



2024:KER:87552

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE N. NAGARESH

THURSDAY, THE 21ST DAY OF NOVEMBER 2024/30TH KARTHIKA, 1946

WP(C) NO. 29046 OF 2024

PETITIONER:

**KANJIRAPALLY SCB LTD
KANJIRAPALLY SCB LTD NO. 2061,
KANJIRAPALLY, KOTTAYAM
REPRESENTED BY ITS SECRETARY,
PIN - 686 507.**

**BY ADV
P.C.SASIDHARAN**

RESPONDENTS:

- 1 THE KERALA CO-OPERATIVE OMBUDSMAN
THIRUVANANTHAPURAM
REPRESENTED BY ITS SECRETARY,
PIN - 695 034.**
- 2 THOMAS P.J
PALAKKUZHIYIL VEEDU, VANCHIMALA P.O,
KANJIRAPALLY, KOTTAYAM, PIN - 686 506.**

**THIS WRIT PETITION (CIVIL) HAVING BEEN FINALLY
HEARD ON 21.11.2024, THE COURT ON THE SAME DAY DELIVERED
THE FOLLOWING:**



2024:KER:87552

W.P.(C) No.29046 of 2024

:2:

JUDGMENT

Dated this the 21st day of November, 2024

The petitioner-Bank is before this Court aggrieved by Ext.P4 order of the Kerala Co-operative Ombudsman. By Ext.P4 order, the Ombudsman directed the Bank that it shall provide the complainant feasible relaxation in the interest payable and other charges, to facilitate a One Time Settlement of the loan in question.

2. The petitioner states that the petitioner cannot be forced to sign a One Time Settlement, especially when a One Time Settlement Scheme as approved by the Government is not current. Circular No.18/2024 relating to One Time Settlement Scheme was in force only till 31.07.2024. In the circumstances, Ext.P4 is an unexecutable order in law.

3. I have heard the learned Counsel appearing for the petitioner. Though notice was served on the 2nd



2024 : KER : 87552

W.P.(C) No.29046 of 2024

:3:

respondent, there was no appearance for the 2nd respondent when the case is called today.

4. It is a settled proposition of law that in the light of the judgment of the Hon'ble Apex Court in **State Bank of India v. Arvindra Electronics Private Limited** [(2023) 1 SCC 540], the conditions of One Time Settlement cannot be enlarged by this Court under Article 226 of the Constitution of India. When the law being so, the Ombudsman is not justified in directing grant of One Time Settlement, when the Scheme is not in force.

5. Standing Counsel representing the petitioner submits that the total outstanding amount payable by the 2nd respondent as on 21.11.2024 is ₹38,34,020/- and considering the facts of the case, a waiver of penal interest to an amount of ₹2,44,601/- can be extended to the 2nd respondent. The 2nd respondent will have to remit the balance amount of ₹35,89,419/-.



2024 : KER : 87552

W.P.(C) No.29046 of 2024

:4:

6. Taking into consideration the entire facts of the case, I am inclined to set aside Ext.P4 order, however, granting certain reliefs to the 2nd respondent.

7. Ext.P4 is therefore set aside. The 2nd respondent is permitted to settle the loan account by paying ₹35,89,419/- within a period of one month along with accruing interest and other Bank Charges, if any.

Writ petition is disposed of as above.

Sd/-
N.NAGARESH
JUDGE

AMR



2024:KER:87552

W.P.(C) No.29046 of 2024

:5:

APPENDIX OF WP(C) 29046/2024

PETITIONER'S EXHIBITS

- Exhibit P1** **A TRUE COPY OF THE AWARD DATED
31/03/2022 IN ARC NO. 201/2021.**
- Exhibit P2** **A TRUE COPY OF COM.NO.87/2024 ALONG
WITH COVERING LETTER DATED 19/03/2024.**
- Exhibit P3** **A TRUE COPY OF THE OBJECTION DATED
03/04/2024 FILED BEFORE THE 1ST
RESPONDENT.**
- Exhibit P4** **A TRUE COPY OF THE ORDER DATED
11/06/2024 IN COM.NO.87/2024 ISSUED BY
THE 1ST RESPONDENT.**