

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Civil Writ Petition No.14073 of 2018.

Date of Decision: May 30, 2018

Simmi Mittal and others

.....Petitioners

versus

Reserve Bank of India and another

.....Respondents

CORAM: HON'BLE MR.JUSTICE SURYA KANT.

HON'BLE MR.JUSTICE SHEKHER DHAWAN.

Present: Mr.Aalok Jagga, Advocate, for the petitioners.

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Surya Kant, J. (Oral)

The petitioners are borrowers and guarantors of Term Loan amounting to Rs.1.50 cores availed from respondent No.2-Financial Institution vide loan agreement dated 30.07.2015. It does appear that some of the conditions imposed in the loan agreement, especially with regard to penal interest, levy of charges in case of cheque bouncing etc., are highly exorbitant. To wriggle out of those conditions, one of the guarantor approached the Debts Recovery Tribunal, Chandigarh primarily with the prayer for settlement of the loan account. The Tribunal has, however, summarily dismissed the SA on the ground that there is no procedural lapse in the action initiated under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

The 'One Time Settlement' proposal submitted by the petitioners has been thus neither considered by the Debts Recovery Tribunal nor by the Financial Institution. In this view of the matter, we dispose of this writ petition with a direction to respondent No.2-Financial Institution to

appropriate decision keeping in view the RBI guidelines on rate of interest etc. Respondent No.2 shall take decision within four weeks and till then *status-quo* re: physical possession of the secured assets be maintained, subject to the petitioners' depositing the due installments on regular basis.

[SURYA KANT]
JUDGE

May 30, 2018
mohinder

[SHEKHER DHAWAN]
JUDGE

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