2025:KER:31468

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE N.NAGARESH

THURSDAY, THE 10TH DAY OF APRIL 2025 / 20TH CHAITHRA, 1947

WP(C) NO. 13805 OF 2025

PETITIONER:

BAIJU AUGUSTINE,
AGED 52 YEARS, S/O. AUGUSTINE,
KELAMATTATHIL HOUSE, VAZHAKULAM,
KOTHAMANGALAM-686670
REPRESENTED BY HIS POWER OF ATTORNEY HOLDER
MOLY AUGUSTINE, AGED 64 YEARS, W/O. M.M. JOSEPH,
MEEMPANAL, NEAR MUNDAMATTOM PUMP, THODUPUZHA,
IDUKKI DISTRICT, PIN - 685584.

BY ADVS.
ZAKEER HUSSAIN
K.A.SANJEETHA
ABY GEORGE

RESPONDENTS:

1 **STATE BANK OF INDIA,**
STRESSED ASSET RECOVERY BRANCH,
7TH FLOOR, VANKARATH TOWERS,
PALARIVATTOM BYE-PASS JUNCTION, KOCHI
REPRESENTED BY THE CHIEF MANAGER,
PIN - 682024.

2 CHIEF MANAGER,
STATE BANK OF INDIA,
STRESSED ASSET RECOVERY BRANCH,
7TH FLOOR, VANKARATH TOWERS,
PALARIVATTOM BYE-PASS JUNCTION,
KOCHI, PIN – 682024.

3 SHIBY PAUL,
AGED 49 YEARS, S/O. PAULOSE,
MATHECKAL HOUSE, MEENKUNNAM P.O.,
MUVATTUPUZHA, PIN – 686672.

BY ADV.SRI. JITHESH MENON, STANDING COUNSEL

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 10.04.2025, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

JUDGMENT

Dated this the 10th day of April, 2025

The petitioner is the guarantor of the Agricultural Credit availed by the 3rd respondent. The entire agricultural operations of the 3rd respondent went into crisis due to the flood in the year 2018. In the following year also, he suffered huge loss due to bad monsoon. The Nationwide lock down for preventing the spread of Corona Virus had placed him in a situation of acute financial difficulty.

2. The petitioner approached the respondent-Bank for One Time Settlement and requested to drop the proceedings initiated against the property of the petitioner. In order to show his willingness, an amount of ₹10 lakhs was remitted to the said loan account. Then, the petitioner submitted

a proposal for One Time Settlement. The said proposal has not been considered by the 2nd respondent so far. Hence, the petitioner filed this writ petition for a direction to respondents 1 and 2 to consider and pass orders on the proposal put forth by the petitioner for One Time Settlement of the Agricultural Credit in accordance with the norms and procedure laid down by the Reserve Bank of India.

3. Standing Counsel representing the respondent-Bank resisted the writ petition. The Standing Counsel pointed out that the petitioner is only a guarantor. An amount of ₹10 lakhs alleged to have been paid by the petitioner, was paid long ago in the month of September, 2023. The liability in respect of the loan account will be more than ₹95 lakhs. However, if the petitioner *bona fide* wants to make an OTS proposal, the petitioner will have to deposit the upfront amount and make a proposal showing the amount of settlement and timeline for payment.

4. I have heard the learned Counsel for the petitioner an the learned Standing Counsel representing the Bank.

5. Considering the fact that the petitioner is a guarantor to the Agricultural Credit availed by the 3rd respondent and now is facing recovery proceedings, I am of the view that the petitioner shall be granted an opportunity to make a One Time Settlement proposal, in the interest of justice.

In the facts of the case, the writ petition is disposed of directing that if the petitioner makes a One Time Settlement proposal within a period of two weeks from today, making the upfront payment as per the Rules of the Bank, respondents 1 and 2 shall consider the same and take appropriate decision thereon within a further period of three weeks. If the petitioner makes One Time Settlement proposal and deposits the amount within a period of two weeks as directed above, coercive proceedings against the petitioner shall stand deferred till the

Bank takes a decision in the matter. It is made clear that if the petitioner fails to make the upfront payment or to make proposal within two weeks, the respondents will be at liberty to proceed against the petitioner in accordance with law.

Sd/-
N. NAGARESH
JUDGE

ams

APPENDIX OF WP(C) 13805/2025

PETITIONER EXHIBITS

Exhibit P1	**TRUE COPY OF THE POWER OF ATTORNEY DATED 21/12/2024 EXECUTED BY THE PETITIONER.**
Exhibit P2	**TRUE COPY OF THE APPLICATION DATED 20/04/2018 EXECUTED BY THE 3RD RESPONDENT FOR AGRICULTURAL CREDIT.**
Exhibit P3	**TRUE COPY OF THE DEMAND NOTICE DATED 01/09/2022 ISSUED BY THE AUTHORISED OFFICER OF THE 1ST RESPONDENT.**
Exhibit P4	**TRUE COPY OF THE REGISTERED LETTER DATED 07/03/2025 ISSUED BY THE PETITIONER TO THE 2ND RESPONDENT.**
Exhibit P5	**TRUE COPY OF THE POSTAL RECEIPT DATED 07/03/2025.**
Exhibit P6	**TRUE COPY OF THE TRACK CONSIGNMENT SHOWING THE RECEIPT OF EXHIBIT.P4 LETTER BY THE 2ND RESPONDENT.**