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

\+ W.P.(C) 3566/2020

MANISH JAIN AND ANR ..... Petitioners

Through Mr.Sanjeev Sagar, Mr.Kamal Agarwal and Ms.Nazia Parveen, Advs.

versus

KARNATAKA BANK LIMITED AND ANR ..... Respondents

Through Mr.Sanjay Bajaj, Adv. for R-1. Mr.Ramesh Babu, Adv. for R-2/ RBI

CORAM:
HON'BLE MR. JUSTICE JAYANT NATH

O R D E R

% 17.06.2020

CM APPL. No.12689/2020*(exemption)*

Allowed subject to all just exceptions.

W.P.(C) 3566/2020 & CM APPL. No.12688/2020

1. This hearing is conducted through video-conferencing.

2. This writ petition is filed by the petitioners seeking a writ/direction to direct respondent No.1/bank to comply with the circulars dated 27.03.2020 and 22.05.2020 issued by respondent No.2/RBI. A direction is also sought against respondent No.1/bank to extend the time period to make payment from 30.05.2020 to 31.08.2020 or extend period thereon in terms of the circulars dated 27.03.2020 and 22.05.2020.

3. The case of the petitioners relates to a One Time Settlement (*hereinafter referred to as the 'OTS'*) dated 17.08.2019 entered into with respondent No.1/bank whereby the petitioners were obliged to pay a sum of Rs.30 crores in the stated manner. The full amount was payable on or before 31.01.2020. The petitioners claim that a sum of Rs.7 odd crores

stand paid pursuant to the said OTS dated 17.08.2019.

4. It is the common case of the parties that on 16.04.2020 the time for making payment of the OTS amount was extended till 30.05.2020 on account of COVID-19.

5. Learned counsel for the petitioners submits that respondent No.1/bank is not complying with the RBI's circulars dated 27.03.2020 and 22.05.2020. Reliance is also placed on the judgment of a Co-ordinate Bench of this court in the case of ***Anand Raj Ltd. v. Yes Bank Ltd.,*** W.P.(C) Urgent 5/2020.

6. Learned counsel for respondent No.1/bank has opposed the present writ petition. He has pointed out that RBI's circulars in question dated 27.03.2020 and 22.05.2020 do not apply to the facts and circumstances of this case as under the OTS dated 17.08.2019, the agreed amount had to be paid on or before 31.01.2020, i.e. much before the issue of IRB's circulars. It was only on compassionate circumstances that on 16.04.2020 an extension was given upto 30.05.2020. As the same is also not being complied with, respondent No.1/bank has on 16.06.2020 cancelled the OTS dated 17.08.2020.

7. At this stage, learned counsel for the petitioners submits that at least some flexibility should be given to the petitioners to make the payment and that the petitioners would make the payment on or before 30.07.2020. He further submits that he has instructions to state that the petitioner is suspected of suffering from COVID-19.

8. Keeping in view the submissions made by the petitioners and also the present pandemic, in my opinion, it would be in the interest of justice that some additional time is granted to the petitioners to comply with the OTS requirements.

9. Let the petitioners comply with the OTS dated 17.08.2019 on or before 31.07.2020. The communication of respondent No.1/bank dated 16.06.2020 cancelling the OTS dated 17.08.2019 shall remain in abeyance till 31.07.2020. In case, the petitioners comply with the OTS dated 17.08.2019 by 31.07.2020, the said communication dated 16.06.2020 shall automatically stand abated/superseded.

10. This order is passed in the peculiar facts and circumstances of the case on the basis of submissions made by the learned counsel for the petitioners.

11. Nothing further survives in the present petition. The same is disposed of. All pending applications, if any, are also disposed of.

JAYANT NATH, J.

JUNE 17, 2020/v