IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.10.2025

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THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.No.7887 of 2025
And
W.M.P.Nos.8872 and 39866 of 2025

1.Amit Saha
2.Monika Saha ... Petitioners

Vs.

1 RESERVE BANK OF INDIA (RBI)
ESTABLISHED UNDER THE RESERVE BANK OF INDIA ACT
HAVING ONE OF ITS OFFICES AT
FORT GLACIS,
16, RAJAJI ROAD,
FORT ST GEORGE, CHENNAI,
TAMIL NADU 600 001.
REPRESENTED BY ITS REGIONAL / ZONAL MANAGER

2 NATIONAL HOUSING BANK
REGULATED BY THE RESERVE BANK OF INDIA (RBI)
HAVING OFFICE AT CRORE 5-A,
INDIA HABITAT CENTER,
3RD-5TH FLOOR, LODHI ROAD,
NEW DLEHI – 110 003
REPRESENTED BY ITS MANAGING DIRECTOR

3 TRANS UNION CIBIL LIMITED
(FORMERLY CREDIT INFORMATION BUREAU (INDIA) LTD.)
ONE INDIA BULLS CENTRE
TOWER 2A, 19TH FLOOR,
SEPNAPATHI BAPATM MARG,
ELPHINSTONE ROAD,
MUMBAI – 400 013
REPRESENTED BY ITS MANAGING DIRECTOR

4 AXIS FINANCE LIMITED
06TH FLOOR, NEW NO.64
OLD NO.30, ETHIRAJ SALAI
EGMORE, CHENNAI – 600 008
REPRESENTED BY ITS MANAGING DIRECTOR

5 M/S OZONE PROJECTS PRIVATE LIMITED
INCORPORATED UNDER COMPANIES ACT
HAVING ITS REGISTERED OFFICE AT NO.63,
G.N.CHETTY ROAD, T.NAGAR, CHENNAI, TAMIL NADU – 600 017
(DEVELOPER/BUILDER)
REPRESENTED BY ITS MANAGING DIRECTOR ... Respondents

Prayer:

Petition filed under Article 226 of the Constitution of India to issue a Writ of Mandamus to direct the first respondent to process the petitioners' claim for reframing the CIBIL scores and issuing a No Due Certificate, and to direct the fourth respondent not to take any coercive action against the petitioners for the recovery of any amount under the loan account No.0456AHA00002389, and to direct the 2nd, 3rd, 4th to process the petitioners' claim for reframing the CIBIL scores and issuing a No Due Certificate, and to direct the fifth respondent to repay and settle the outstanding loan amount under Loan Account No. 0456AHA00002389, along with applicable interest.

For Petitioners : Ms.Priya V.B. Shettar
for M/s.Ram Gokul Advocate & Associates
For Respondents : Mr.C.Mohan for R1
for M/s.A.Rexy Josephine Mary
for M/s.King and Partridge
Mr.N.Manikandan for R2
Ms.Madhupreetha Elango for R3
Mr.V.Vijay Narayanan for R4
Senior Counsel
for M/s.Abishek Jenasenan
Ms.Vandhana Prabhu.R for R5

O R D E R

This writ petition has been filed seeking issuance of Writ of Mandamus to direct the first respondent to process the petitioners' claim for reframing the CIBIL scores and issuing a No Due Certificate, and to direct the fourth respondent not to take any coercive action against the petitioners for the recovery of any amount under the loan account No.0456AHA00002389, and to direct the respondents 2, 3, 4 to process the petitioners' claim for reframing the CIBIL scores and issuing a No Due Certificate, and to direct the fifth respondent to repay and settle the outstanding loan amount under Loan Account No. 0456AHA00002389, along with applicable interest.

2.The learned counsel appearing for the petitioners submitted that the petitioners entered into an agreement for sale and construction agreement with the fifth respondent for purchasing a flat in the metrozone project. Simultaneously, a tripartite agreement was executed with the fourth respondent who sanctioned a loan of Rs.1,21,18,063. The fifth respondent failed to adhere to its commitments to complete the project and hand over possession by the stipulated timelines.

3.The learned counsel appearing for the petitioners further submitted that the fifth respondent represented that the project has pre approved home loan facilities from NBFCs, specifically the fourth respondent. On 20.03.2022, a home loan of Rs.1,21,18,063/- was sanctioned at an interest of 10% per annum and the repayment schedule was set at Rs.1,12,336/- per month. On 26.04.2022, a disbursement of Rs.1,13,68,063/- was credited to the fifth respondent account. Despite securing substantial home loan, the respondents failed to deliver possession of the property within the agreed timeframe of October, 2022. This breach of contract resulted in significant financial strain and adverse credit consequences for the petitioners.

4.The learned counsel appearing for the petitioners further submitted that therefore, the petitioners filed a complaint under Section 31 of the Real Estate (Regulation and Development) Act, 2016 at Chennai RERA against the fifth respondent and the same is pending. However, the fourth respondent is taking coercive steps to harass the petitioners.

5.The learned counsel appearing for the petitioners further submitted that the Reserve Bank of India mandates that housing loan disbursals should be closely linked to the stages of construction progress to mitigate the risks associated with under – constructions projects. By allowing the disbursal of a substantial loan amount without verifying construction progress or ensuring compliance with the regulatory guidelines, the fourth respondent has acted negligently, enabling the fifth respondent to misuse the funds and evade its contractual obligations. Hence, this Court may issue direction to the Reserve Bank of India to consider the petitioner's grievance and to pass orders.

6.The learned counsel appearing for the first respondent submitted that the fourth respondent is not a scheduled bank and it is only a non banking financial corporation. Reserve Bank of India have no role to play in non banking financial corporation. As far as CIBIL score is concerned, the remedy available to the petitioners is to approach the Authority under the CIBIL score under Section 21 (3) of the Credit Information Companies (Regulation) Act, 2005.

7.The learned Senior Counsel appearing for the fourth respondent submitted that it is purely financial contract between the petitioner, fifth respondent and fourth respondent. If there is any breach of contract, the remedy is available only before the competent civil Court in which Reserve Bank of India have no role to play and further submitted that contractual violation cannot be entertained.

8.Heard the arguments advanced on either side and perused the materials available on record.

9.Admittedly, the petitioners entered into an agreement for sale and construction agreement with the fifth respondent for purchasing a flat in the metrozone project. Simultaneously, a tripartite agreement was executed with the fourth respondent who sanctioned a loan of Rs.1,21,18,063/-. The fifth respondent failed to adhere to its commitments to complete the project and hand over possession by the stipulated time. This breach of contract resulted in significant financial strain and adverse credit consequences for the petitioners. Hence, the petitioners filed a complaint under Section 31 of the Real Estate (Regulation and Development) Act, 2016 at Chennai RERA against the fifth respondent and the same is pending.

10.The issue involved in the present case cannot be decided under Article 226 of the Constitution of India. Insofar as CIBIL score is concerned, the remedy available to the petitioners is to approach the Authority under the CIBIL score under Section 21 (3) of the Credit Information Companies (Regulation) Act, 2005. Hence, the relief sought for in this writ petition cannot be granted.

11.The writ petition is dismissed. However, liberty is granted to the petitioners to work out the remedy in the manner known to law. No costs. Consequently, connected miscellaneous petitions are closed.

07.10.2025

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Index: Yes/ No
Speaking Order: Yes/ No
NCC: Yes/ No

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