BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **12.10.2023**

CORAM:

THE HONOURABLE MR.JUSTICE **N. ANAND VENKATESH**

W.P.(MD)No.3597 of 2021
and
W.M.P.(MD)No.2921 of 2021

M/s.Pasummeena Paint Industries,
Proprietor P.Senthilmurugan,
Rep. by his Power Agent T.Palaneappan,
S/o.Thirugnanam,
No.115/2-B, Narikkudi Road, (61-D, Thiruchuli Road),
Thiruppuvanam,
Sivagangai District. ...Petitioner

Vs.

1.The Union of India,
Rep. through its Secretary,
Ministry of Finance,
Department of Financial Services,
3rd Floor, Jeevan Deep Building,
Sunsad Marg, New Delhi – 110 001.

2.The Reserve Bank of India,
Rep. through its Governor,
Central Office Building 18th Floor,
Shahid Bhagat Singh Road,
Mumbai.

3.The Banking Ombudsman,
Reserve Bank of India,
Fort Glacis, Chennai.

4.The Regional Manager,
Formerly Lakshmi Vilas Bank,
At present Development Bank of Singapore Limited.,
Karur Region, Karur.

5.The Branch Manager,
Formerly Lakshmi Vilas Bank,
At present Development Bank of Singapore Limited,
Anna Nagar,
Madurai. ...Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ or Order or Direction or Order more in the nature of Writ of Mandamus directing respondents 4 and 5 to re-structure the loan account number of M/s.Pasumeena Paint Industries and make it as Standard Asset as per the circular of the 2nd respondent dated 23-05-2020, 06-08-2020 and the Covid-19 relief scheme issued by the 1st respondent dated 23-10-2020 within the time fixed by this Court.

For Petitioner :Mr.H.Arumugam

For Respondents :Mr.M.Karthikeya Venkitachalapathy
For R1
:S.I.Muthiah for R4 & R5

O R D E R

This writ petition has been filed for issuance of writ of mandamus directing the 4th and 5th respondents to re-structure the loan account of the petitioner as per the Circulars of the second respondent and considering the Covid-19 relief scheme.

2. When the matter came up for hearing on 02.07.2021, this Court passed the following order:-

> *"Learned counsel appearing on behalf of the fourth and fifth respondents Bank submitted that the petitioner has already been informed by the Bank through a letter dated 03.02.2021 to produce certain documents. According to the learned counsel for the Bank, the petitioner has not produced the documents and therefore, the Bank is not in a position to take any decision.*
>
> *2. Learned counsel for the petitioner submitted that the petitioner is interested in restructuring the loan and continuing with the business and therefore, some time limit can be fixed by this Court to enable the petitioner to meet the Bank officials.*
>
> *3. The petitioner, represented by his father, who is the Power of Attorney agent, shall be present before the fifth respondent on 09.07.2021 at 11:00 a.m. along with all the documents that have been mentioned in the letter dated*

03.02.2021. The respondent Bank shall instruct the learned counsel appearing for the Bank about the developments and the decision taken by the Bank. Post this case on 14.07.2021."

3. Pursuant to the above order, the 4th and 5th respondents bank made an offer through letter dated 09.02.2022 to the petitioner in the following terms:-

Settlement Amount	*Rs.1,05,50,000/- (Rupees One Crore Five Lakhs and Fifty Thousand Only)*
Terms of Payment	*Rs.10.00 lakhs has to be paid immediately (Inclusive of amount already paid of Rs.1.81 lakhs) and the balance amount of Rs.95.50 Lakhs has to be paid on or before 08.06.2022.*
Release of Security	*After collection of the settlement amount and withdrawal of WP the branch shall release the securities, as per extant norms and circular instructions.* *Irrespective of the source of repayment of the loan, the title deeds to the collateral property should be handed over to the lawful owner / Mortgagor / Legal heirs / Power agent of the property with proper authorization only, against due acknowledgement.*

4. When the matter was taken up for hearing today, the learned counsel appearing on behalf of the 4th and 5th respondent bank submitted that the petitioner did not act upon the one time settlement that was given by the bank and the one time settlement offer has also lapsed.

5. The learned counsel appearing for the petitioner submitted that the petitioner has once again given one time settlement offer to the 4th and 5th respondent bank through letter dated 28.09.2023 and has undertaken to make a final settlement of Rs.90,00,000/- towards full and final settlement. It is stated that this offer made by the petitioner is pending before the 4th and 5th respondents.

6. In the considered view of this Court, the matter has gone back and forth and as a result, the petitioner has not settled the loan amount to the 4th and 5th respondent bank. Even the one time settlement offer made by the bank through letter dated 09.02.2022 was not acted upon by the petitioner. Ultimately, the respondent bank must see the colour of the coin and there is no use in exchanging letters by making repeated offers as one time settlement. This Court, exercising its jurisdiction under Article 226 of the Constitution of India cannot compel any bank to act upon the one time settlement given by any borrower.

7. It is well settled that one time settlement is a contract between the bank and the borrower and the Court should not be poking its nose by directing either of the parties to accept it. An useful reference can be made to the judgment of this Court in the case of ***M/S.Maruti Acetylene Co. Pvt. Ltd*** vs ***Central Bank Of India*** reported in ***2009 (2) CTC 193***. A reference can also been made to the judgment of this Court in the case of ***S.Chockkalingam vs. The Chief General Manager, State Bank of India, Chennai*** reported in ***2010 (7) MLJ 234***.

8. If the petitioner was really genuine to settle the loan amount, the petitioner ought to have taken advantage of the offer that was made by the respondent bank through letter dated 09.02.2022. Unfortunately, the petitioner did not act upon the same and now the petitioner is coming up with yet another one time settlement offer.

9. The relief as sought for by the petitioner cannot be granted by this Court. If the petitioner wants to persuade the bank with any one time settlement and settle the loan amount, it is left open to the petitioner to approach the 4^{th} and 5^{th} respondents bank and make an offer. Further, it is left open to the respondent bank to act upon the same.

10. This writ petition is disposed in the above terms. No costs. Consequently, connected miscellaneous petition is closed.

12.10.2023

NCC :Yes/No
Index :Yes/No
Internet : Yes/ No
SM

N. ANAND VENKATESH, J.

SM

Order made in
W.P(MD)No.3597 of 2021

Dated
12.10.2023