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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 1062/2018, CM APPL.4427/2018

PETRONET VK LIMITED ..... Petitioner

Through Mr. Divjyot Singh and Ms. Avsi M. Sharma, Advocates

versus

CENTRAL BANK OF INDIA AND ORS. ..... Respondents

Through Mr. Vinay Sharma, Advocate along with Mr. V. Lakshmana Rao, AGM for R-1
Mr. Akshay Singh with Mr. Amit K. Dogra, Advocates for R-2

CORAM:
HON'BLE MR. JUSTICE SIDDHARTH MRIDUL
HON'BLE MS. JUSTICE DEEPA SHARMA

<u>O R D E R</u>

% 18.05.2018

1. The present writ petition instituted under Article 226 and 227 of the Constitution of India, prays as follows:

> "(a) quash the suo-moto proceedings initiated by the Hon'ble Debt Recovery Appellate Tribunal under Section 17-A of the Recovery of Debts and Bankruptcy Act,1993 and set aside the orders passed therein in entirety;
> (b) take on record the One-Time Settlement entered into between the Petitioner and Respondent No.1;
> (c) record discharge of the Recovery Certificate No.200 of 2015 in terms of the One-Time Settlement entered into between the Petitioner and Respondent No.l;
> (d) to call for records of the Suo Moto proceedings initiated by the Hon'ble Debt Recovery Appellate Tribunal under Section 17-A of the Recovery of

Debts and Bankruptcy Act, 1993;"

2. Learned counsel appearing on behalf of the parties invite our attention to a decision of this Bench in W.P. (C) 379/2018 titled as '*Smt. Harpreet Kaur and Anr. vs. M/s. Fullerton India Credit Company Ltd.'*, to urge that the *suo moto* proceedings initiated by the Hon'ble Debt Recovery Appellate Tribunal are in excess of jurisdiction vested in the Tribunal since the settlement arrived at between them, which inures to their benefit cannot be subject to the approval or scrutiny of the learned DRAT.
3. In this behalf, it is pointed out that the One Time Settlement entered into by and between the petitioner and the respondent No.1/bank has since been given effect to, inasmuch as, the entire sum agreed to be paid by the petitioner therein, has already been received by the respondent No.1/bank. It is further observed that, on a specific query from the Court, the Officer appearing on behalf of the respondent No.1/bank states that, the bank is at liberty to enter into One Time Settlement with a borrower, at any stage of the proceedings, including subsequent to the passing of a decree against the borrower.
4. Pursuant thereto, the respondent No.1/bank has also instituted an appropriate proceeding before the concerned Recovery Officer seeking leave to withdraw the recovery proceedings in view of their assertion that the decree has since been satisfied by the receipt of the One Time Settlement amount.
5. In *Fullerton India (supra)*, this bench observed as under:

> "8. It has been urged on behalf of the parties that a settlement arrived at between the parties, which inures

> to the benefit of the parties is not subject to the approval or scrutiny of the learned DRAT and the latter fell into error in refusing to accept the same on the evident misapprehension that it related to public money. In this regard, it has been pointed out that the respondent company is a private equity fund and the money involved therein cannot be, by any stretch of expression, said to be applying public money.
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> 9. Even otherwise, as observed by a Division Bench of this Court in the said order dated 19.4.2010, extracted hereinabove, the parties to a proceedings are at a liberty; at any stage thereof, to arrive at an amicable settlement in relation to the subject matter of the dispute, and it does not lie in the mouth of the judicial authority to obstruct or impede the amicable settlement on a ground which is not sustainable in law. The learned DRAT, as observed in the said order dated 19.4. 2010, is not some kind of Ombudsman/Auditor of the Bank; to scrutinise the settlement arrived at between the bank and the borrower, as it is not within the scope and ambit of its jurisdiction or function. It is reiterated that the learned DRAT cannot arrogate to itself the power to determine the value at which the Bank should settle its dues with the borrower, especially when it does not any involve public money."

6. In view of the foregoing, the present petition is allowed. The *suo moto* proceedings initiated by the learned DRAT are set aside. The petition is disposed of accordingly. Pending application also stands disposed of.

SIDDHARTH MRIDUL, J

DEEPA SHARMA, J

MAY 18, 2018/*as*