IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Civil Writ Petition No.19692 of 2017.
Date of Decision: August 31, 2017

M/s Vishvas Tractors Limited and another ......Petitioners

versus

Central Bank of India .....Respondent

CORAM: HON'BLE MR.JUSTICE SURYA KANT.
HON'BLE MR.JUSTICE SUDHIR MITTAL.

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Present: Mr.Aalok Jagga, Advocate, for the petitioners.
Mr.R.S.Bhatia, Advocate, for the caveator-respondent.

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Surya Kant, J. (Oral)

The 1st petitioner is a Company and the instant writ petition is filed through its Directors or share-holders. They are aggrieved by the action initiated by the respondent-Bank under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'the 2002 Act').

[2] One of the primary contention raised by the petitioners is that the 1st petitioner is running a Medium and Small Scale Enterprises for manufacturing of Tractors which are mainly supplied to Nepal. It is averred that due to earthquake in Nepal, the 1st petitioner suffered a huge set-back in its business activities, as a result of which the cash credit limit account and term loan account could not be regularly maintained. These accounts have been classified as 'NPA' and the respondent-Bank has initiated action, as stated above.

[3] The petitioners rely upon the Reserve Bank of India Guidelines known as “Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises dated 17.03.2016” and urge that they have applied thereunder for rehabilitation of their Industrial Unit. The Scheme postulates

that as and when a proposal is submitted, the same shall be considered by a Designated Committee constituted under Clause 3.3 of the Guidelines. The grievance in the instant case is that while the Designated Committee is yet to consider the petitioners' proposal, the respondent-Bank has initiated coercive action against them.

[4] The respondent-Bank is on caveat.

[5] We have heard learned counsel for the parties.

[6] It is an admitted fact that the petitioners have submitted a proposal under the above-stated Guidelines which is yet to be considered by the Designated Committee. The respondent-Bank can put up the matter before the Designated Committee only after the petitioners submit complete information regarding their eligibility etc. We thus direct that if the bank is not satisfied with the petitioners' reply dated 21.08.2017 (P-13), let the bank ask them to give specific information which is yet to be furnished and on receipt of that information, the petitioners' proposal be put up before the Designated Committee for its consideration. The Committee shall make an endeavour to decide the petitioners' claim within one month. Till such time, the bank may take measures under Sections 13 & 14 of the 2002 Act but physical possession of the secured assets shall not be taken.

[7] The writ petition stands disposed of accordingly.

[SURYA KANT]
JUDGE

August 31, 2017 **[SUDHIR MITTAL]**
mohinder **JUDGE**

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No