



WEB COPY



W.P.No.20605 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.09.2023

CORAM

MR.JUSTICE N.SESHASAYEE

W.P.No.20605 of 2023
and W.M.P.No.19990 of 2023

Raichel

... Petitioner

Vs.

The Branch Manager,
Union Bank,
SSI Guindy Branch,
S-10-A Thiru Vi Ka Industrial Estate
Guindy, Chennai-600 032.

... Respondent

PRAYER: The writ petition filed under Article 226 of the Constitution of India, for issuance of a writ of Certiorarified Mandamus, calling for the records pertaining to the impugned letter Ref No.52630/668/17/2023, dated 30.03.2023 passed by the respondent herein and to quash the same and consequently to direct the respondent herein to discharge the outstanding revolving loan as per the letter dated 02.03.2023.



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For Petitioner : Mr.S.Veeraraghavan

For Respondent : Mr.C.Vidhya
for Mr.S.Parthasarathy

ORDER

The petitioner herein alleges that the bank has reneged on its promise to fulfill a one-time settlement agreement *vis-a-vis* a term loan which the petitioner had obtained. The petitioner seeks enforcement of this agreement.

2.1 On 23.08.2014, the petitioner obtained a loan of Rs.20 Lakhs from the respondent. The debt was not properly serviced by the petitioner. Owing to which on 30.09.2019, it was declared NPA. While so, the bank issued a letter dated 02.03.2023 about a OTS scheme, as per which the petitioner's total liability, of Rs.13,51,515.05/-, was reduced by over Rs.1 Lakh, and the bank fixed the amount payable under the scheme at Rs.12,16,363.55/-. This amount was required to be paid on or before 31.03.2023.



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2.2 Responding to the same, the petitioner is stated to have borrowed from other sources and paid Rs.12.20 Lakhs on 23.03.2023. On the very date, the petitioner also circulated a letter for issuing a letter of discharge of loan and also for return of his title documents, which he had offered as a collateral security. Even as this was pending, the petitioner was served with an intimation dated 30.03.2023 stating that the OTS was not extended to the petitioner since the value of the collateral security was more than the value of the debt due from the petitioner. Here it relied on an express Clause in its letter offering OTS, dated 02.03.2023 which reads as below:

"The offer amount may vary, depending upon the available Primary / collateral securities in the account and NPA date. Please note that this notice is issued without prejudice to Bank's right to recover the entire dues in your account."

This communication of the bank dated 30.03.2023 is under challenge.

3.While the learned counsel for the petitioner submitted that a notice offering OTS raised legitimate expectation in the mind of the petitioner to make the payment, while the learned counsel for the respondent would



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contend that the offer of OTS is subject to a rider that the sum stated in the offer letter may vary depending on the availability of the security.

4. Inasmuch as the offer of OTS is subject to a rider, and since it arises out of a contract between the petitioner and the respondent, this Court does not consider it appropriate to interfere with the same.

5. In view of the above, this Court can merely require the petitioner to approach the respondent with a representation, if it is so desirous, as he does not have a right himself to insist that the OTS offer must be complied with. As and when the representation is given for that purpose, the bank may consider the same as per law.

6. The Writ Petition stands disposed of accordingly. No costs. Consequently, the connected miscellaneous petition is closed.

19.09.2023

Anu

Index : Yes / No

Neutral citation : yes/no



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N.SESHASAYEE, J.
Anu

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