IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT:

THE HONOURABLE MR. JUSTICE A.MUHAMED MUSTAQUE

WEDNESDAY, THE 19TH DAY OF AUGUST 2015/28TH SRAVANA, 1937

WP(C).No. 14249 of 2015 (E)

PETITIONER :

BALAMURALI KRISHNAN, AGED 35 YEARS,
S/O.KRISHNAN, SOLE PROPRIETOR, ZAG SIGNS,
SHED NO.100, INDUSTRIAL DEVELOPMENT PLOT,
POOVANTHURUTHU, KOTTAYAM - 68612

BY ADV. SRI.A.K.RAJESH

RESPONDENTS :
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1. **AUTHORIZED OFFICER (CHIEF MANAGER),**
   STATE BANK OF TRAVANCORE, REGION 1, ZONAL OFFICE,
   POLACHIRACKAL CHEMBERS, OPP. COLLECTORATE, KOTTAYAM
   PIN CODE: 686 002.

2. **THE BRANCH MANAGER,**
   STATE BANK OF TRAVANCORE, POOVANTHURUTHU BRANCH,
   KOTTAYAM DISTRICT, PIN CODE: 686 012.

BY SRI.R.S.KALKURA, SC, SBT

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 19-08-2015, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

bp

WP(C).No. 14249 of 2015 (E)

APPENDIX

PETITIONER(S)' EXHIBITS

EXT.P1: **PHOTOCOPY OF THE BANK STATEMENT OF THE PETITIONER DATED 29/04/2015 ISSUED BY THE 2ND RESPONDENT.**

EXT.P2: **PHOTOCOPY OF THE NOTICE U/S 13(2) OF THE SARFAESI ACT DATED 11/12/2014.**

RESPONDENT(S)' EXHIBITS : NIL.

//TRUE COPY//

P.A. TO JUDGE

bp

A. MUHAMED MUSTAQUE, J

W.P.(C).No. 14249 of 2015

Dated this the 19th day of August, 2015

JUDGMENT

The petitioner challenging Revenue Recovery proceedings has approached this Court. The petitioner is a Proprietor of Small Scale Enterprises (SME). The petitioner has been granted a loan of 9,42,000/- on 19.03.2013. The loan was covered under the Credit Guarantee Fund Scheme for small scale industries floated by the Ministry of micro, small and medium enterprises by the Government of India. The security of the loan advanced to the petitioner is the guarantee provided under the Credit Guarantee Fund Trust.

2. On account of default in repaying the loan amount, the respondent-Bank invoked the guarantee under the Guarantee Fund Scheme and obtained Rs.5 lakhs. The respondent-Bank is now proceeding under the Revenue Recovery Act to recover the entire loan amount including the amount covered by the guarantee.

3. According to the learned counsel for the Bank, they have an obligation under the scheme to recover the dues and return to the trust as a guarantor.

4. In view of the fact that the guarantee of the petitioner has already been invoked by the Bank, this Court cannot direct the Bank to regularise the account as the recovery has already been effected in the accounts of the Bank.

5. However, taking note of the fact that the petitioner is prepared to clear the liability, he is given instalment facility to discharge the entire liability in 15 equal monthly instalments starting from 15.09.2015. If the petitioner commits default in remitting any one of the instalments, the respondent-Bank is free to proceed with the revenue recovery.

The writ petition is disposed of as above. No costs.

Sd/-

A. MUHAMED MUSTAQUE, JUDGE

bpr