufficient to run the manufacturing Unit of RCC Bricks and Blocks.

8. It is further submitted that this technical issue taken by the second respondent to avoid disbursal of the balance amount and that the act of the second respondent was highly illegal and arbitrary and therefore, the second respondent should be directed to defreeze the account of the petitioner, enabling him to access the account, on the basis of his representations, dated 20.09.2019 and 27.09.2019.

9. The first respondent has filed counter affidavit, wherein it has been stated as follows:-



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"3. I submit that the Petitioner has applied through online on 15.06.2018 for setting up of a manufacturing unit of RCC Bricks and Blocks with project cost of Rs.10,00,000/- (Rupees Ten Lakhs only) under PMEGP scheme and requesting to avail bank loan from Indian Bank (2nd Respondent herein), Nagudi Branch, IFSC: IDIB000N118 and submitted to this office under PMEGP scheme. I also submit that this office (1st Respondent herein) has processed the application of the Petitioner and placed it to District Level Task Force Committee Meeting held at Collectorate, Pudukkottai and it has recommended for the project cost of Rs.5,00,000/- (Rupees Five Lakhs only) for setting up of above said activity. Based on the recommendation of DLTFC, this Respondent forwarded the Petitioner's application to Indian Bank i.e., to the 2nd Respondent, Nagudi Branch on 12th February 2019 for availing Bank loan."

10. The action of the second respondent in freezing the petitioner's account appears to be unwarranted in the light of the above submission of the first respondent.

11. At this juncture, the learned counsel for the petitioner submitted that the account of the petitioner has been unfrozen. However, the amount has been withdrawn by the second respondent.



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12. Under these circumstances, I direct the second respondent to re-credit the amount, subject to the petitioner producing a Certificate from the jurisdictional Assistant Engineer of the Tamil Nadu Electricity Board, certifying that the single phase electricity service connection obtained by the petitioner will be sufficient to run the RCC Bricks and Blocks making Unit proposed to be set up by the petitioner under the above said PMEGP Scheme floated by the first respondent.

13. This Writ Petition stands disposed of with the above observation. No costs.

Index : Yes/ No
Neutral Citation: Yes / No
Speaking Order / Non-Speaking Order
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C.SARAVANAN, J.

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