HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP No.139 of 2018

Date of Decision: 16.01.2018

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M/s Oberoi Bardana Trading Co. ...Petitioner

VS.

State Bank of India & Anr. ... Respondents

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Coram : Hon'ble Mr.Justice Surya Kant
Hon'ble Mr.Justice Shekher Dhawan

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Present: Mr. Shekhar Verma, Advocate for the petitioner

Mr. Gaurav Goel, Advocate for the respondents

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SURYA KANT J. (Oral)

(1) The petitioner appears to be a small-scale industry engaged in the trading of plastic and jute bags. It availed Cash Credit Facility from the respondent-Bank but having failed to repay the due instalments, its loan account was classified as NPA and action under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 was taken. However, order under Section 14 of the Act is yet to be passed by the District Magistrate.

(2) The Reserve Bank of India vide notification dated 17.03.2016 has notified a Scheme "Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)". Under the said scheme, every Bank is obligated to constitute a Designated Committee to consider the proposal for revival and rehabilitation of the small-scale industries. The short grievance of the petitioner in the instant writ petition is that no such Designated Committee has been constituted by the State Bank of India as a result of which the petitioner is unable to submit any proposal with the respondent-Bank in the prescribed format.

(3) Notice of motion was issued only for this limited purpose. Mr. Gaurav Goel, learned counsel for the Bank, on instructions, states that the Designated Committee is likely to be notified within two weeks.

(4) It is thus directed that as soon as the Designated Committee is constituted, let the respondent-Bank inform the petitioner giving an opportunity to submit its proposal as per the prescribed format. We expect the Designated Committee to consider such proposal and take its decision within *one month* from the date of submission of the proposal. Till such time, *status quo re:* possession of mortgaged/secured assets shall be maintained though the respondent-Bank shall be at liberty to move a petition under Section 14 of the Act which may be adjudicated by the District Magistrate irrespective of the pendency of the proceedings before the Designated Committee.

(5) Disposed of.

(Surya Kant)
Judge

(Shekher Dhawan)
Judge

16.01.2018
vishal shonkar

1. Whether speaking/reasoned? ***Yes***
2. Whether reportable? ***No***