IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.4047 of 2023

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Naresh Kumar, Son of Rajendra Yadav, Resident of Mohalla- Badki Delha, Paraiya Road, P.S.- Delha, District- Gaya, Bihar PIN- 823002.

... ... Petitioner/s

Versus

1. The Indian Bank through its Chairman, Regd. Office situated at Mannadi, George Town, Chennai, Tamil Nadu, PIN- 600001.
2. The Zonal Manager, Indian Bank, Govind Bhavan, Dak Bunglow Road, Patna- 800001.
3. The Branch Manager, Indian Bank, Tekari Road Branch, Gaya Bihar, PIN- 823001.
4. The Director, M/s Asset Reconstruction Company (India) Limited, Regd. Office at The Ruby, 10th Floor, 29, Senapati Bapat Marg, Dadar (W), Mumbai- 400028.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr.Raja Ram Mishra, Adv.
For the Respondent/s	:	Mr. B. K. Jha, Adv.

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CORAM: HONOURABLE MR. JUSTICE A. ABHISHEK REDDY

ORAL ORDER

9 06-02-2025 Heard learned counsel for the parties.

2. The present writ petition has been filed for the following relief(s):-

> *"(i) to issue direction upon Respondents to issue No Dues Certificate to the petitioner as he has paid all the dues to the Respondents in connection with Loan Account No. 00540084780.*
>
> *ii) To direct the Respondents to pay the petitioner a compensation of Rs.100000/- on account of Mental and Physical harassment as well as lost of Credit Score in the eye of Public.*
>
> *(iii) To issue other direction/order to the ends of*

Justice."

3. Though an ample opportunity has been granted to the respondents-Bank to file their counter, but they have not filed their counter affidavit. This Court vide order dated 05.12.2024 has directed the respondents-Bank to file its counter affidavit and in case the counter affidavit is not filed by the next date of hearing, the right to file counter affidavit on behalf of the respondents-Bank will be forfeited and the matter will be heard on merits and necessary orders passed.

4. Having regard to the fact that the counter affidavit is not filed by the respondents-Bank, the right to file the counter affidavit is forfeited.

5. It is the case of the petitioner that the petitioner has taken a loan from the respondents-Bank to the tune of Rs.1,00,000/- and subsequently the said loan was assigned to Respondent No. 4, i.e, Asset reconstruction Company India Ltd. (ARCIL). Thereafter the Asset reconstruction Company India Ltd. (ARCIL) has approached the petitioner for payment of the loan amount and the entire loan amount was recovered by the said company. The Respondent No. 4 has issued a "No Dues Certificate" to the petitioner. However in spite of the recovery of the entire loan amount by the 4th Respondent, the

respondents-Bank is not closing the loan account and issuing a "No Dues Certificate".

6. Learned counsel appearing on behalf of the petitioner has stated that due to the non-closure of the loan account and also not issuing "No Dues Certificate" by the Bank, the petitioner's credit rating and CIBIL score is adversely getting effected and petitioner is not being sanctioned any loans. Learned counsel has stated that once the loan amount has been cleared, the respondents-Bank cannot keep the loan account pending and harass the petitioner in any manner.

7. A perusal of the documents, more particularly, the agreement dated 11.04.2011 (Annexure 1) entered between the Respondents-Bank and the Asset reconstruction Company India Ltd. (ARCIL) reveal that the loan account of the petitioner has been assigned to the Asset reconstruction Company India Ltd. (ARCIL). Thereafter the Asset reconstruction Company India Ltd. (ARCIL) has recovered the entire amount due from the petitioner and issued "No Dues Certificate" (Annexure 3). The "No Dues Certificate" reads as under:

Date: 01/03/2019

To whom it may concern

We, Asset Reconstruction Company (India) Limited ("Arcil"), hereby confirm that MR. NARESH KUMAR R/o house no. VILL. BANKI DELHA PARAIYA ROAD, DIST. GAYA, CITY-GAYA, STATE-BIHAR, PIN CODE:-823001, has no outstanding dues as on date in favour of Arcil in connection with Loan Account Number 00540084780 under the name of NARESH KUMAR with INDIAN BANK, which has been assigned to Arcil vide Assignment Agreement entered into between Arcil and INDIAN BANK.

This letter has been issued at the express request of MR. NARESH KUMAR.

Yours truly

Authorized Signatory
For Asset reconstruction Company (India) Limited.

8. Having regard to the above, the Respondents-Bank cannot keep the loan account of the petitioner pending for years together. In case the loan account of the petitioner is still been kept open without closing it in spite of clearing the entire loan amount due, the CIBIL score of the petitioner will be effected. Further it is to be noted that once the loan account has been assigned to the third party, i.e, Asset reconstruction Company India Ltd., the Bank for all purposes looses any right over the loan amount and they are duty bound to close the same and issue a “No Dues Certificate”. In this case the petitioner has cleared the outstanding dues to the Asset reconstruction Company India Ltd and the Asset reconstruction Company India Ltd. has issued “No Dues Certificate”. Therefore the Bank cannot have any grievance.

9. Having regard to the above, the respondents-Bank is directed to close the Loan Account No. 00540084780

and issue a "No Dues Certificate" to the petitioner at the earliest preferably within a period of eight weeks from the date of receipt of a copy of this order.

10. With the above directions, this Writ Petition is allowed to the extent indicated above.

(A. Abhishek Reddy , J)

Bhardwaj/-

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