



WEB COPY



W.P.No.43072 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.11.2025

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THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.No.43072 of 2025

And

W.M.P.Nos.48230 and 48231 of 2025

1.S.Durairaju
2.D.Salaisivaprakasam
3.D.Mallika

... Petitioners

Vs.

1 M/S.RESERVE BANK OF INDIA
REPRESENTED BY ITS REGIONAL DIRECTOR,
FORT GLACIS,
NO.16, RAJAJI SALAI,
CHENNAI – 600 001.

2 M/S.INDIAN OVERSEAS BANK
REPRESENTED BY ITS CHIEF MANAGER
REGIONAL OFFICE,
952, CROSS CUT ROAD,
GANDHIPURAM,
COIMBATORE – 641 012.

... Respondents

Prayer:

Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorari calling for the impugned proceedings of the second respondent bank classifying the account of the company as fraud and the petitioners being directors of the company as



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perpetrators of fraud as stated in the show cause notices in RO/CBE/___/___/2024-25 dated 03.03.2025 and RO/CBE/___/___/2025-26 dated 21.08.2025 and quash the same.

For Petitioners : Mr.J.Vinoth
For Respondents : Mr.M.L.Ganesh for R2

ORDER

The petitioners have filed this writ petition seeking issuance of Writ of Certiorari calling for the impugned proceedings of the second respondent bank classifying the account of the company as fraud and the petitioners being directors of the company as perpetrators of fraud as stated in the show cause notices in RO/CBE/___/___/2024-25 dated 03.03.2025 and RO/CBE/___/___/2025-26 dated 21.08.2025 and quash the same.

2.The learned counsel appearing for the petitioners submitted that the respondent Bank provided financial assistance along with first installment of grant sanctioned by the UOI on 31.03.2004 and with that grant money the petitioners procured all the plant and machinery required for their project, however, due to unforeseen circumstances, the petitioners were not able to pay the loan amount and the petitioners project was declared as NPA and order was passed

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declaring the petitioners as defaulters and challenging the same, the petitioners have filed W.P.No.591 of 2025 and the same is pending.

Whiles, the respondents issued show cause notices treating the petitioners as fraud. The learned counsel further submitted that already the respondents decided the petitioners as fraud, thereby, issued show cause notices which are pre-decided one and further submitted that when the writ petition challenging the declaration of the petitioners as defaulter is pending, subsequently, declaring them as fraud is not sustainable one.

3.The learned counsel appearing for the second respondent submitted that it is only show cause notice and the petitioners can very well canvass all the points before the authority, instead have filed this writ petition which is not sustainable one.

4.Perusal of records disclose that it is only show cause notice issued to the petitioners and the petitioners can very well canvass all the points before the authority, instead, the petitioners have filed this writ petition which is not sustainable one.



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5. In view of the above, the writ petition is dismissed. Liberty is granted to canvass all the points before the concerned authority. If the petitioners have already submitted their reply/ explanation, the respondents are directed to consider the same and pass appropriate orders, within a period of twelve weeks from the date of receipt of a copy of this order. No costs. Consequently, connected miscellaneous petitions are closed.

12.11.2025

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Index: Yes/ No

Speaking Order: Yes/ No

NCC: Yes/ No

To

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REPRESENTED BY ITS REGIONAL DIRECTOR,
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NO.16, RAJAJI SALAI,
CHENNAI – 600 001.
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