

**IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF
ANDHRA PRADESH**

* * * *

WRIT PETITION No.195 of 2014

Between: —

Mr. Syed Muzaffaruddin and others.

.. Petitioners

And

State Bank of India,
M.J.J. Branch, Hyderabad,
Rep. by its Branch Manager
and another.

.. Respondents

DATE OF JUDGMENT PRONOUNCED: 04-08-2015

SUBMITTED FOR APPROVAL:

**HON'BLE SRI JUSTICE R.SUBHASH REDDY
AND
HON'BLE SRI JUSTICE A.SHANKAR NARAYANA**

1. Whether Reporters of Local newspapers

Yes/No

may be allowed to see the Judgment?

2. Whether the copies of judgment may be

Yes/No

marked to Law Reporters/Journals

3. Whether Their Lordship wish to
see the fair copy of the Judgment?
Yes/No

**HON'BLE SRI JUSTICE R.SUBHASH REDDY
AND
HON'BLE SRI JUSTICE A.SHANKAR NARAYANA**

WRIT PETITION No.195 of 2014

—
ORDER : *(Per Hon'ble Sri Justice R.Subhash Reddy)*

This writ petition is filed seeking a direction by way of Mandamus to declare the inaction on the part of the 2nd respondent in accepting the compromise arrived at in the Lok Adalath, as illegal and arbitrary.

Petitioner No.3 obtained education loan of Rs.10.00 lakhs from the 1st respondent Bank. As security for the said loan, petitioner Nos.1 and 2, who are the parents of petitioner No.3, have executed a deed of mortgage in favour of the respondent Bank.

It is the grievance of the petitioners that though they were issued notice dated 19.11.2013 by the respondent Bank requesting them to attend Lok Adalath being conducted in connection with National Lok Adalath at Hyderabad on 23.11.2013 for One Time Settlement (OTS) of their account

and though they arrived at settlement in the said Lok Adalath, the respondent Bank failed to agree for such settlement. It is the case of the petitioners that when they enquired with the respondent Bank, they were informed that the said notice was wrongly issued.

Heard learned counsel for both parties and perused the material available on record.

In this writ petition, though the petitioners sought a direction by way of Mandamus to the 2nd respondent to accept the compromise settlement, no Mandamus can be issued directing the 2nd respondent to settle the matter by way of compromise. It is well settled that in the absence of any legal right for the petitioners to settle the matter under OTS, no direction by way of Mandamus can be issued in exercise of powers under Section 226 of the Constitution of India. Even for OTS, it is for the respondent Bank to consider whether the claim of the petitioners fits into such scheme. Merely because the applicants want the matter to be settled under OTS, they are not entitled for such settlement as a matter of right. The petitioners have not placed on record any material to show that they paid 10% of the amount due as upfront amount in terms of the impugned notice dated 19.11.2013. In these circumstances, we do not find any merit in this writ petition for grant of directions as prayed for.

Accordingly, the writ petition is dismissed. However, if

the claim of the petitioners fits into any of the OTS Schemes notified by the Government, they are at liberty to approach the respondent Bank seeking settlement under such scheme, whereupon, the respondents shall consider the same in accordance with law.

As a sequel, pending miscellaneous petitions, if any, shall stand closed. No order as to costs.

JUSTICE R. SUBHASH REDDY

JUSTICE A.SHANKAR NARAYANA

04.08.2015

v v