IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 04.07.2025

CORAM :

THE HONOURABLE **MR.JUSTICE N.ANAND VENKATESH**

Writ Petition No.19622 of 2025

R.Vijaya Samundeeswari .... Petitioner

.Vs.

1.The Chief General Manager
Canara Bank
No.563, Anna Salai
Teynampet, Chennai.

2.The Deputy General Manager
Canara Bank
Regional Office
Guindy, Chennai 600 032.

3.The Assistant General Manager
Canara Bank
No.524 Anna Salai
Teynampet, Chennai 600 018. .. Respondents

Prayer: Writ Petition under Article 226 of the Constitution of India praying for the issuance of a Writ of Mandamus directing the respondents 1 to 3 to dispose petitioner representation dated 27.03.2025 in accordance with law.

For Petitioner	:	Mr.D.Bharathy
For Respondents	:	Mrs.T.Hemalatha

ORDER

This writ petition has been filed for the issue a writ of mandamus directing the respondents 1 to 3 to deal with the representation made by the petitioner on 27.03.2025, wherein the petitioner is seeking for auctioning the property by fixing a proper upset price.

2.When the matter was taken up for hearing today, counter affidavit has been filed by the 3rd respondent and the relevant portions are extracted hereunder:

> 6) The respondent bank states in the earlier writ petition filed by the petitioner, she has filed a Memorandum of Understanding dated 15.07.20222 which has been entered into between the petitioner and Mr.Sudhakaran wherein the petitioner has agreed to give her property as collateral security for availing loan by Mr.Sudhakaran.The respondent bank is no way responsible for the aforesaid act and the bank has not involved with any one in these regard as the same is something outside the purview of the respondent bank.
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> 7) The averments made in Para 5 to 7 are denied. It is submitted that the respondent bank has received application for Term Loan and Working Capital from the Firm signed by all partners by mortgaging the property belonging to Mrs. Vijaya samundeeswari one of the partner as collateral security for the loan. The loan has been processed as per Bank's guidelines, and

after all verifications as per bank norms the respondent bank has sanctioned loan a sum of Rs. 3,10,00,000 by way of Term Loan in the following manner:

Rs. 1,60,00,000	For purchase of machinery
Rs. 1,50,00,000	Towards working capital

8) It is respectfully submitted that the respondent bank has disbursed the loan amount on 30.07.2022 to the tune of Rs. 1,60,00,000 for purchase of machinery and the Term loan has been sanctioned as per request of the Firm and the Board Resolution signed by all the Partners and the bank has disbursed the term loan proceeds directly to the Vendor on 30.07.2022. The Term Loan was disbursed with approval from all partners and after execution of relevant documents by all the partners.The subsequent amount sanctioned by the bank has not been disbursed so far.

9) As regards Para 8 concerned it is submitted that the unit at Athipet, Chennai is the registered unit for M/s Sentam Polymers LLP and the bank has verified all the machineries as per the invoice made available, but the unit was not running due to dispute between the partners. Since the account status is regular, and the loan account has become Non-Performing Asset on 28.02.2024 after qualifying as sub standard asset class with a book liability of Rs. 1,46,84,796.00 with reserved Price fixed for the sale of secured assets at Rs. 1,31,00,000/-.

15)As regards Para 18 is concerned bank has followed the statutory guidelines of SARFAESI act regarding classification of account as NPA. After valuation done by the certified valuers the reserved price fixed for plant and machinery is Rs. 1,31,00,000/- On 04.03.2024 the respondent bank issued demand notice and symbolic possession was taken on 20.06.2024 and physical possession was taken. The respondent bank has brought the property on auction on various dates viz.,

Date of Sale Notice	Date of public auction
29.06.2024	20.07.2024
03.10.2024	23.10.2024
21.12.2024	10.01.2025

16) The respondent bank states that sale could not take place as there was no bidder. Sale of charged securities doesn't absolve the collateral put by the borrowers as according to the whole scheme of things it logically flows that the petitioner knowingly joined the account and offered her property as collateral. Since there is an internal dispute amongst the partners, the petitioner seeks release of the collateral security offered by her.

3.Heard learned counsel for the petitioner and the learned counsel for the respondent.

4.The main grievance of the petitioner is that the respondent bank is not taking effective steps to sell the property by fixing a reasonable price. The defence taken by the Bank is that they have attempted to conduct pubic auction atleast on three occasions and there was no bidder.

5.In the considered view of this Court considering the limited relief sought for in this writ petition, there shall be a direction to the respondents to proceed further to bring the property for auction sale by fixing a proper reasonable price, within a period of three months from the date of receipt of copy of the order.

6.This writ petition is disposed of with the above directions. No costs.

04.07.2025

Index : Yes/No
NCS : Yes/No
KP

To

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N.ANAND VENKATESH, J.

KP

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