203 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CWP No. 13525 of 2018
DECIDED ON: OCTOBER 10, 2018

GURJIT SINGH

.....PETITIONER

VERSUS

RELIGARE FINVEST LTD. & ANR.

.....RESPONDENTS

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

Present : Mr. Rakesh Gupta, Advocate
for the petitioner.

Mr. Ranjit Singh Saini, Advocate for
Mr. Rajesh Sabharwal, Advocate
for caveator-respondent No.1.

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AVNEESH JHINGAN, J

The present writ petition has been filed seeking quashing of order dated 25.04.2018 (Annexure P-4) passed by Debt Recovery Tribunal-III, Chandigarh dismissing the Securitization appeal (SA) of the petitioner filed under Section 17 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for brevity 'the Act'). Further prayer is for quashing of notice dated 14.12.2017 issued under Section 13(2) of the Act as well as notice dated 23.03.2018 issued under Section 13(4) of the Act.

2. Petitioner is a borrower of loan. Religare Finvest Ltd. and Debt Recovery Tribunal-III, Chandigarh have been arrayed as respondents No.1 and

2 respectively, in this writ petition.

3. Petitioner availed a loan facility of ₹3,09,00,000/- from respondent No.1 and the loan amounts were disbursed on 04.03.2013 and 31.12.2014. The loan was to be repaid within a period of 10 years in equal monthly installments of ₹3,14,609/- each. In order to secure the credit facility availed, petitioner mortgaged the following property:

> ***"M/s HPN Club, BXXXV940/351, VPO Barewal Awana, Sua Road, Near FBC Hotel, Khasra No. 869, Khata No. 374/382, JB:1991-92, Vakia Mauja Barewal Awana, Ludhiana, Punjab Admeasuring 2096.75 Sqyds."***

4. Petitioner failed to maintain the financial discipline. Consequently, the account was declared as NPA on 30.11.2017. Respondent No.1 issued a notice dated 14.12.2017 under Section 13(2) of the Act. As per notice, there was an outstanding amount of ₹1,87,02,482.82/-. Thereafter, respondent No.1 further issued notice dated 23.03.2018 under Section 13(4) of the Act. Aggrieved of the proceedings under the Act, the petitioner filed SA before respondent No.2. The said application was dismissed as premature, vide order dated 25.04.2018 on the ground that the petitioner has not lost the physical possession of the property. Aggrieved of the dismissal of SA as well as of notice issued under Section 13(4) of the Act, present petition has been filed.

5. On 28.05.2018, learned counsel for the petitioner submitted that respondent No.1 erred in recalling the entire loan. It was further contended that petitioner is ready to regularize the loan account by paying the overdue amount.

6. Learned counsel for respondent No.1, who was on caveat, stated that there is an overdue amount of more than ₹46,00,000/- and for regularization

of the loan account, petitioner is required to deposit atleast ₹52,00,000/-.

7. Notice of motion was issued. *Status-quo* regarding physical possession of the secured assets was also ordered to be maintained subject to the deposit of ₹26,00,000/- by the petitioner before 28.06.2018 and followed by another payment of ₹26,00,000/- before 31.07.2018 .

8. Petitioner deposited ₹52,00,000/- in terms of order dated 28.05.2018.

9. Heard learned counsel for the parties.

10. Learned counsel for the petitioner restricted his argument that petitioner wants to settle the account with respondent No.1 and would make a representation; direction be issued to the respondent No.1 to take a decision on the same, in a time bound manner.

11. Learned counsel for respondent No.1 submitted that there was an outstanding amount of ₹1,87,02,482.82/- as on 11.12.2017 and petitioner has only deposited an amount of ₹52,00,000/- that too, under the directions of this Court. He further submitted that in case a reasonable proposal is made by the petitioner, respondent No.1 would consider the same.

12. Without expressing any opinion on the merits of the case and in view of the statements made by learned counsel for the petitioner, instant petition is disposed of with the following directions:

(i) Petitioner shall approach respondent No.1 within one month from today with a proposal to settle his loan account;

(ii) Alongwith the proposal, petitioner shall deposit a demand draft of ₹25,00,000/-.

(iii) Respondent No.1 on receipt of proposal shall decide the same sympathetically, in accordance with law, after providing opportunity of hearing to the petitioner by passing a speaking order;

(iv) The decision on the proposal shall be taken at the earliest but not later than one month from the receipt of proposal;

(v) It is clarified that in case the petitioner fails to deposit an amount of ₹25,00,000/- along-with the proposal, the proposal shall be summarily rejected by respondent No.1;

(vi) At the time of issuance of notice of motion *status-quo* regarding physical possession of secured assets was ordered to be maintained. The said interim protection shall continue till the decision is taken by respondent No.1 on the proposal submitted by the petitioner;

(vii) However, it is clarified that extension of interim protection shall not be construed as an expression of opinion on the merits of the case by this Court.

(AJAY KUMAR MITTAL)
JUDGE

(AVNEESH JHINGAN)
JUDGE

OCTOBER 10, 2018
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Whether speaking/reasoned: Yes / No
Whether reportable : Yes / No