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

CWP No.19441 of 2018
Decided on : 26.11.2018

Jaswant Singh ...... Petitioner

Versus

Religare Finvest Ltd. ...... Respondent

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

Present : Mr. Aalok Jagga, Advocate
for the petitioner.

Mr. Ranjit Singh Kalra, Advocate
for the respondent.

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Manjari Nehru Kaul, J.

Prayer in the instant petition filed under Articles 226/227 of the Constitution of India is for quashing the notice dated 11.09.2017 (Annexure P-3) issued under Section 13(2) and the possession notice dated 17.01.2018 (Annexure P-4) issued under Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred as 'the Act') by the respondent.

2. The petitioner had availed a term loan of ₹ 49.50 lakhs from the respondent, which was sanctioned on 04.11.2014 on a monthly installment of ₹ 75,376/-. Thereafter, he took another term loan of ₹ 1.17 crores on 04.11.2014 for a period of 10 years. The monthly installment of the said term loan was ₹ 1,78,161/-. To secure the credit facilities, the petitioner mortgaged the following properties:

"Khasra No.1810/2 (4-15) Vakya Abadi Patti Mehna

Ram Road Bhatinda, Punjab measuring 646 sq. yards and

Khasra No.2037/2(0-1/2), 2037/2(0-1-1/2),2037/2, 2037 (0-1/4) Pukhraj Colony, Vakya Abadi Bathinda Patti Mehna, Bathinda measuring 236.73 sq. yards"

3. Due to illness of his wife, the petitioner failed to discharge his financial liability and consequently, his loan account was classified as Non-Performing Asset (in short 'NPA') on 30.04.2016. The respondent then initiated the proceedings under Section 13(2) of the Act and vide letter dated 11.09.2017 asked the petitioner to pay a sum of ₹ 1,52,13,858.35 including interest. Thereafter a possession notice dated 17.01.2018 was issued to the petitioner.

4. Aggrieved by the recovery proceedings, the present writ petition has thus been filed.

5. Vide order dated 13.08.2018, notice of motion was issued in the following terms:

> *"Learned counsel for the petitioner inter alia submits that the petitioner is prepared to get the 'Term Loan Account' regularized. However, to show the bona fides, a demand draft bearing No."000060", dated 31.07.2018, in the sum of ₹ 5.00 lakhs, in Court today.*
>
> *Notice of motion to the respondent for 12.09.2018.*
>
> *Notice regarding stay as well.*
>
> *At this stage, Mr. Rajesh Sabherwal, Advocate, who is present in Court, accepts notice on behalf of the respondent and prays for time to file reply.*
>
> *Let a copy of the complete paper book be supplied to him during the course of the day.*
>
> *The demand draft in original has been handed over to the learned counsel for the respondent-Bank and*

the respondent-Bank shall be entitled to encash the same without prejudice to its rights in the pending writ petition. However, photocopy of the demand draft is taken on record, subject to all just exceptions. Office to tag the same at the appropriate place.

In the meantime, status quo be maintained till the next date of hearing."

6. Learned counsel for the petitioner submitted that the petitioner is ready and willing to clear the outstanding dues or to regularize their account within a reasonable period and restricted his prayer to the effect that in order to clear outstanding dues or to regularise the account, the petitioner would approach the respondent with a proposal and the respondent be directed to decide the same in a time bound manner.

7. Learned counsel for the respondent has submitted that in case a reasonable proposal is made by the petitioner, the respondent shall consider the same.

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

9. 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 petitioner shall approach the respondent within one month from today with a proposal for clearing the outstanding dues or to regularize the loan account.

2. The petitioner shall deposit a demand draft of ₹ 5 lakhs alongwith the proposal.

3. Respondent shall consider the proposal submitted by the

petitioner sympathetically in accordance with law, after affording an opportunity of hearing to the petitioner and pass a speaking order.

4. The decision on the proposal shall be taken at the earliest by the respondent but not later than two months from the receipt of such proposal.
5. It is clarified that in case the petitioner fails either to submit his proposal within the specified time or fails to deposit a sum of ₹ 5 lakhs, the respondent would be at liberty to proceed in accordance with law.

10. The interim protection granted vide order dated 13.08.2018 regarding status quo shall continue till the decision is taken by respondent on the proposal submitted by the petitioner. 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

26.11.2018
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Whether speaking/reasoned: Yes/No
Whether reportable : Yes/No