IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.03.2023

CORAM

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

AND

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

Writ Petition No.3613 of 2023

M/s. D.R.Logistic Pvt. Ltd.
Rep. by its Managing Director
Devadoss Reddy
Registered Office at No.130, T.H.Road
Chennai 600 019. .. Petitioner

Vs.

The Central Bank of India
Egmore Branch
Rep. by its Branch Manager
48/49, Montieth Road
Egmore
Chennai 600 008. .. Respondent

Prayer: Writ Petition under Article 226 of the Constitution of India praying for a writ of Mandamus to direct the respondent to accept the balance OTS amount with interest as fixed by this Hon'ble Court and to release the document/attachment within reasonable time.

For the Petitioner : Mr.P.Chandrasekaran
For Mr.S.Sivakumar

For the Respondent : Mr.Anil Relwani

ORDER
(Made by the Hon'ble Acting Chief Justice)

This writ petition has been filed seeking a direction to the respondent to accept the balance One Time Settlement amount with interest as fixed by this Court and to release the document within a reasonable time.

2. The petitioner has borrowed a sum of Rs.3.00 Crore from the respondent bank, by executing necessary documents and depositing title deeds in respect of the schedule properties. Though he was making repayment regularly, due to financial crisis, the petitioner committed default in repayment. Therefore, the petitioner's loan account was declared as Non Performing Asset on 31.12.2009 and a sum of Rs.2,64,23,640/- was due on that date. Thereafter, the respondent initiated proceedings under the SARFAESI Act and issued

demand notice to pay the said sum of Rs.2,64,23,640/- within 60 days. As the petitioner failed to pay the said amount, the respondent bank took symbolic possession of the property and also obtained Debt Recovery Certificate from the Debts Recovery Tribunal, Chennai.

3. At that juncture, the petitioner approached the respondent bank and sought to settle the balance amount as One Time Settlement. The respondent bank, by its communication dated 11.03.2021, sanctioned OTS and directed the petitioner to pay Rs.1.00 Crore in three instalments, namely Rs.20.00 lakh initially, Rs.30.00 lakh on or before 10.06.2021 and Rs.50.00 lakh on or before 10.09.2021. Though the petitioner paid the first two instalments, he could not pay the third instalment in view of Covid-19 pandemic. Hence, the petitioner made a representation to the respondent on 16.12.2022 to allow him to make the payment of the third instalment amount. As no order has been passed on the said representation, the petitioner has come up with this writ petition.

4. Learned counsel for the petitioner submitted that the

petitioner could not pay the third instalment in view of Covid-19 pandemic and that the petitioner is ready and willing to pay the same, along with interest from 10.09.2021, within a period of three or four weeks. He submitted that since the respondent bank is taking steps to recover the loan amount by way of selling the property of the petitioner, a direction may be issued to the respondent bank to accept the payment of balance amount, along with interest, by the petitioner.

5. Learned counsel appearing for the respondent bank submitted that as per the terms and conditions of OTS, in the event of failure to repay the entire amount within the stipulated time, the OTS will become infructuous and accordingly, as the petitioner failed to pay the entire amount within the stipulated period, the OTS has become infructuous. He further submitted that if the petitioner is now permitted to pay the balance amount along with interest, it would be amounting to opening a pandora's box, particularly when the petitioner had approached the bank to settle the amount nearly after 18 months.

6. Having heard learned counsel appearing for both the parties

and taking note of the facts that the petitioner had paid the first and second instalments within the stipulated time, but failed to pay the third instalment and that OTS had became infructuous in view of the failure of the petitioner to pay the third instalment within the stipulated time, as per the terms and conditions of the OTS, neither the respondent bank can extend the benefit of OTS to the petitioner nor this Court can direct the respondent bank to accept the balance amount from the petitioner. Hence, this writ petition fails and the same is dismissed. There will be no order as to costs.

(T.R., ACJ.)   (D.B.C., J.)
29.03.2023

Index : Yes/No
Neutral Citation : Yes/No

kpl

To

The Branch Manager
Central Bank of India
Egmore Branch
48/49, Montieth Road
Egmore
Chennai 600 008.

T.RAJA, ACJ,
and
D.BHARATHA CHAKRAVARTHY,J

(kpl)

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