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

**CWP No.15763 of 2018**
**Decided on 25.09.2018**

Akal Casting Pvt. Ltd. & another

Petitioners

Versus

State Bank of India, SME Center, Civil Lines, Ludhiana

Respondent

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

Present : Mr. Aditya Grover, Advocate
for the petitioners.

Mr. K.C. Bhatia, Advocate
for the respondent.

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**AVNEESH JHINGAN, J.**

The present writ petition has been filed seeking quashing of notice dated 24.01.2018 (Annexure P5) issued under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for brevity 'the Act'). Further prayer has been made to quash the possession notice dated 18.04.2018 issued under Section 13(4) of the Act.

2. Petitioner No.1 is a private limited company and the petition has been filed through its Director Sh. Sanjeev Sandhu. Petitioner No.2 is the proprietorship concern of Sh. Sanjeev Sandhu. State Bank of India, SME Center, Civil Lines, Ludhiana has been arrayed as respondent in the writ petition.

3. Petitioners No.1 and 2 availed cash credit limits of ₹25 lakhs and ₹15 lakhs respectively from the respondent-bank.

4. In order to secure the loan, the property in the name of Mrs. Ravinder Kaur, mother of Sh. Sanjeev Sandhu measuring 3K-13M, Plot No.42-43 Bhamian Khurd, Ludhiana was mortgaged. There was a default in repayment of the credit facilities by the petitioners in the year 2017. The accounts were classifed as Non-Performing Assets (NPAs) on 19.06.2017. The respondent-bank issued notice dated 24.01.2018 under Section 13(2) of the Act. Thereafter, the respondent-bank issued notice under Section 13(4) of the Act on 18.04.2018.

5. On 08.05.2018, petitioners made representation to the bank that they would be regularizing the accounts within three months. The respondent-bank rejected the request vide letter dated 18.05.2018. Aggrieved of the recovery proceedings, the present petition has been filed.

6. Learned counsel for the petitioners contended that petitioners have availed two cash credit limits totalling to ₹40 lakhs. As per notice under Section 13(2), the respondent-bank sought to recover total dues amounting to ₹40,45,373/-. He has produced a demand draft of ₹5 lakhs today and stated that after adjusting the said amount, both the cash credit limits would come below the sanctioned limit. He argued that the accounts may be regularized.

7. Learned counsel for the respondent-bank argued that the petitioners have never approached alongwith payment to the respondent-bank to regularize the accounts. He contended that there are other terms and conditions of cash credit limits which have to be complied with, by the petitioners.

8. The demand draft of ₹5 lakhs produced by the petitioners have been handed over to the counsel for the respondent-bank. The respondent-bank shall be entitled to encash the same.

9. Without expressing any opinion on the the merits of the case, the writ petition is disposed of with a direction that the petitioners would approach the respondent-bank, within 15 days from today, for regularizing the accounts and for compliance with other terms and conditions for availing cash credit facilities, like submission of Stock Statements etc.

10. The respondent-bank on receipt of the representation would consider the same in accordance with law and would take a sympathetic view regarding charging of penal interest and for regularization of the accounts. The decision shall be taken by the respondent-bank at the earliest but not later than one month from the receipt of the representation.

**(AJAY KUMAR MITTAL)**
**JUDGE**

**(AVNEESH JHINGAN)**
**JUDGE**

**September 25, 2018**
*pankaj baweja*

*Whether speaking/reasoned: Yes / No*

*Whether reportable : Yes / No*