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

CWP No.17712 of 2018
Decided on : 07.12.2018

M/s Abrol Electroworld & ors. ...... Petitioners

Versus

State Bank of India and anr. ...... Respondents

**CORAM : HON'BLE MR. JUSTICE AJAY KUMAR MITTAL
HON'BLE MRS. JUSTICE MANJARI NEHRU KAUL**

Present : Mr. Munish Gulati, Advocate
for the petitioners.

Mr. Gaurav Goel, Advocate
for the respondents.

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Manjari Nehru Kaul, J.

The petitioners have approached this Court under Articles 226/227 of the Constitution of India for issuance of a writ in the nature of Certiorari for quashing the notices dated 21.07.2017 (Annexure P-2) and 23.10.2017 (Annexure P-4) respectively issued under Sections 13(2) and 13(4) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred as 'the Act').

2. The petitioner No.1- firm had initially availed a loan of ₹ 5 lakhs on 07.01.2004 from the respondent-Bank. Thereafter the said loan was enhanced to Cash Credit Limit of ₹ 15 lakhs on 10.02.2006. To secure the credit facility, petitioners mortgaged the following property:

> *"All parts and parcel of property measuring 03 marlas as per sale deed No.65 Zild No.399 on page No.65 dated 10.04.2002 situated at Rakba Qadian*

Muglan, Prabhakar Chowk, Main Bazar Sabzi mandi ward No.336/VII Qadian standing in the name of Mrs. Renu Bala w/o Ramesh Chander."

3. Due to losses in the business, the petitioners could not maintain their financial liabilities and as a result of which, their account was declared as Non-Performing Asset (in short 'NPA') by the bank on 28.06.2017. Thereafter, the respondent-bank initiated the proceedings under Section 13 (2) of the Act and asked for payment of ₹ 20,36,641/- as on 20.07.2017. The respondent-bank issued the possession notice dated 23.10.2017 under Section 13(4) of the Act to the petitioners. Hence, the present writ petition.

4. While issuing notice of motion on 01.08.2018, this Court granted the interim protection to the petitioners.

5. Learned counsel for the petitioners further submitted that petitioners are ready and willing to clear the outstanding dues or to regularize their account within a reasonable period in a time bound manner.

6. Learned counsel for the respondent-bank has submitted that in case a reasonable proposal is made by the petitioners, the respondent-Bank shall consider the same.

7. Heard learned counsel for the parties and perused the paper book with their assistance.

8. Without expressing any opinion on the merits of the case and keeping in view the facts and circumstances of the case, we dispose of the present petition with the following directions:

1. The petitioners shall approach respondent No.1 within a period of one month from today with a detailed and comprehensive proposal for clearing the outstanding dues or

to regularize the loan account.

2. The petitioners shall deposit a demand draft of ₹ 3 lakhs alongwith the proposal.
3. Respondent No.1-bank shall consider the proposal submitted by the petitioners sympathetically in accordance with law, after affording an opportunity of hearing to the petitioners and pass a speaking order.
4. The decision on the proposal shall be taken at the earliest by the respondent-bank but not later than three months from the receipt of such proposal.
5. It is clarified that in case the petitioners fail either to submit their proposal within the specified time or fail to deposit a sum of ₹ 3 lakhs, the respondent -bank would be at liberty to proceed in accordance with law.

9. The interim protection granted vide order dated 01.08.2018 regarding status quo shall continue till a decision is taken by respondent bank on the proposal submitted by the petitioners. However, it is clarified that the extension of the interim protection shall not be construed as an expression of opinion on the merits of the case by this Court.

(MANJARI NEHRU KAUL)
JUDGE

(AJAY KUMAR MITTAL)
JUDGE

07.12.2018
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Whether speaking/reasoned: Yes/No
Whether reportable : Yes/No