IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT:

THE HONOURABLE MR.JUSTICE P.R.RAMACHANDRA MENON

MONDAY, THE 30TH DAY OF MARCH 2015/9TH CHAITHRA, 1937

WP(C).No. 9120 of 2015 (L)

PETITIONER(S):
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1. REMANI THOMAS,
   MULLOORAKAM, NADACKAL P.O., POONJAR,
   KOTTAYAM DISTRICT - 686 124.

2. ARJUN THOMAS,
   MULLOORAKAM, NADACKAL P.O., POONJAR,
   KOTTAYAM DISTRICT - 686 124.

   BY ADVS.SRI.GEORGE VARGHESE(PERUMPALLIKUTTIYIL)
   SRI.A.R.DILEEP
   SRI.MANU SEBASTIAN
   SMT.PARVATHY NAIR

RESPONDENT(S):
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1. RESERVE BANK OF INDIA
   REPRESENTED BY ITS GOVERNOR, 16TH FLOOR,
   CENTRAL OFFICE BUILDING, SHAHID BHAGAT SINGH MARG,
   MUMBAI - 400 001.

2. BANKING OMBUDSMAN,
   C/O.RESERVE BANK OF INDIA, BAKERY JUNCTION,
   THIRUVANANTHAPURAM - 695 033.

3. BANK OF BARODA,
   REPRESENTED BY CHIEF MANAGER, KOTTAYAM BRANCH,
   P.B.NO.171, MADEENA TOWER, BAKER JUNCTION,
   C.M.S.COLLEGE ROAD, KOTTAYAM - 686 001.

   R3 BY ADVS. SRI.DEVAN RAMACHANDRAN
   SRI.K.M.ANEESH
   SRI.K.SANTHOSH KUMAR (KALIYANAM)
   SRI.ADARSH KUMAR
   SRI.BIJU VARGHESE ABRAHAM

   THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 30-03-2015, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

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WP(C).No. 9120 of 2015 (L)

APPENDIX

PETITIONER(S)' EXHIBITS

EXT.P-1: A TRUE COPY OF SANCTION ORDER DATED 26.3.2013 ISSUED BY THE FEDERAL BANK IN RESPECT OF IST PETITIONER

EXT.P-2: A TRUE COPY OF SANCTION ORDER DATED 26.3.2013 ISSUED BY THE FEDERAL BANK IN RESPECT OF 2ND PETITIONER

EXTR.P-3: A TRUE COPY OF STATEMENT OF ACCOUNTS FROM 26.3.2013 - 09.10.2014 IN RESPECT OF LOAN A/C NO.10585500003825 OF FEDERAL BANK LTD.

EXT.P-4: A TRUE COPY OF SANCTION ORDER DATED 30.9.2014 ISSUED IN FAVOUR OF THE IST PETITIONER

EXT.P-5: A TRUE COPY OF SANCTION ORDER DATED 30.9.2014 ISSUED IN FAVOUR OIF THE 2ND PETITIONER

EXT.P-6: A TRUE COPY OF STATEMENT OF ACCOUNTS FOR THE PERIOD 30.9.2014 TO 14.2.2015 WITH RESPECT TO THE LOAN ACCOUNT OF IST PETITIONER

EXT.P-7: A TRUE COPY OF STATEMENT OF ACCOUNTS FOR THE PERIOD 30.9.2014 TO 14.2.2015 WITH RESPECT OF THE LOAN ACCOUNT OF 2ND PETITIONER

EXT.P-8: A TRUE COPY OF REPRESENTATION DATED 30.12.2014 MADE BY THE 2ND PETITIONER BEFORE THE 3RD RESPONDENT

EXT.P-9: A TRUE COPY OF REPRESENTATION DATED 30.1.2015 MADE BY THE IST PETITIONER BEFORE THE 3RD RESPONDENT

EXT.P-10: A TRUE COPY OF NOTICE DATED 4.2.2015 ISSUED BY THE 3RD RESPONDENT TO THE IST PETITIONER

EXT.P-11: A TRUE COPY OF NOTICE DATED 4.2.2015 ISSUED BY THE 3RD RESPONDENT TO THE 2ND PETITIONER

EXT.P-12: A TRUE COPY OF REPLY DATED 16.2.2015 SEND BY THE IST PETITIONER TO THE 3RD RESPONDENT

EXT.P-13: A TRUE COPY OF NOTICE DATED 5.3.2015 ISSUED BY THE 3RD RESPONDENT TO THE IST PETITIONER

EXT.P-14: A TRUE COPY OF NOTICE DATED 5.3.2015 ISSUED BY THE 3RD RESPONDENT TO THE 2ND PETITIONER

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EXT.P-15: A TRUE COPY OF MASTER CIRCULAR DBOD.NO.DIR.BC.13/13.3.00/2014-15 DATED 1.7.2014 ISSUED BY THE RESERVE BANK OF INDIA.

EXT.P-16: A TRUE COPY OF COMPLAINT FILED BY THE PETITIONERS BEFORE THE 2ND RESPONDENT.

RESPONDENT(S)' EXHIBITS: NIL

/TRUE COPY/

P.A.TO JUDGE

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P.R. RAMACHANDRA MENON, J.
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W.P.(C). No. 9120 of 2015

Dated this the 30th day of March, 2015

JUDGMENT

The grievance of the petitioners is mainly with regard to the course pursued by the 3rd respondent Bank in reckoning the outstanding dues by charging interest at monthly rests. This, according to the petitioner, is contrary to the mandate of the Circular issued by the RBI vide Ext.P15.

2. The petitioners availed an Agricultural Loan from the 3rd respondent with an aggregate credit limit of ₹14.5 Crores, which was made use of for the purpose of carrying out operations in their rubber and tea estates. Exts. P4 and P5 are orders sanctioning loans, wherein it was only stipulated that the interest had to be paid as and when debited and no clause is there to the effect that interest will be reckoned at monthly rests. In the case of Agricultural Loan, no such course is liable to be pursued, as clearly directed by the RBI vide Ext.P15 Circular. It is without any regard to the binding direction issued by the RBI, that the 3rd respondent Bank is reckoning interest payable at monthly rests,

causing a sum of ₹7.5 lakhs payable by the petitioner towards interest every month. It is sated that the petitioner has already moved the 2nd respondent pointing out the facts and figures by submitting Ext.P16 compliant. Since no positive relief is obtained so far, the petitioners are constrained to approached this Court by filing this writ petition.

3. Heard the learned counsel for the respondent Bank as well.

4. Considering the fact that the issue is pending consideration before the 2nd respondent, this Court does not find it necessary to go into the merits of the case. The 2nd respondent is directed to consider and pass appropriate orders on Ext.P16 in accordance with law, also in the light of the contents of Ext.P15 Circular and such other Circulars which are relevant and govern the field. This shall be done after hearing the petitioners and the 3rd respondent at the earliest, at any rate, within 'three months' from the date of receipt of a copy of this judgment. Steps, if any, to be pursued by the 3rd respondent to declare the account as NPA shall be subject to the orders to be passed by the 2nd

respondent as aforesaid. The petitioners shall produce a copy of the judgment along with a copy of the writ petition before the concerned respondent for further steps.

The writ petition is disposed of.

P.R. RAMACHANDRA MENON,
JUDGE.

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