07.07.2025
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Ct.No.7
sdas

WPA 21833 of 2022

Biswajit Garai
Vs.
The Banking Ombudsman
Reserve Bank of India & Ors.

Mr. Shabhon Majumder
Mr. Himangshu Ghosh
.....for the petitioner

Mr. Tarak Karan
...... for the State

Ms. Samapti Roy
...... for the respondent nos. 2 - 5

The present writ petition has been filed praying for a writ of mandamus directing the respondents to settle the petitioner's loan account.

Mr. Majumder, learned Advocate representing the petitioner, submits that the petitioner was granted a loan of Rs. 8,00,000/-, commonly known as a "Mudra Loan." The petitioner claims to have repaid the entire amount. However, the original documents deposited as security for the loan have not been returned to him. He further submits that the withholding of the petitioner's original documents is improper, and therefore, immediate intervention of this Court is warranted.

Ms. Roy, learned Advocate representing the Bank, submits that although the petitioner availed of a credit facility for the loan period, he failed to repay the same. Consequently, the loan account was declared a Non-Performing Asset (hereinafter referred to as “NPA”) as far back as 18th May, 2022. She submits that as of April, the total outstanding dues amounted to Rs. 8,59,442.18. The petitioner was given reminders on several occasions to repay the amount; however, he did not take any steps to do so. She further submits that the petitioner did not submit any proposal for One Time Settlement (hereinafter referred to as “OTS”) with an upfront amount to any of the Bank officials. She also contends that the writ petition in its present form cannot be entertained.

Mr. Karan, learned Advocate representing the State, submits that it is for the financial institution and/or the bank to decide whether to accept the One Time Settlement (OTS) of a borrower.

Heard the learned Advocates representing the respective parties and perused the materials on record.

The Bank, in the course of its financial activities, granted a loan to the petitioner, as the borrower, on certain terms and conditions. Upon acceptance of these terms and conditions, the petitioner accepted the loan. However, as submitted by Ms. Roy, the petitioner failed to repay the loan as per the repayment schedule, and consequently, the loan account was classified as a Non-Performing Asset (NPA) in 2022. Although the petitioner claims to have submitted a One Time Settlement (OTS) proposal to the Bank’s officials, Ms. Roy submits that no such application is available on record to substantiate this claim.

I find no justification to accept the petitioner's contention or to direct the Bank to settle the loan account and accept the OTS proposal from the petitioner.

Accordingly, the writ petition is dismissed. There shall be no order as to costs.

It is clarified that this order shall not preclude the petitioner from making an application or submitting any proposal for One Time Settlement (OTS) of the loan before the Bank. If such a proposal is received, the Bank may deal with it in accordance with law.

Since the writ petition is dismissed without inviting any affidavit from the respondents, the allegations made in the writ petition shall be deemed not to have been admitted by the respondents.

(Partha Sarathi Chatterjee, J.)