HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP No.18320 of 2017
Date of Decision: 23.01.2018

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State Bank of India ...Petitioner

VS.

State of Punjab & Ors. ... Respondents

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

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Present: Mr. Rakesh Gupta, Advocate for the petitioner

Mr. Sahil Sharma, DAG Punjab

Ms. Jyoti Sareen, Advocate for respondents no.7&9

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SURYA KANT J. (Oral)

(1) The petitioner-State Bank of India has approached this Court challenging the notice dated 27.07.2017 (P18) issued by the Additional Deputy Commissioner, Jalandhar proposing to recall the earlier order passed under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. It may be mentioned that the loan account of the respondent-borrowers having been classified as NPA, notice under Section 13(2) was issued on 02.05.2014 followed by measures under Section 13(4) of the Act. As the borrowers did not hand over physical possession of the secured asset comprising a residential house, the Bank approached the District Magistrate who passed the order under Section 14 on 24.03.2015 (P6) for handing over its physical possession. Thereafter, the District Magistrate-cum-Additional Deputy Commissioner, the Tehsildar and other revenue officials including Kanungo, apparently at the instance of the borrowers, started harassing the Bank authorities and did not give effect to the order dated 24.03.2015 for over two years. Eventually, the Additional

Deputy Commissioner issued the impugned notice dated 27.07.2017 asking the Bank as to why the order passed earlier under Section 14 be not recalled. This order was passed at the instance of alleged tenants of the premise.

(2) Having found, *prima facie,* that the proposed action was initiated for the reasons other than the merits of the case, this Court vide order dated 18.08.2017 directed the official respondents to remain present in Court and show cause as to why the loss suffered by the Bank be not personally recovered from them. No sooner the said order was passed, the borrowers came forward and settled their loan amount with the Bank. It can thus be safely inferred that the inordinate delay and willful non-compliance of the order dated 24.03.2015 passed under Section 14 of the Act was an act of collusion and connivance between the borrowers and the Govt. officers who were duty-bound to give effect to the said order.

(3) Since the borrowers have now settled the loan account, we deem it appropriate to dispose of these proceedings with a direction to the Chief Secretary, Punjab to look into the conduct of the officers/officials who are *prima facie* responsible for the deliberate delay caused in giving effect to the orders passed in exercise of statutory powers. The Chief Secretary will also issue necessary instructions to all the Deputy Commissioners/District Magistrates in the State of Punjab to ensure that the applications to be filed under Section 14 of the Act are decided within the time-frame stipulated under the Statute and such orders are given effect in a time bound manner save where there is legal impediment on account of stay granted by the Court etc.

(4) As the borrowers are responsible for this unwanted litigation, a cost of ₹ 1 lac is imposed on respondents No.7to9 which they are directed to pay to the Bank within *three months*.

(5) The writ petition stands disposed of accordingly.

(Surya Kant)
Judge

23.01.2018
vishal shonkar

(Shekher Dhawan)
Judge

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