

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13.06.2018

CORAM:

THE HONOURABLE MR.JUSTICE S.MANIKUMAR
AND
THE HONOURABLE MR.JUSTICE SUBRAMONIUM PRASAD

W.P.No.9821 of 2018
and
W.M.P.No.11746 of 2018

Rekha Cotton Mills Pvt. Ltd.
Represented by its Director
Mr.K.Periyasamy,
Old No.12, New No.4,
Chitappa Avenue,
Rayapuram Main Road,
Tirupur-641 602.

.. Petitioner

Vs.

1.Union of India,
Ministry of Finance,
Rep. by its Secretary,
New Delhi - 110 001.

2.Reserve Bank of India,
6, Sansad Marg New Delhi,
Delhi 110001.

3.State Bank of India,
Stressed Assets Recovery Branch,
377/1, Dr.Nanjappa Road,
Behind N.S.Palaniappa Nursing Home,
Coimbatore - 641 018.

.. Respondents

Prayer: Writ Petition is filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Mandamus, directing the 3rd Respondent bank to release the personal Guarantee of the Directors of the petitioner company and also cancel of Memorandum of Deposit of Title Deeds (MOD) with regard to loan account of Rekha Cotton Mills Private Limited Loan Account No.67049302974 (petitioner company) by accepting the payment of Rs.1,33,60,005/- as the SBI OTS 2017 scheme granted to the petitioner company vide 3rd respondent's letter dated 01.11.2017 pending recovery proceedings under the provisions of SARFAESI Act and RDDB & FI Act.

For Petitioner : Mr.A.Kumar for
Mr.T.R.Sundaram

For R3 : Mr.G.Senthilkumar for
Mr.S.Sethuraman

ORDER

(Order of this Court was made by SUBRAMONIUM PRASAD, J.)

The petitioner has availed credit facilities from the respondent- bank. One Time Settlement was arrived at between the petitioner and the respondent bank, whereby, it was agreed to settle the amount of Rs.1,33,60,005/-. Under the One Time Settlement, twenty percent of the OTS amount, i.e., Rs.26,72,001/-, was to be deposited as upfront money, within 30 days from the date of sanction of the OTS and the balance amount was to be paid, within six months from the date of sanction. The petitioner took a demand draft for Rs.26,72,001/-, but did not deposit the amount, though it was to be deposited by 01.12.2017.

2. The petitioner has filed the present writ petition for a writ of Mandamus, directing the respondent bank to release the personal Guarantee of the Directors of the petitioner company and also to cancel the Memorandum of Deposit of Title Deeds (MOD), with regard to loan account. As that the amount specified in the OTS has not been paid, the provisions specified in the OTS has also expired.

3. The plea of the petitioner that, it would repay the money, on receiving the title deeds, cannot be accepted, as it would amount to rewriting the terms of the OTS, which a High Court ought not to do while exercising its Jurisdiction of Article 226 of the Constitution of India.

4. In fact, when the present writ petition came up for admission, the petitioner had offered to pay the entire outstanding amount, as per the OTS, on or before 01.05.2018. Considering the offer, this Court gave an opportunity to the petitioner to discharge the loan amount. The petitioner has failed to repay the same. The petitioner does not deserve any indulgence from this Court.

5. In view of the above, the writ petition is dismissed. No Costs. Consequently, the connected miscellaneous petitioner is also closed.

Sd/-
Assistant Registrar(CS-VII)

//True Copy//

Sub Assistant Registrar

dm

To

1.The Secretary,
Union of India,
Ministry of Finance,
New Delhi - 110 001.

2.Reserve Bank of India,
6, Sansad Marg New Delhi,
Delhi 110001.

3.State Bank of India,
Stressed Assets Recovery Branch,
377/1, Dr.Nanjappa Road,
Behind N.S.Palaniappa Nursing Home,
Coimbatore - 641 018.

+1cc to Mr.S.SETHURAMAN, Advocate, S.R.No.37156

W.P.No.9821 of 2018
and

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TR(06/07/2018)

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