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WP No. 24204 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23-09-2025

CORAM

THE HONOURABLE MR JUSTICE M.DHANDAPANI

**WP No. 24204 of 2025
and WMP. No.40857 of 2025**

Hotel Radha Private Limited
Rep. By Its Director
Mr. A.R Ravichandran,
No.16, Bishop Wallace Avenue East,
CIT Colony, Mylapore,
Chennai-600 004.

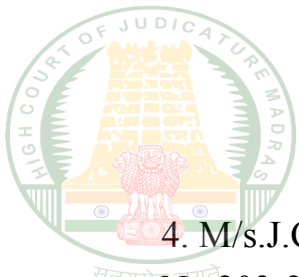
Petitioner(s)

Vs

1. Reserve Bank Of India
Rep. By Its Regional Director, Fort Glacis,
No.16, Rajaji Salai, Chennai-600 001.

2. The Banking Ombudsman
Reserve Bank of India,
Centralized Receipt and Processing
Centre (CRPC), RBI, Fort Glacis,
No.16, Rajaji Salai, Chennai-1.

3. Yes Bank Ltd.,
Off Western Express Highway,
Santacruz East, Mumbai-400 055.
Also at
Ground Floor – Lancor Westminster
No.108, Dr.Radhakrishnan Salai,
Mylapore, Chennai-4.



4. M/s.J.C. Flowers Asset Reconstruction Pvt. Ltd.,
No.203-206, 3rd Floor, Wing A, Inspite BKC,
Bandra Kurla Complex, Bankra(E)
Mumbai – 400 051.

Respondent(s)

This Writ Petition has been filed under Article 226 of Constitution of India, to issue a writ of Certiorarified Mandamus calling for the records of the impugned communications dated 08.01.2023 issued by the first respondent, and 22.05.2025 issued by the first respondent purporting to refer to a complaint dated 07.05.2025 allegedly filed by the petitioner and to quash the closure of such complaints of the petitioner as non-maintainable or resolved without any hearing or speaking order, and consequently direct the first respondent to conduct a detailed and time bound inquiry into the complaints dated 08.05.2023, 30.05.2023 and 28.12.2023 of the petitioner by affording a reasonable opportunity of hearing and taking appropriate action in accordance with law.

For Petitioner(s): Mr.Om Prakash
for M/s.R.Moneshaa

For Respondent(s): M/s.T.Poornam RR1 & 2
Mr.Karthik Seshadri For
M/s.Aiyar And Thomas For R3
Mrs.Abitha Banu For R4

ORDER

Aggrieved by the order passed by the respondents 1 & 2 whereby, the complaints raised by the petitioner was rejected and seeking for a direction to the first respondent to conduct a detailed enquiry in complaints submitted by the



petitioner, the present writ petition has been filed.

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2. It is the case of the petitioner that the petitioner's company has availed sanctioned credit facilities of Rs.40 Crores from the third respondent. According to the petitioner, though all the conditions were fulfilled, as against Rs.40 crores only Rs.14.10 crores were disbursed. This amount was seriously disrupted the petitioner's expansion plans. During March 2020, the first respondent had imposed moratorium on the 3rd respondent because of the 3rd respondent. In view of the same, the petitioner's financial condition deteriorated further. Though the petitioner was eligible under ECLGS scheme, the 3rd respondent failed to provide relief of restructure the loan. Because of the inaction of the third respondent, the petitioner's account was initially classified under Special Mention Account from September 2020 onwards and was subsequently classified as NPA with effect from 01.04.2021.

3. It is the grievance of the petitioner that a sum of Rs.38.39/- lakhs which was deleted from the petitioner's current account, was never credited towards the loan, and in addition to which, the 3rd respondent put current account of the petitioner company into "Credit and Debit Freeze" holding a credit balance of Rs.98,47,729/- Instead of resolving these issues, and inspite of various representations, the 3rd respondent assigned the account to the 4th respondent herein without consent of the petitioner.



4. The petitioner came to know that the entire relationship team from the 3rd respondent, which had handled the petitioner's account, was absorbed into the 4th respondent. It is the contention of the petitioner that the group president of the ARC vertical at YES Bank, was even proposed to become the CEO of the 4th respondent. However, such appointment was rejected by the first respondent. According to the petitioner, a serious trial arises in the conduct of the third respondent.

5. The third respondent had transferred Rs.48000 Crores worth of stressed assets to the 4th respondent for a consideration of only Rs.11,183/- Crores of which Rs.9506 Crores was in the form of security receipts. A further Rs.1773 Crore was routed back to the 3rd respondent as asset management and recovery fees, effectively nullifying the cash consideration. According to the petitioner, the petitioner's account was declared "stressed asset" without following the RBI's prudential norms.

6. The petitioner has stated in his affidavit that he had submitted the complaints were closed without affording the petitioner an opportunity of hearing or issuing any reasoned order. The petitioner is more aggrieved that no reasoned order was passed. Aggrieved by the same, the present writ petition has been filed.

7. Heard the learned Senior counsel appearing for the petitioner and the



learned counsel for the third respondent and perused the materials available on record.

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8. The learned Senior Counsel appearing for the petitioner have taken this Court through the order passed by the respondents 1 & 2 closing the complaint prepared by the petitioner. The order passed by the first respondent is only a format order and the blanks were filled up in a routine manner. A bare perusal of the order would show that there was no application of mind or reasons mentioned for closing the complaint. The first respondent been highest banking body in the country ought to have given an opportunity of hearing to the petitioner and pass a reasoned order; rather than issuing a format order by just filling up the blanks. The order passed by the second respondent is nothing but rubbing salt in the wound. The second respondent is directed the petitioner to go before the first respondent. The second respondent had referred the earlier closure order passed by the first respondent and passed a cryptic order without giving an opportunity of hearing to the petitioner.

9. The second respondent is Ombudsman; the said authority is discharging quasi-judicial function. That being the case, the second respondent atleast ought to have considered the complaint, given an opportunity of hearing to the complainant and then, passed a detailed order giving reasons for rejecting the complaint of the petitioner. However, the second respondent has miserably failed in his duty. Therefore, this Court has no hesitation to set aside both the



orders passed by the respondents 1 & 2 dated 08.01.2023 and 22.05.2025.

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10. The second respondent is directed to take on file the complaints made by the petitioner dated 08.05.2023, 30.05.2023, 28.12.2023 and decide the same on merits and in accordance with law within a period of twelve weeks from the date of receipt of a copy of this order. The first respondent should afford an opportunity of hearing to the petitioner to submit both oral and documentary evidence.

11. With the above directions and observations, the writ petition stands allowed. Consequently, connected miscellaneous petition is closed.

23-09-2025

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Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

To

1. Reserve Bank Of India

Rep. By Its Regional Director, Fort

Glacis, No.16, Rajaji Salai,

Chennai-600 001.



WP No. 24204 of 2025



2. The Banking Ombudsman

Reserve Bank Of India, Centralized
Receipt And Processing Centre (crpc),
Rbi, Fort Glacis, No.16, Rajaji Salai,
Chennai-600 001.



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