



WEB COPY



W.P.No.12997 of 2020

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 13.06.2023

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THE HON'BLE MR.JUSTICE M.DHANDAPANI, J.

WP No.12997 of 2020

and

WMP.No.16086 of 2020

V. Chidambara Barathi

... Petitioner

vs.

1. The Chairman,
The Tamil Nadu Industrial Investment Corporation Ltd.,
No.692, Anna Salai,
Nandhanam,
Chennai – 600 035.

2. The Managing Director,
The Tamil Nadu Industrial Investment Corporation Ltd.,
No.692, Anna Salai,
Nandhanam,
Chennai – 600 035.

3. The Manager,
The Tamil Nadu Industrial Investment Corporation Ltd.,
Thirupur Branch,
Having office at Kumaran Shopping Complex 2nd Floor,
Kumaran Road,
Thirupur – 641 601.

...Respondents

Prayer:- Writ petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus calling for the records from the 3rd respondent's impugned letter communication dated



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13.08.2020 quash the same and consequently direct the 3rd respondent to consider One Time Settlement (OTS) proposal made by the petitioner.

For Petitioner : Mr. M.Sudhan
For Respondents : Mr. K. Magesh
Standing Counsel

ORDER

This writ petition has been filed challenging the impugned letter communication dated 13.08.2020 issued by the 3rd respondent and for consequential direction to them to consider One Time Settlement (OTS) proposal made by the petitioner.

2. It is the case of the petitioner that he and his brother are partners and started a dyeing industry in the name and style of Vanavil Dyeings and in the year 2003. For the purpose of expansion of their business, they borrowed loan to the tune of Rs.1,00,954,300/-. Further, in the year 2005, due to agitation, the TNPCBB issued a closure order against our company and thereby they have been compelled to wind up the business. Since, they suffered a huge loss due to the said closure, the 3rd respondent classified their company as Non Performing Asset. Subsequently, the respondents have taken various steps to conduct an auction to sell the property belonging to him. Thereafter, he approached the 3rd respondent



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and informed his readiness and willingness to settle the loan amount viz., under OTS proposal and to show his bona fide, he paid certain amounts in different instalments. However, it is the grievance of the petitioner that the 3rd respondent has issued the impugned order, dated 13.08.2020, whereby OTS granted to him was cancelled. Challenging the said order, this writ petition has been filed.

3. Learned counsel for the petitioner submitted that even though the petitioner has suffered an huge loss due to closure of their Company, they came forward to settle the outstanding amount and sent the OTS proposal. But, on the other hand, the 3rd respondent has issued the impugned order, thereby the said OTS proposal was cancelled, which is arbitrary and illegal. On instructions, he submitted that the petitioner is ready to make certain payments, if the OTS proposal is accepted by the respondents. Hence, he prays for quashment of the impugned order as well as for issuance of appropriate directions in the above regard.

4. Per contra, learned Standing Counsel appearing for the respondents vehemently argued that the petitioner failed to honour his commitments and not settled the loan under OTS. He submitted that the



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3rd respondent has taken very many efforts to collect the outstanding amount, but inspite of the same, there is no response on the part of the petitioner for clearing the said outstanding. Relying on the counter affidavit, he further submitted that the respondent Corporation has offered maximum waiver and the time frame fixed for settlement under OTS scheme also lapsed. In view of the above, the impugned order issued by the 3rd respondent cancelling the OTS proposal is sustainable and warrants no interference of this Court. Accordingly, he prays for dismissal of this writ petition.

5. Heard the submissions made by the learned counsel on either side and perused the materials placed on record.

6. Admittedly, the petitioner borrowed loan from the respondent / Corporation. It is not in dispute that the petitioner has agreed earlier to settle the outstanding under OTS proposal approved by the respondent. On a cursory glance, it reveals that the petitioner has taken steps to clear the outstanding amount to a certain extent. At the time of arguments, it reveals that the petitioner is interested to clear the dues, if the OTS



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proposal cancelled by the 3rd respondent by way of impugned order is re-considered. From the submissions, it transpires that the petitioner is ready to make payment of Rs.25,00,000/- to the respondents, initially.

7. In view of the above, this Court, without going into the merits of the case, is inclined to issue a direction to the petitioner to deposit a sum of Rs.25,00,000/- to the 3rd respondent, within a period of four weeks from the date of receipt of a copy of this order. On receipt of the said sum, the 3rd respondent shall entertain the petitioner's request for OTS and resolve the issue at the earliest. It is made clear that while arriving at the final amount, the respondent /Corporation shall give necessary credits to the payments already made by the petitioner.

8. With the aforesaid observations, this writ petition is disposed of. No costs. Consequently, connected miscellaneous petition is closed.

13.06.2023

Internet : Yes/No

Index: Yes/No

Speaking order/Non-speaking order

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To

1. The Chairman,
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Chennai – 600 035.

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