



W.P.No.19243 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11.09.2024

CORAM :

THE HON'BLE MR.D.KRISHNAKUMAR, ACTING CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE P.B.BALAJI

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M/s.Putta Shree Leathers Pvt. Ltd.,
rep. by its Managing Director P.Jagadeeswara Rao,
No.261/3, Vanapadi Road, SIPCOT,
Ranipet District,
Tamil Nadu-632 403.

.. Petitioner

Vs

The Authorised Officer,
State Bank of India,
SME Walaja Branch (04035),
Palar Towers, MBT Road Walajapet,
Ranipet District,
Tamil Nadu-632 513.

.. Respondent

Prayer: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus calling for the records relating to the sale notice dated 21.6.2024 and quash the same and consequently direct the respondent to maintain status quo until the disposal of the S.A.No.390 of 2023 and a review in S.A.No.628 of 2022 on merits by the Debts Recovery Tribunal-II, Chennai.



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For the Petitioner : Mr.V.I.Prashanth

For the Respondent : Mr.Imayavaramban
for M/s.Ramalingam
Associates

ORDER

(Order of the Court was made
by the Hon'ble Acting Chief Justice)

Challenging the sale notice dated 21.6.2024, the petitioner, who is a borrower, has filed the present writ petition.

2. When the writ petition was taken up for admission on 10.7.2024, this Court, while issuing notice to the respondent, directed the petitioner to deposit a sum of Rs.25.00 lakh within a period of four weeks from the said date and a further sum of Rs.25.00 lakh within a period of four weeks thereafter.

3. Today, when the matter is taken up, learned counsel for the respondent submitted that the said conditional order has not been complied with by the petitioner. He further submits that the sale



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has not taken place on the scheduled date for want of bidders.

4. At this juncture, learned counsel for the petitioner submitted that the petitioner sent a representation dated 9.9.2024 to the respondent expressing its willingness to settle the outstanding dues under one-time settlement (OTS) scheme.

5. Apropos the issue whether a positive direction can be issued by this Court directing consideration of the case of a loanee for grant of the benefit under OTS, the Supreme Court in ***Bijnor Urban Cooperative Bank v. Meenal Agarwal and others, (2023) 2 SCC 805***, had emphatically held as under:

"14. no writ of mandamus can be issued by the High Court in exercise of powers under Article 226 of the Constitution of India, directing a bank to positively grant the benefit of OTS to a borrower. The grant of benefit under the OTS is always subject to the eligibility criteria mentioned under the OTS scheme and the guidelines issued from time-to-time. If the bank is of the opinion that the loanee has the capacity to make the



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*payment and/or that the bank is able to recover the entire loan amount even by auctioning the mortgaged property/secured property, either from the loanee and/or guarantor, the bank would be justified in refusing to grant the benefit under the OTS scheme. **Ultimately, such a decision should be left to the commercial wisdom of the bank whose amount is involved** and it is always to be presumed that the financial institution/bank shall take a prudent decision whether to grant the benefit or not under the OTS scheme, having regard to the public interest involved and having regard to the factors which are narrated hereinabove."*

[emphasis supplied]

6. In the light of the aforesaid proposition of law enunciated by the Supreme Court in the decision, referred supra, we are neither expressing any opinion on the merits of the matter, nor giving any positive direction to the first respondent. We dispose of the writ petition with a direction to the respondent to exercise its commercial wisdom and take a prudent decision on the representation of the petitioner dated 9.9.2024. Such orders shall be passed by the



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respondent within six weeks from the date of receipt of a copy of this order, if necessary after providing an opportunity the petitioner.

There shall be no order as to costs. Consequently, W.M.P.No.21107 of 2024 is closed.

(D.K.K., ACJ.) (P.B.B, J.)
11.09.2024

Index : Yes/No
NC : Yes/No
bbr

To:
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