



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-11-2025

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THE HONOURABLE MR JUSTICE M.DHANDAPANI

WP Nos. 25617, 25620 and 25622 of 2023

and

WMP No. 25013 of 2023, WMP No. 25022 of 2023, WMP No. 25014 of 2023, WMP No. 25017 of 2023, WMP No. 25019 of 2023, WMP No. 25021 of 2023

W.P No.25617 of 2023

1. A.Srinivasan
S/o.Shri Arunachalam Reddiar,
Managing Trustee of M/s. Srinivasan
Health And Education Trust, No.274/c,
Thuraiyur Road, Perambalur- 621 212.

Petitioner(s)

Vs

1. Union Bank of India
Through its General Manager And
Convner For Identification Committee
On Wilful Defaulters Stressed Assets
Management Vertical, Union Bank
Bhavan, 239, Vidhan Bhavan Marg,
Nariman Point, Mumbai- 400 021,
Maharashtra, India.

2.Union Bank of India
Through its General Manager And
Convner For Review Committee On
Wilful Defaulters Stressed Assets
Management Vertical, Union Bank
Bhavan, 239, Vidhan Bhavan Marg,
Nariman Point, Mumbai- 400 021,
Maharashtra, India.

Respondent(s)



PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records in and connected with impugned decision dated 21.07.2023 made in WD: RC: Order 2131: 2023-24 passed by the respondent in the Show Cause Notice dated 19.10.2022, quash the same and the respondents from conducting any inquiry on the Show Cause notice without allowing the petitioner to have legal assistance during the course of such proceedings.

WP No. 25620 of 2023

K.Anandhalakshmi
W/o.Kathirivan, Trustee of M/s.
Srinivasan Health And Educational
Trust, No.274/C, Thuraiyur Road,
Perambalur- 621 212.

Petitioner(s)

Vs

1. Union Bank of India
Through Its General Manager And
Convner For Identification Committee
On Wilful Defaulters Stressed Assets
Management Vertical, Union Bank
Bhavan, 239, Vidhan Bhavan Marg,
Nariman Point, Mumbai- 400 021,
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2.Union Bank of India
Through Its General Manager And
Convner For Review Committee On
Wilful Defaulters Stressed Assets
Management Vertical, Union Bank
Bhavan, 239, Vidhan Bhavan Marg,
Nariman Point, Mumbai- 400 021,
Maharashtra, India.

Respondent(s)

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records in and connected with impugned decision dated 21.07.2023 made in WD: RC: Order 2131: 2023-24 passed by the respondent in the Show Cause Notice dated



19.10.2022, quash the same and the respondents from conducting any inquiry on the Show Cause notice without allowing the petitioner to have legal assistance during the course of such proceedings.

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WP No. 25622 of 2023

1. P.Neelraj
S/o.Pasupathy, No.274/C, Thuraiyur
Road, Perambalur- 621 212.

Petitioner(s)

Vs

1. Union Bank of India
Through its General Manager And
Convner For Identification Committee
On Wilful Defaulters Stressed Assets
Management Vertical, Union Bank
Bhavan, 239, Vidhan Bhavan Marg,
Nariman Point, Mumbai- 400 021,
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2.Union Bank of India
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Management Vertical, Union Bank
Bhavan, 239, Vidhan Bhavan Marg,
Nariman Point, Mumbai- 400 021,
Maharashtra, India.

Respondent(s)

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records in and connected with impugned decision dated 21.07.2023 made in WD: RC: Order 2131: 2023-24 passed by the respondent in the Show Cause Notice dated 19.10.2022, quash the same and the respondents from conducting any inquiry on the Show Cause notice without allowing the petitioner to have legal assistance during the course of such proceedings.



In all writ petitions

For Petitioner(s): S.Ramachandran

For Respondent(s): Mr.L.Sriram
for M/s. Chennai Law Firm,

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COMMON ORDER

These three writ petitions have been filed, challenging the impugned decision dated 21.07.2023 made in WD: RC: Order 2131: 2023-24 passed by the 2nd respondent in the Show Cause Notice dated 19.10.2022 seeking to quash the same and to refrain the respondents from conducting any inquiry on the Show Cause notice without allowing the petitioner to have legal assistance during the course of such proceedings.

2.Since all three writ petitions are interconnected, they are being disposed of by way of a common order.

3.The petitioner in W.P No.25617 of 2023 is the Managing Trustee, the petitioner in W.P No.25620 of 2023 is the Trustee, and the petitioner in W.P No.25622 is the Guarantor, of the Trust, namely M/s.Srinivasan Health and Educational Trust. The said Trust, during the financial years 2010-2011 & 2011-2012, availed the banking facilities in the nature of Term Loan from the



respondent Bank to the extent of 22 crores, for establishment of the educational institutions from a consortium banks. Due to non-payment of the loan, the respondent Bank declared the Trust's account as Non-Performing Asset (NPA) on 31.05.2013. Thereafter, the trust vide communication dated 05.09.2019 had requested the respondent bank to consider a One Time Settlement (OTS) offer of Rs.24.10 crores and assured that the same would be settled to them within a period of 9 months from the date of acceptance of the offer. Along with the communication Rs.50 lakhs was deposited to show their bonafides. This was accepted by the respondent bank vide their communication dated 19.10.2019. Subsequently, the Covid-19 pandemic in March 2020, significantly impacted the livelihoods and day-to-day operations of the trust and its affiliated educational institutions. In such circumstances, the trust sent a letter dated 14.09.2020, requesting the respondent bank to consider their proposal for settling the remaining balance of Rs.21.10 Crores in six instalments. This request was positively considered, and a personal hearing was granted on 21.02.2023. However, it is noteworthy that this hearing was attended solely by S.Manoj Kumar, representing Vice Chairman S.Kathiravan and the remaining Trustees including the petitioners, were not afforded an opportunity to present their case before the identification committee. This is a clear violation of the principles of natural justice particularly given that an adverse order has been rendered against the petitioners. In the said order, the trust along with the



trustees including the petitioners, were granted a 15 days window to file an appeal against the said ruling with the 2nd respondent. This appeal was duly submitted through a communication dated 05.04.2023. The essence of this communication revolved around addressing the reasons why the trust and the petitioner, should not be designated as wilful defaulters by the 1st respondent. Out of the total dues, the Trust repaid a sum of Rs.8.45 crores during this period. However, a remaining balance of Rs.12.65 crores persisted. Despite the above factual matrix, the respondent bank vide its show cause notice dated 19.10.2022, called upon the trust and its trustees, including the petitioners to show cause as to why they should not be declared as “Wilful Defaulter”. Thereafter, the trust requested three months extension to settle the remaining Rs.10 crores in installments. The 1st respondent vide its order dated 27.03.2023 informed the petitioner that Identification Committee, in its meeting held on 21.02.2023, has decided to classify the trust and its trustees as “Wilful Defaulters’ based on the grounds mentioned in the show cause notice. Subsequently, the trust sent a communication on 11.07.2023 to the respondent bank, assuring that the remaining sum of Rs.9.20 crores would be settled by 30.09.2023. However, the Review Committee of the 2nd respondent passed the the impugned order on 21.07.2023. Aggrieved by the same, the present writ petition has been filed.



4. However, the learned counsel for the petitioners would submit that during the pendency of the writ petition, the petitioners have paid the entire loan amount to the respective banks, and the respective banks have also issued No Objection Certificates to the petitioners. In such circumstances, this Court may set aside the impugned order and issue a direction to the 2nd respondent to communicate to the Reserve bank of India regarding the cancellation of the 'Wilful Defaulters' status, by way of one time settlement.

5. The learned counsel for the respondents would submit that the petitioners have already paid the loan amount through a one time settlement. Accordingly, appropriate communications shall be sent to the Reserve Bank of India.

6. Recording the aforesaid submissions, this writ petition is allowed, setting aside the impugned order dated 21.07.2023 passed by the 2nd respondent and directing the respondents to communicate the same to the Reserve Bank of India within a period of four (4) weeks from the date of receipt of a copy of this order. Consequently, connected miscellaneous petitions are closed. No costs.

13-11-2025

Index: Yes/No
Speaking/Non-speaking order
Internet: Yes
Neutral Citation: Yes/No
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To

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Bhavan, 239, Vidhan Bhavan Marg,
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WP No. 25617 of 2023



M.DHANDAPANI J.

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AND WP NO. 25620 OF
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OF 2023,WMP NO.
25022 OF 2023,WMP
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2023,WMP NO. 25017
OF 2023,WMP NO.
25019 OF 2023,WMP
NO. 25021 OF 2023**

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