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

**CWP-1517-2018**
**Date of Decision: January 24, 2018**

M/s Zee Knits & Weaves Pvt.Ltd. and another .....Petitioners

Versus

Punjab and Sind Bank ......Respondent

**CORAM: HON'BLE MR.JUSTICE SURYA KANT**
**HON'BLE MR. JUSTICE SHEKHER DHAWAN**

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| **1.** | **To be referred to the Reporters or not?** | **Yes/No** |
| **2.** | **Whether the judgment should be reported in the Digest?** | **Yes/No.** |
| **3.** | **Whether Reporters of local papers may be allowed to see the judgment?** | **Yes/No** |

**.......**

Present: Mr.Vikas Bali, Advocate for the petitioner.

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**<u>SURYA KANT, J.</u>**

The petitioner-borrowers lay challenge to the revised Notice dated 06.11.2017 issued by the respondent-Bank under Section 13(2) of the the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for brevity, 'the SARFAESI Act') as also the reply, Annexure P7, received in response to their objections to the above-mentioned Notice. Vide the impugned action, the respondent-Bank has informed the petitioner that after classifying their loan accounts as 'NPA', they are liable to repay the entire loan amount of ₹14,51,01,585.27. The petitioners filed their objections to the Notice claiming that since they are registered under the Export Credit Guarantee Corporation of India, the Bank is obligated to await for the credit which the petitioners are likely to receive from the said Corporation and which will be directly transferred to the Bank towards the petitioners' loan liability.

[2] We have heard learned counsel for the petitioners at a considerable length.

[3] In our considered view, there is no merit in this writ petition and the same is liable to be dismissed. We say so for the reason that admittedly, the petitioners have availed more than one loan facilities and

there were consistent defaults in repayment as a result of which the loan accounts have been classified as 'NPA'. Having done so, the Bank is well within its right to take measures for recovery of the due amount in accordance with the procedure contemplated under the SARFAESI Act. The petitioners were earlier served with a Notice under Section 13(2) dated 05.05.2017 but upon receipt of objections and having noticed that there was a mistake regarding description of the mortgaged assets, the said Notice was withdrawn and a fresh Notice has been served. The petitioners have neither paid a single penny from last more than one year nor they have any proposal to discharge the debt even partially in near future.

[4] We do not find any provision either in the Statute or in a Policy or any tripartite agreement whereunder the respondent-Bank is obligated to with-hold the action under Section 13 of the SARFAESI Act on the assumption that Export Credit Guarantee Corporation of India is likely to grant some credit to the petitioners for export of goods or that such credit will be directly transferred to their loan account.

[5] No case to interfere with the impugned action is made out.

[6] Dismissed.

**( SURYA KANT )**
**JUDGE**

**January 24, 2018** **( SHEKHER DHAWAN )**
meenuss **JUDGE**

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