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

**CWP No. 14902 of 2018
Decided on 05.09.2018**

Ravinder Paul Singh and others

Petitioners

Versus

Indian Overseas Bank, Sector 7-C, Chandigarh

Respondent

* * *

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

Present : Mr. Deepender Singh, Advocate
for the petitioners.

Mr. Rakesh Gupta, Advocate
Advocate for the respondent.

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AVNEESH JHINGAN, J.

The present writ petition has been filed seeking direction to the respondent-bank to consider the proposal dated 13.03.2018 for One Time Settlement (for brevity 'OTS').

2. Indian Overseas Bank, Sector 7-C, Chandigarh has been arrayed as respondent in the writ petition.

3. The petitioners in the year 2012, availed cash credit limit of ₹70 lakhs and a term loan of ₹51.29 lakhs from the respondent-bank. For securing the financial assistance, land & building measuring 7 Kanal 5 Marla and factory building situated in Khata No. 109/119, Khasra No. 7//10(3-1), 11(2-10), 8//6/2(0-16), 15/2(0-18) at Village Mathari, Tehsil Morinda, Distt. Ropar, Punjab was mortgaged with the

respondent-bank.

4. In the mid of June 2016, the petitioners defaulted in repayment and the account was declared as Non-Performing Asset (NPA) on 30.09.2016. The bank issued notice dated 01.11.2016 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for brevity 'the Act'). As per notice, there was an outstanding amount of ₹77,38,857/- plus interest thereon.

5. In order to settle the account, the petitioners approached the respondent-bank on 21.09.2017 with a proposal for OTS. The proposal was accepted by the respondent-bank vide letter dated 16.10.2017. The petitioners could not honour the terms of OTS proposal, as there was some delay in disposing of the property. The petitioners approached the respondent-bank on 13.03.2018 with a request to revive the OTS proposal. In the meantime, the District Magistrate vide order dated 21.03.2018 passed order under Section 14 of the Act for taking over physical possession of the mortgaged property.

6. Learned counsel for the petitioners contended that the petitioners have got a buyer to purchase the property mortgaged with the respondent-bank within reasonable time.

7. Notice of motion was issued. During the pendency of the writ petition, learned counsel for the petitioners stated that in case the consolidated amount for OTS is conveyed by the respondent-bank, the petitioners are ready to settle the account.

8. Today, learned counsel for the respondent-bank submitted

that the respondent-bank is ready to accept the amount of ₹1.05 crores for full & final settlement of the loan account.

8. Learned counsel for the petitioners stated that petitioners would deposit an amount of ₹1.05 crores on or before 26.09.2018.

9. In view of the statements of both the learned counsel(s), the writ petition is disposed of. The petitioners would deposit ₹1.05 crores on or before 26.09.2018 and the loan account of the petitioners shall be closed as settled. The mortgaged property shall be released immediately thereafter.

10. It is clarified that in case the petitioners fail to make the payment on or before 26.09.2018, the bank shall be at liberty to proceed in accordance with law.

11. The writ petition is, accordingly, disposed of.

(AJAY KUMAR MITTAL)
JUDGE

(AVNEESH JHINGAN)
JUDGE

September 05, 2018

pankaj baweja

Whether speaking/reasoned: Yes / No

Whether reportable : Yes / No