



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 09.03.2020

CORAM

**THE HONOURABLE MR.JUSTICE S.S.SUNDAR
and
THE HONOURABLE MR.JUSTICE C.SARAVANAN**

**C.R.P. (PD) (MD) .No.1072 of 2018
C.M.P. (MD) .Nos.4651 of 2018 & 1720 of 2020**

1.V.Ramanathan
2.R.Umamaheswari

... Petitioners/Petitioners/
Defendants 2 & 3

/Vs./

1.Indian Overseas Bank
having its Registered Office,
At Chennai and one of its branches
Namely, Tiruchengode Branch,
Namakkal District, rep.
through its Chief Manager.

... Respondent/Respondent/
Applicant

2.M/s.Vedagiri Paper and Boards Private Limited,
S.No.175/5 & 18/2,
Chinnavilamali Erukkattu Valasu
Mullampatty - Po
Nasiyanoor
Eroode District.

3.I.Varghese Augustin ... Respondents/Petitioners/
Defendants 1 & 4
(Respondents 2 & 3 are given up)

Prayer: Civil Revision petition filed under Article 227 of the Constitution of India, against the impugned order passed in I.A.No.714 of 2017 in O.A.No.1172 of 2015 on the file of the Debt Recovery Tribunal, Madurai, dated 19.04.2018.

For Petitioners : Mr.J.John

For Respondents : Mr.R.Pandivel for R1
R2 & R3 - Given up.



O R D E R

(Order of this court was made by **S.S.SUNDAR, J.**)

This Civil Revision Petition has been filed against the order passed in I.A.No.714 of 2017 in O.A.No.1172 of 2015, dated 19.04.2018, passed by the Presiding Officer, Debt Recovery Tribunal, Madurai.

2.It appears that as against the interim order passed by the Debt Recovery Tribunal, the Revision petition in C.R.P.(MD).No.1072 of 2018 has been filed by the mortgagors of certain properties. Out of 7 properties that were mortgaged, the Bank appears to have proceeded against 4 properties and realized the entire money by selling the properties in public auction. It is also admitted that a sum of Rs.3 crores and add had been appropriated by the first respondent Bank towards the loan account.

3.The petitioner has later come forward to settle the balance amount due to the first respondent Bank and to release the three other unsold properties which are also covered by the mortgage on payment of further sum of Rs.97.30 lakhs. This often appears to have been accepted by the Bank. However, the Bank want early payment. The petitioners have come by way this Interlocutory application to issue an interim direction directing the Registrar/Debt Recovery Tribunal to transfer the sum of Rs.35 lakhs with accrued interest to the respondent Bank or to return the petitioner's deposit on or before 28.02.2020 to reduce the balance. It appears that the understanding between the petitioner and the respondent Bank is that the petitioner should pay a further sum of Rs.97.30 lakhs under one time settlement. It is now admitted by the Bank as well as the petitioner that a sum of Rs.57.80 lakhs had been paid out of Rs.97.30 lakhs as agreed to be paid towards OTS. Only a sum of Rs.39.50 lakhs remains to be paid as per the OTS. Since the petitioner has deposited earlier a sum of Rs.35 lakhs before the Debt Recovery Tribunal pursuant to the direction of this Court, dated 30.05.2018, the petitioner appears to have requested the Bank to appropriate the entire amount of Rs.35 lakhs with accrued interest towards the amount payable by the petitioner under the OTS proposal. Accordingly, the petitioner has submitted a letter to the Bank on 02.03.2020. In the said letter the petitioner has given the undertaking to release the amount. The contents of letter gives an indication as to the OTS proposal.

"We refer to our OTS requisition letters, dated 03.12.2019 & OTS time extension dt. 26.02.2020 and with to inform the following:

1.We have proposed an OTS settlement amount of Rs.97.30 lacs payable before 25.03.2020 of which we



have so far paid Rs.57.80 lacs and the balance payable before Rs.39.50 lacs.

2.We are settling the following accounts under this OTS scheme

ACCOUNT No	NAME OF THE ACCOUNT
055902000003535	VEDAGIRI PAPER AND BOARD P LTD
055903261000009	VEDAGIRI PAPER AND BOARD P LTD
055903261000010	VEDAGIRI PAPER AND BOARD P LTD
055903261200010	VEDAGIRI PAPER AND BOARD P LTD
055903261200011	VEDAGIRI PAPER AND BOARD P LTD
055902000005043	SAKTHI CHEMICAL ENTERPRISES
055902000005090	SRI SAKTHI CHEMICALS

3.For availing the above loan facilities we have mortgaged 7 land and building properties and machineries. Of which 4 properties and machineries were sold in earlier e-auction by the IOB bank, dated 30.03.2017 for Rs.3.30,81,911.00 and the proceeds were credited to the above loan accounts. We hereby declare that we will not make any claim on the above 4 properties. This OTS for Rs.97.30 lacs that we have proposed now vide our letter, dated 03.12.2019 & OTS time extension dt.26.02.2020 is to release the following 3 properties after setting the above accounts under the OTS scheme **and not for the already e-auction sold mortgaged properties and machineries by the bank IOB.**

Item No.1 (AMOUNT IN LAKHS) FMV Rs.82.61 lacs date:14.11.2019
2400 sq.ft of land with 3320 sq.ft building - Plot No.38 at RS No.72/1 as per sub division UDR Sno.72/1A, as per patta Sno.72/1A1, Kurinji Residency, East Anna Nagar, Ring Road, Vandiyurist bit Village, Madurai North Taluk and SRO, Madurai District (in the name of V.Ramanathan)
Item No.2 FMV Rs.60 lacs date:25.11.2019
7770 sq.ft of land with 3644 sq.ft residential building at SF No.60/1 Plot 4 to 8 in Namakkal District, Pallipalayam Sub-regndist, Tiruchengode Taluk, Kadachanallur Village (in the name of V.Ramanathan)
Item No.3 FMV Rs.15.60 lacs date:25.11.2019
3920 sq.ft of land with 3038 sq.ft. A.C.Sheet roof at SF No.60/1, Plat 1,2 & 9 in Namakkal Dist., Pallipalayam Sub-regndist, Tiruchengode Taluk, Kadachanallur Village (in the name of R.Umamaheswari)



4.We hereby assure to withdraw the petitions filed by us against the Bank at DRT Madurai No.IA.714/17, 715/17 & I.A.No.1709/2017 in O.A.No.1172/15, C.R.P. Case No.1072/18 in HIGH COURT, MADURAI and the case filed at Melur Sub Court.

5.We hereby request the Honourable DRT Court to release the above stated deposit amount of Rs.35 lacks with interest and to credit the proceeds in favour of IOB BANK in order to pay the pending OTS dues.

6.We will file affidavit at High Court, Madurai in C.R.P.No.1072/2018 stating that since we are settling the accounts under the IOB Bank OTS scheme, we are not pressing and thereby withdrawing the CRP, praying the Honourable High Court to direct the DRT to send the above said deposit of Rs.35 lacs and interest accrued straightaway to the bank. Further, we hereby declare that we won't claim any right over the 4 properties and machineries sold under e-auction by the IOB BANK.

7.We hereby request the bank to withdraw all the cases against us, to close the above accounts under OTS scheme after receipt of the OTS amount and withdrawal of cases against the bank by us and to release the above stated 3 properties."

4.Following the letter, the petitioner has also filed an affidavit in which, the petitioner has stated as follows:

"1.I respectfully submit that the 1st respondent bank has accepted out one time settlement offer to settle the Respondent's Bank due by their O.T.S. Letter, dated 03.02.2020. I have deposited for sum of Rs.57.80 lakhs after that O.T.S. The respondent bank has extended the period of remaining payment of Rs.39.50 lakhs up to 25.03.2020, during pendency of this application. I have already deposited for sum of Rs.35,00,000/- in the name of Registrar, DRT Madurai as per the direction of this Hon'ble Court by order, dated 30.05.2018. If our deposited amount of Rs.35,00,000/- with interest is transferred to the Respondent Bank, the entire OTS amount of Rs.97.30 lakhs is duly paid to the respondent bank.

3.I respectfully submit that according to the bank O.T.S. Letter, dated 03.02.2020, I am ready to withdraw the all cases against the bank and I will not claim any right over the Respondent Bank's E-auctioned properties. In the interest of justice, 1st respondent bank ought to have returned our mortgaged properties title deeds with due endorsement for the discharge receipt of the bank loan or any other suitable



direction to be issued by this Hon'ble Court deem to be fit and proper and thus render justice."

5.The learned counsel appearing for the Bank has acknowledged the OTS proposal as indicated by the petitioner in his letter and the affidavit filed before this Court. The learned counsel further submitted that upon recording the contents of the letter and the affidavit, the Bank has no objection for releasing the mortgage in respect of the three properties which are not sold and to hand over the title deeds.

6.Accordingly, this Civil Revision Petition is disposed of in terms of the OTS proposal as revealed from the letter and the affidavit submitted by the petitioner and acknowledged by the Bank. No costs. Consequently, connected miscellaneous petitions are closed.

7.As per the letter, dated 02.03.2020, the Debt Recovery Tribunal is directed to transfer the deposit amount of Rs.35 lakhs, which was deposited by the petitioner to the credit of O.A.No.1172 of 2015 before the Debt Recovery Tribunal, Madurai, to the account of the Manager, Indian Overseas Bank, Assets Recovery Management Branch, Madurai with accrued interest on or before 13.03.2020.

Sd/-

Assistant Registrar ()

// True Copy //

/ /2020

Sub Assistant Registrar(CS)

To

1.The Presiding Officer, Debt Recovery Tribunal, Madurai.

2.The Section Officer/Record Keeper, (2 Copies)
V.R.Section,
Madurai Bench of Madras High Court, Madurai.

3. The Manager,
Indian Overseas Bank,
Assets Revovery Management Branch, Madurai.

+1 CC to M/s.R.PANDIVEL, Advocate (SR-10673[F] dated 09/03/2020)

+1 CC to M/s.J.JOHN, Advocate (SR-10790[F] dated 10/03/2020)

C.R.P. (PD) (MD) .No.1072 of 2018

09.03.2020

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