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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**CWP No. 1556 of 2016
Decided on 30.08.2018**

M/s Tirupati Woollen Mills, Civil Lines, Ludhiana.

Petitioner

Versus

The State of Punjab and others

Respondents

* * *

**CORAM : HON'BLE MR. JUSTICE AJAY KUMAR MITTAL
HON'BLE MR. JUSTICE AVNEESH JHINGAN**

Present : Mr. Ajay Jain, Advocate
for the petitioner.

Ms. Ishneet Kaur, AAG, Punjab.

Mr. Ashwani Prashar, Advocate
for respondent No.4.

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AVNEESH JHINGAN, J.

The present writ petition has been filed seeking direction to the respondent No.4-bank to settle the loan account of the petitioner-firm as per award dated 15.02.2005 (Annexure P-1) passed by the Sub Registrar Cooperative Societies, Sangrur and the award dated 21.12.2008 passed by Lok Adalat, Ludhiana.

2. State of Punjab; Sub Registrar Cooperative Societies, Ludhiana; Sub Registrar Cooperative Societies, Sangrur and Ludhiana Central Cooperative Bank Limited, Ludhiana have been arrayed as respondents No.1 to 4 respectively in the writ petition.

3. The petitioner is a sole proprietorship concern. The

petitioner availed a loan of ₹6 lakhs from respondent No.4. In order to secure the loan, land measuring 223 sq. yards situated at Ludhiana owned by Narved Kumar Dhanda was mortgaged.

4. The petitioner also availed a cash credit limit of ₹4 lakhs from the respondent No.4-bank, the same was sanctioned on 23.02.1999. To secure the said facility, residential house measuring 103 sq. yards situated at Ludhiana owned by Veena Saggi W/o Dalip Saggi was mortgaged.

5. The petitioner defaulted in repayment of the credit facilities availed. Both the accounts were declared as Non-Performing Assets (NPAs) in the year 2000. The respondent No.4-bank filed an arbitration case. The respondent No.3 passed the award dated 15.02.2005 in favour of the respondent No.4-bank for recovery of a sum of ₹7,34,071/- which included interest up till 30.09.2003. In the year 2008, the respondent No.4-bank made efforts to recover loan amount from the petitioner. Thereafter, the matter was put before the Lok Adalat for settlement. Lok Adalat, Ludhiana passed an order dated 21.12.2008 and an amicable settlement was arrived at between the parties for a sum of ₹18,52,000/- alongwith 6% interest till repayment of the loan amount. In the year 2015, the respondent No.4-bank initiated execution proceedings by issuing notice dated 13.04.2015 under rule 72(3) of the Punjab Cooperative Societies Rules, 1963.

6. The petitioner filed the present writ petition stating that the petitioner is willing to pay the entire loan amount as per arbitration award as well as the award of Lok Adalat.

7. Notice of motion was issued. During the pendency of the writ petition, the petitioner brought demand drafts total amounting to ₹17,00,000/-. Drafts were handed over to the respondent No.4 and the same was ordered to be encashed without prejudice to its rights in the pending writ petition.

8. Thereafter, demand drafts for total amount of ₹5,42,880/- were produced in the Court. The same were also got encashed by the respondent No.4-bank without prejudice to its rights.

9. Today, the respondent No.4 submitted that it has come out with One Time Settlement (OTS) scheme and the proposal has been sent to the petitioner to settle its claim. A notice sent by it has been received by the petitioner. Now, the petitioner has to move an application for OTS.

10. The writ petition is disposed of with a direction that the petitioner would submit proposal for OTS within 15 days from today and the respondent No.4-bank would consider the same sympathetically after giving an opportunity of hearing to the petitioner.

(AJAY KUMAR MITTAL)
JUDGE

(AVNEESH JHINGAN)
JUDGE

30.08.2018

pankaj baweja

Whether speaking/reasoned: Yes / No

Whether reportable : Yes / No