# IN THE HIGH COURT OF JUDICATURE AT PATNA

**Civil Writ Jurisdiction Case No.4931 of 2015**

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1. M/s Neel Kamal Automobiles, through its Proprietor Suresh Chandra Gupta, son of Late Achhay Lal Gupta, resident of Ward No.12, Yadavpur Road, PO & PS - Gopalganj, District- Gopalganj.

.... .... Petitioner/s

Versus

1. The Central Bank of India, PO & PS- Gopalganj, District- Gopalganj.
2. The Zonal Manager, Zonal Office, Central Bank of India, 2nd Floor, Block B, Maurya Lok Complex, Dak Bunglow Road, District-Patna.
3. The Regional Manager, Regional Office, Central Bank o India, PO & PS- Siwan, District-Siwan.
4. The Branch Manager, Central Bank of India, PO & PS-Gopalganj, District-Gopalganj.

.... .... Respondent/s

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**Appearance :**
For the Petitioner/s : Mr. Jitendra Kumar, Adv.
For the Respondent/s : Mr. Nishi Nath Ojha, Adv.

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**CORAM: HONOURABLE MR. JUSTICE JYOTI SARAN**
ORAL JUDGMENT
**Date: 28-09-2015**

Heard Mr. Jitendra Kumar learned counsel for the petitioner and Mr. Nishi Nath Ojha, learned counsel for the Bank.

The writ petition was filed praying for a writ in the nature of mandamus for commanding the authorities of the Bank to accept the proposal dated 14.9.2014, a copy of which is placed at Annexure-2 whereunder a proposal for settlement was mooted in between the petitioner and the Branch Manager, Central Bank of India, Gopalganj to settle the loan amount upon payment of Rs. 6.5 lacs by the petitioner.

As I have noted, the proposal is present at Annexure-2 and the

Branch Manager recommends the settlement at Rs. 6 lacs 50 thousand after sacrificing Rs.2,67,335/- after verification of the facts on record. The proposal is dated 14.9.2014 and acting thereupon, the petitioner deposited 20% thereof i.e. 15000/- on 14.9.2014 itself and a further sum of Rs. 1,25,000/- on 30.9.2014 awaiting sanction to the settlement from the Regional Office, Siwan. The statement of the loan account has been fairly placed on record by the Bank at Annexure-R/4 to the counter affidavit and a cursory glance thereto would manifest that as on 15.9.2014 after payment of Rs. 15,000/-, the loan amount inclusive of interest remain at Rs. 7,47,842/- only. This I observe with a purpose and the reason is that although the proposal was mooted on 14.9.2015 with the petitioner discharging his part of obligation, the Regional Office of the Central Bank of India kept the proposal pending for the next five months allowing the interest to grow up and finally on 28.2.2015 the Chief Manager found time to pass appropriate orders on the proposal whereunder the petitioner was advised to increase the offer amount which should not be less than the realisable value of the security. Since according to the respondents the realisable value of the collateral security given by the petitioner for the advance of loan is Rs. 8 lacs presently hence now they require the petitioner to settle the loan account after payment of Rs. 8 lacs. It would not require an investigation to infer that by laches on the part of the Bank, a proposal mooted by the Branch Manager to settle the loan account at Rs. 6.5 lacs on 14.9.2015 when the loan account stood at Rs. 7.47 lacs, has been allowed to soar up and the entire responsibility rests on the Regional Manager for having taken his own sweet time to consider the proposal after 5 months and thus permitted the interest to grow. As a consequence the loan account which at the stage of the proposal on 14.9.2015, was Rs. 7,47,842/-, has increased to Rs. 13,35,812/- presently and the Bank now graciously wishes to waive of part of interest to settle it at Rs. 8 lacs.

The petitioner is being made to suffer and pay a higher amount merely because of laches of the Regional Office of the Bank. In my opinion this is absurd. Even otherwise the Bank could not have charged interest on the loan amount once the process of settlement had started unless the delay in settlement was attributable to the petitioner and which is not the case here rather it is entirely attributable to the Bank. The petitioner cannot be penalized for the laches on the part of the Bank. Had the proposal been acted upon immediately in the month of September 2014 and either accepted or rejected then there would have been no occasion to refer to the valuation of the collateral security because the loan amount which stood at Rs. 7,47,842/-, was much below the value of the security. In fact, if the settlement proposal of the petitioner of Rs. 6.5 lacs would have been rejected at that stage, all that the petitioner would have to pay in September, 2014 was a sum of 7,47,842/- which is not even a lac above the settlement amount. Another relevant aspect of the matter is that whereas the settlement proposal speaks of sacrificing of Rs. 2,67,335/- in the expression of the Branch Manager found at page 13 of the settlement proposal but in fact on the said date the sacrifice was below Rs. 1 lac since the loan amount itself stood at Rs. 7,47,842/-. The petitioner cannot be made to suffer for the laches of the Bank in taking their own luxurious time to pass appropriate orders on the settlement proposal.

In the circumstances, it is held that should the petitioner deposit Rs. 7,47,842/- which was the amount outstanding against the petitioner on the date when the settlement proposal was mooted i.e. 14.9.2014 within four weeks from today then that would be a full and final settlement of the loan account of the petitioner, who would be discharged from any further liabilities towards the loan account in question. However, should the petitioner fail in discharging the obligation aforementioned within the stipulated time then this order would stand recalled.

The writ petition is allowed with the directions aforementioned.

**(Jyoti Saran, J)**

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