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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO. 177 OF 2017

Shantilal Jain & Ors. ..Petitioners
Vs.
Punjab National Bank & Ors ..Respondents

Mr. Sanjay Jain a/w Mr. Prathamesh Kamat, Mr. T.N. Tripathi and Ms. Sapna Rachure i/b T.N. Tripathi & Co. for Petitioners.
Mr. Pankaj Vijayan for Respondent for respondent No.1.

CORAM: R.M. BORDE AND
A.S. GADKARI, JJ.

DATE: 22 FEBRUARY 2017.

P.C.:

1] The petitioners are praying for directions to the respondents to issue N.O.C for sale of the assets at the agreed price of Rs.9,66,00,000/- (Nine Crores Sixty Six Lacs) and grant 60 days time to pay entire price of the assets. The petitioners are the borrowers who have committed default in making payments of dues recoverable by the respondent-bank to the tune of Rs.54 Crores. It is the contention of the petitioners that, the parties have arrived at meantime settlement agreement on 28.12.2015 for Rs.18 Crores as against the recoverable dues of Rs.56,31,65,627.11ps. As per the OTS agreement, the petitioners could not make payment and therefore the respondent-bank by letter dated 9.2.2016 communicated the petitioner that dues payable toward loan an approximately around Rs.56 Crores and rasied demand. The petitioners could deposit only Rs.50 lacs and did not abide by OTS agreement. As such the OTS concession stood lapsed. At the request of Petitioner, since they expressed their willingness to sale out the flat and deposit sale proceeds, the Debt Recovery Tribunal granted time till September 2016 and permitted the petitioners to retain possession of the flat. Even upto to 30.9.2016, the sale of the flat which is situated in the Colaba locality, Mumbai could not take place and the petitioners have not honoured the commitment.

2] The respondent-bank has placed on record the valuation report of the flat which shows the valuation of the flat about Rs.10 Crores. It would be open for Bank to sale the secured assets and realize the amount. Since the petitioners have failed to honour commitment and taking into account huge recoverable dues from petitioner, we are not inclined to grant further time to petitioner and facilitate them to continue to occupy the residential premises.

3] We are indeed surprised to note, as to how the bank officials arrived at settlement with the borrower for paltry amount of Rs.18 crores as against the huge dues of Rs. Rs.56,31,65,627/-. According to us, an appropriate scrutiny of such decision which prime facie appears to be against the financial interest of public sector bank is required to be made. The Management of the respondent-bank as well as the Reserve Bank of India shall scrutinized the matter and examine worthiness of offer to settle the account at Rs.18 Crores as against recoverable dues of more than Rs.56 Crores.

4] For the reasons aforestated, the writ petition stands rejected.

(A.S. GADKARI,J.) **(R.M. BORDE, J.)**