IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH
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CWP (COM) No.1 of 2016
Date of Decision:03.10.2016

Satyam Industries Pvt. Ltd. & ors. .....Petitioner

Vs.

State Bank of India and others .....Respondents

CORAM:- HON'BLE MR. JUSTICE RAKESH KUMAR JAIN

Present:- Mr. Girish Agnihotri, Senior Advocate with
Ms. Shweta Duggal, Advocate and
Mr. Bhuwan Vats, Advocate for the petitioners.

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RAKESH KUMAR JAIN, J.(Oral)

Petitioner No.1 is a private limited company. It availed the loan of ₹21.50 crores including ₹13 crores on account of term loan, ₹6.5 crores on account of working capital and Rs.2 crores on account of bank guarantee against the entire fixed assets of the Company including land bearing 38 kanals 1 marla and the building constructed thereon which was estimated as written down value of ₹20.78 crores as on 31.3.2008.

The petitioner committed default in payment of dues of the Bank, therefore, proceedings under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, `the Act') were initiated when the petitioner was declared Non Performing Asset as on 28.5.2012 and a demand of Rs.12,54,70,705/- was raised. When the property of the petitioner was to be sold, the petitioner approached the Debts Recovery Tribunal, Chandigarh. It was ordered by the Tribunal that the mortgaged property be sold only by way of tender. However, it is alleged that in order to avail the One Time Settlement Scheme offered by the Bank, the petitioner withdrew the case filed before the Tribunal but he could not further follow the said scheme. Ultimately, the property in question has been put to sale by way of e-auction and the sale certificate has also been issued. The petitioner has thus approached this Court in order to challenge the sale notice dated 5.8.2016 and the subsequent proceedings held on 7.9.2016 including the issuance of sale certificate (Annexure P.24).

Learned counsel for the petitioner, during the course of hearing, has fairly conceded that the petitioner has to approach the Debts Recovery Tribunal against the impugned action/ orders passed by the respondent but the urgency in the matter is that the respondents are now removing the plant and machinery which has been sold as scrap despite the fact that it is of more value than on which it has been sold and has prayed that till such time the petitioner approaches the Tribunal, some protection may be given to the petitioner in the name of equity.

I have heard learned counsel for the petitioner and after examining the submissions made, the present petition is hereby disposed of with liberty to the petitioner to avail remedies other than the writ petition, in accordance with law, available to the petitioner under the provisions of the Act, before the Tribunal, as submitted. If such remedy is availed by the petitioner within one week from today, the respondents shall maintain status quo as it exists today at the spot. It is made clear that life of this order is only for a week and shall expire with the afflux of time. The Tribunal to which the petitioner would ultimately approach as suggested, shall consider the facts and circumstances of the case, before taking any decision in respect of injunction and shall not be influenced by the order passed by this Court.

With these observations, the present petition is hereby disposed of.

October 03, 2016 **(RAKESH KUMAR JAIN)**
renu **JUDGE**

Whether Speaking/reasoned Yes/No
Whether Reportable Yes/No