

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 28.03.2017

CORAM

THE HON'BLE MR.HULUVADI G.RAMESH, ACTING CHIEF JUSTICE
AND
THE HON'BLE MR. JUSTICE RMT. TEEKAA RAMAN

W.P.No.5762 of 2017

Sri Sai Sakthi Educational Society
No.2-12, Maharajapuram
Kanakammachatram (PO)
Chittoor District
Andhra Pradesh-631204
Rep. by President, M.Koteswara Raju

... Petitioner

Vs.

1. The Deputy General Manager
State Bank of Patiala
Regional Office No.24/36
Dr.Ambedkar Salai
Kodambakkam, Chennai-600 024.

2. The Branch Manager
State Bank of Patiala
Naravarikuppam
(Red Hills) Branch
169, G.N.T.Road, Chennai-600 052.

... Respondents

PRAYER: Petitions filed under Article 226 of the Constitution of India for issuance of writ of Mandamus directing the respondents to apply the guidelines of the Reserve Bank of India and permit the petitioner to pay the One Time Settlement amount of Rs.5,40,00,000/- in instalments as per paragraph 18 of the affidavit.

For Petitioner

: Mr.Sriram Panchu
Senior Counsel
for M/s.Om Sai Ram

For Respondents

: Mr.T.Senthil Kumar
for 2nd respondent

No appearance
for 1st respondent

ORDER

(Order of the Court was made by the Acting Chief Justice)

The petitioner has filed this writ petition seeking issuance of a writ of Mandamus directing the respondents to apply the guidelines of the Reserve Bank of India and permit the petitioner to pay the One Time Settlement amount of Rs.5,40,00,000/- in instalments as per paragraph 18 of the affidavit.

2. The petitioner/college was sanctioned a term loan of Rs.5 Crores by the second respondent/bank on 9.4.2011 repayable in 82 months, including 19 months moratorium period. It is stated that due to unavoidable circumstances the repayment of loan amount was irregular and as a result of the same, the second respondent classified the loan account as Non Performing Asset in August, 2014 and invoked the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. At that relevant time, the principal due was Rs.4,40,00,000/- and Rs.95,00,000/- was due towards interest. The petitioner claims that after discussions with the respondents, a sum of Rs.5,40,00,000/- was arrived at as One Time Settlement amount and now seeks a direction to permit him to pay the said sum in instalments as under:

- (i) On or before 15.03.2017 - Rs.100 Lakhs
- (ii On or before 31.05.2017 - Rs.100 Lakhs
)
- (ii On or before 31.7.2017 - Rs.100 Lakhs
i)
- (iv On or before 30.9.2017 - Rs.100 Lakhs
)
- (v) On or before 31.12.2017 - Rs.140 Lakhs
- Total - Rs.540 Lakhs

It is not in dispute that pending this writ petition, on 23.3.2017, the petitioner handed over a demand draft for a sum of Rs.One Crore to the respondent-bank and it was specifically recorded in the order dated 23.3.2017 that the said amount shall be adjusted by the bank towards the One Time Settlement amount.

3. The learned counsel for the second respondent/bank submits that the total due payable by the petitioner as on 28.3.2017 is Rs.678.89 Lakhs. It is further pleaded that the bank had never accepted for the One Time Settlement at Rs.5,40,00,000/-, and the email of the bank dated 16.7.2016 required the petitioner to increase the One Time Settlement amount to Rs.5,75,00,000/-, subject to the approval of competent authority.

4. On hearing the learned counsel for the parties and taking note of the fact that the petitioner is running an engineering college and the financial crunch was on account of severe losses suffered due to shortage of student intake and delay in reimbursement from the Andhra Pradesh Government, we are of the considered view that the amount of Rs.540 Lakhs should be enhanced to Rs.575 Lakhs and deducting the amount of Rs.100 Lakhs already paid on 23.3.2017, the amount payable is Rs.475 Lakhs towards One Time Settlement and the same shall be remitted by the petitioner as under:

(i)	On or before 31.05.2017	-	Rs.100 Lakhs
(ii)	On or before 31.07.2017	-	Rs.100 Lakhs
(iii)	On or before 30.09.2017	-	Rs.100 Lakhs
(iv)	On or before 31.12.2017	-	Rs.175 Lakhs
	Total	-	Rs.475 Lakhs

It is made clear that the petitioner shall not alienate the properties pending remittance of payments as aforesaid and there shall not be any default on the part of the petitioner in making payments as indicated above. In the event of default, bank is at liberty to proceed in accordance with law.

The writ petition is disposed of accordingly. No costs.

Sd/-
Assistant Registrar(CS V)

//True Copy//

Sub Assistant Registrar

sasi

+1cc to Mr.M/s.Om Sai Ram, Advocate, S.R.No.19209
+1cc to Mr.T.Senthil Kumar, Advocate, S.R.No.19371

SAI (CO)
CA(11/04/2017)

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