

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

(1)

WP NO.2035/14

2 WRIT PETITION NO. 2035 OF 2014

RAMESHCHANDRA BANSILAL SARDA AND OTHERS
VERSUS
THE UNION OF INDIA AND OTHERS

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Advocate for Petitioners : Mr. Chapalgaonkar Shailesh S.

Advocate for respondent no.1: Mr. S.B.Deshpande

AGP for Respondent/State : Mr. A.S. Shinde

Advocate for respondent no.5: Mr. V.D.Hon, Senior Advocate, Mr.
A.V.Hon.

Advocate for Respondent No.3 : Mr. S.V. Adwant

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CORAM : R. M. BORDE & P.R. BORA, JJ.

Dated: March 16, 2017

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PER COURT :-

1. The petitioners are seeking directions to the respondents to consider and decide the proposals tendered by the petitioners for One Time Settlement Scheme of the Dues under a Scheme formulated by the Reserve Bank of India (for the sake of brevity, 'R.B.I.').

2. The Scheme formulated by the R.B.I. prescribes that, if the borrower happens to be a Director of the Bank, the One Time Settlement of Dues Scheme shall not apply to such class of borrowers, and it would be permissible to take benefit under the Scheme with prior approval of the R.B.I. The petitioners contend that they have approached the R.B.I., however, they were directed to seek permission from the Registrar of the Cooperative Societies.

agp/-

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The Registrar of the Cooperative Societies has, in turn, directed the petitioners to seek permission from the R.B.I.

3. In response to the notice issued by this Court, the R.B.I. has presented an affidavit wherein it has been stated in paragraph no.18 that there is a prohibition for extending the benefits of O.T.S. to directors / ex-directors in relation to N.P.A. accounts in view of the provisions of Section 20-A read with Section 36 and 56 of the Banking Regulation Act, 1949. It has also been stated that the no objection, as requested by the petitioners, shall not be granted in view of the guidelines framed by the R.B.I.

4. The policy adopted by the Reserve Bank of India prohibiting the directors and ex- directors from securing benefits of One Time Settlement of Non Performing Assets is logical and reasonable since those who are responsible for operating the Banks shall not be allowed to take benefit of the Scheme and put the financial interests of the Bank in jeopardy. In the exercise of extraordinary jurisdiction under Article 226 of the Constitution of India, no interference is called for. The petition is devoid of substance and stands rejected.

(P.R. BORA, J.)

(R. M. BORDE, J.)

agp/-