

IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED: 10.7.2018

CORAM

THE HONOURABLE MR.JUSTICE HULUVADI G.RAMESH
AND
THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.A.No.1235 of 2018
and
C.M.P.No.10173 of 2018

M/s.Pavitraa Graphics Limited,
No.20, Third Street, Railway Colony,
Nelson Manickam Road, Chennai 600 029
rep. by its Managing Director.

Appellant

Versus

The State Industries Promotion Corporation
of Tamil Nadu Limited,
(A Govt. of Tamil Nadu Undertaking)
having its Regd. Office at
No.19-A Rukmani Lakshmipathi Road,
Egmore Chennai 600 008
rep. by its Chairman and Managing Director

Respondent

Prayer: Writ Appeal filed under Clause 15 of the Letters
Patent against the order dated 13.7.2017 passed in W.P.No.22377
of 2004 on the file of this court.

Prayer in WP.No.22377/2004:Writ petition filed under Article 226
of the Constitution of India praying for the issuance of a writ
of certiorarified mandamus calling for the records o the
respondent herein relating to the proceedings in reference under
F & R-1-830-2004, dated 16.07.2004 and quash the same and direct
the respondent herein to accept the balance payment together
with subsequent interest as per the one time settlement arrived
under the proceedings of the respondent herein under reference
in F & R-1-830-2003, dated 18.08.2003 and release all the
movable and immovable properties of the petitioner as full and
final settlement.

For appellant : Mr.B.Ravi
For respondent : Mr.P.S.Sivashanmugasundaram
Special Government Pleader

JUDGMENT

(Judgment of the court was made by HULUVADI G.RAMESH, J.)

Heard the learned counsel appearing for the appellant and
Mr.P.S.Sivashanmugasundaram, learned Special Government Pleader,

who takes notice on behalf of the respondent.

2. The writ appeal has been filed by the writ petitioner aggrieved against the order passed by the learned Single Judge in dismissing the writ petition and thereby declining to interfere with the decision of the respondent in withdrawing the One Time Settlement arrangement already accepted by them.

3. It appears that the appellant/writ petitioner had availed a Term Loan to the tune of Rs.2.10 Crores and finding difficult to pay the interest, they had sought for settlement of the loan amount by way of One Time Settlement and such a request was originally accepted by the respondent by way of their letter dated 18.8.2003, to the extent of Rs.2,55,96,198/- with a waiver of interest totalling to Rs.83,04,780/-, on its being considered by the Board of Directors of the respondent in the meeting held on 8.8.2003, however, the same was withdrawn by the respondent by their letter dated 16.7.2004, which has given rise to the writ petition.

4. Having heard the learned counsel appearing for the parties and perused the materials available on record, we find that even though the entire cause of action arose in the year 2003-2004, the writ petition came to be disposed of in the year 2017. May be, at one point of time, the respondent would have taken a decision to extend the waiver of interest to the tune of Rs.83 lakhs and odd, however, subsequently, it appears that they found the appellant/writ petitioner is not a sick unit to get the benefit of waiver of interest and therefore, had withdrawn the One Time Settlement proposal. Now, the writ petition came to be dismissed in the year 2017 after a long gap of time, may be due to various reasons. Considering the passage of time and the consequent requirement of re-work on the issue of One Time Settlement, the learned Single Judge has rightly dismissed the writ petition. Though the respondent had agreed for the One Time Settlement requested by the appellant and the matter revolves around the understanding and misunderstanding between the parties on the one hand, the respondent cannot be compelled to re-consider the One Time Settlement with waiver, detrimental to the interest of the respondent as it is a public policy on the other hand. The writ appeal is disposed of accordingly. No costs. The connected miscellaneous petition is closed.

Sd/-
Assistant Registrar(CS V)

//True Copy//

Sub Assistant Registrar

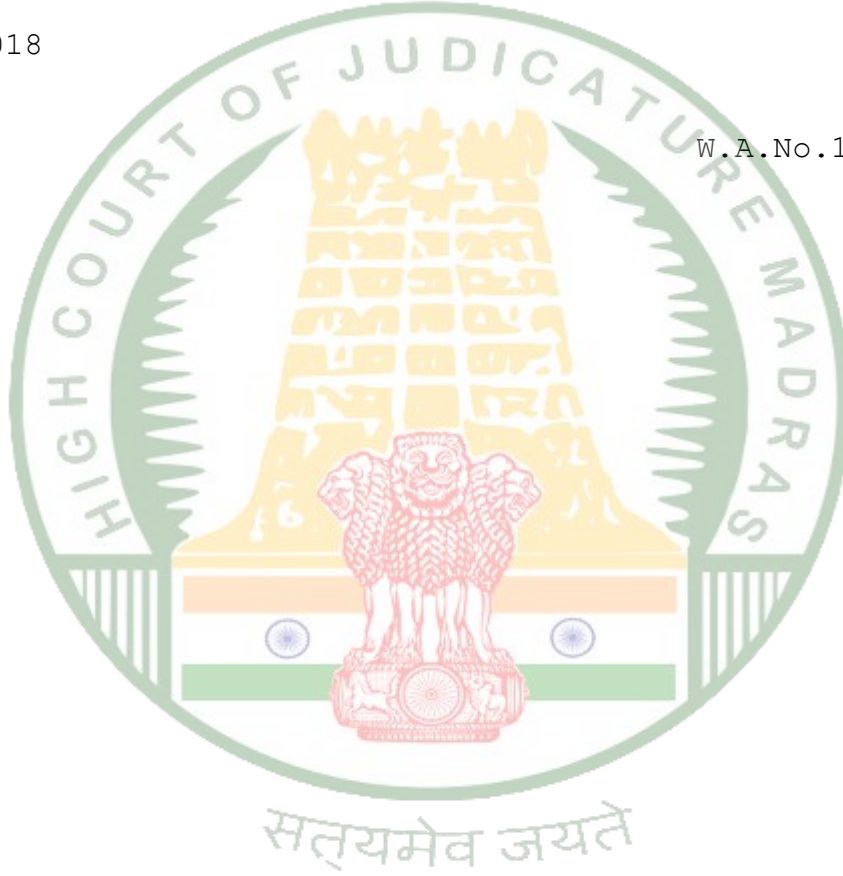
ssk.

To:

The Chairman and Managing Director
The State Industries Promotion Corporation
of Tamil Nadu Limited,
(A Govt. of Tamil Nadu Undertaking)
having its Regd. Office at
No.19-A Rukmani Lakshmipathi Road,
Egmore Chennai 600 008

sm:28.8.2018

W.A.No.1235 of 2018



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