



WEB COPY



W.P.No.30566 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17.11.2022

CORAM :

THE HON'BLE MR.T.RAJA, ACTING CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE D.KRISHNAKUMAR

W.P.No.30566 of 2022

T.Varadharajan

.. Petitioner

v.

State Bank of India
Stressed Assets Recovery Branch
Red Cross Building, 2nd Floor
No.32, Red Cross Road, Egmore
Chennai 600 008

.. Respondent

Petition under Article 226 of the Constitution of India, praying for issuance of a Writ of Certiorarified Mandamus, calling for the records culminating in the order of the respondent vide SARB/KSV/733 dated 14.03.2022, quash the same with the effect of rejecting the One-time Settlement proposed by the petitioner and to direct the respondent to consider the One-time Settlement offered by the petitioner and give reasonable response to the same.

For Petitioner :: Mr.M.S.Viswanathan



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ORDER

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This writ petition has been filed challenging the impugned order dated 14.03.2022 passed by the respondent Bank rejecting the proposal of the petitioner for one time settlement.

2. Learned counsel appearing for the petitioner submitted that when the petitioner is a co-borrower for availing a sum of Rs.6.61 Crores from the respondent Bank for the hotel-hospitality business purposes operated through M/s Grand White Palace LLP, due to certain reasons went beyond their control, the loan account was classified as Non Performing Asset. Finally, a notice dated 30.11.2018 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 was issued and thereafter, the further notice under Section 13(4) was also issued. Later on, the petitioner approached the respondent Bank with the one time settlement proposal during the Covid-19 pandemic situation and the same was also accepted by the Bank for an amount of



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Rs.4.1 Crores. When the petitioner had already repaid a sum of Rs.60,30,000/- on 23.11.2020, 24.11.2020, 27.11.2020 and 31.12.2020, due to the Covid-19 pandemic situation, they were not able to proceed further. Now the respondent Bank has initiated multiple auctions on the sale of the assets mortgaged with them as security. Finally, when the petitioner filed S.A.No.298 of 2021 challenging the sale notice dated 18.10.2021 before the Debts Recovery Tribunal-I, Chennai, a conditional order of stay was granted for a period of six weeks on condition that the petitioner shall deposit a sum of Rs.2 Crores within the said time with liberty to approach the respondent Bank for settlement. Pursuant thereto, the petitioner also promptly paid a substantial amount of Rs.3.2 Crores and the same has also been acknowledged by the respondent. But the respondent has not furnished the entire statement of accounts regarding the sums paid and the sum due and payable by the petitioner. The current outstanding of the petitioner with the respondent Bank comes to Rs.5.44 Crores, whereas the value of the properties offered for auction sale by the respondent works out to Rs.50 Crores. When the petitioner went to the respondent Bank after



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complying with the conditional stay order dated 10.11.2021, there was no response. Therefore, the petitioner has been advised to come to this Court.

3. But we are not inclined to entertain the writ petition. The reason is that the petitioner has to go back to the Debts Recovery Tribunal only to apprise it of the development taking place, that the instruction/observation of the Tribunal has not been duly regarded by the respondent Bank, and therefore, without doing so, the petitioner cannot maintain this writ petition before this Court, more particularly, when the Debts Recovery Tribunal has already been seized of the matter. Therefore, granting liberty to the petitioner to ventilate his grievance in the pending S.A.No.298 of 2021, the writ petition stands dismissed. Consequently, W.M.P.No.29989 of 2022 is also dismissed.

Speaking/Non speaking order

(T.R.,A.C.J.) (D.K.K.,J.)

Index : yes/no

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- To
1. The Authorised Officer
State Bank of India
Stressed Assets Recovery Branch
Red Cross Building, 2nd Floor
No.32, Red Cross Road
Egmore
Chennai 600 008



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THE HON'BLE ACTING CHIEF JUSTICE
AND
D.KRISHNAKUMAR,J.

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