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

**C.W.P. No. 7349 of 2018**

**Date of Decision: 15.10.2018**

M/s Ganesh Trading Company and another .......Petitioners

**Versus**

State Bank of India

......Respondent

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

Present: Mr. Lalit Singla, Advocate
for the petitioners.

Mr. Eklavya Gupta, Advocate
for the respondent.

**AVNEESH JHINGAN, J.**

The present petition has been filed seeking quashing of notice dated 06.12.2017 (Annexure P-1) issued under Section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for brevity 'the Act') and notice dated 14.02.2018 issued under Section 13(4) of the Act.

2. Petitioner No.1 is the sole proprietorship concern and the borrower of loan. Mr. Sanjeev Kumar is the proprietor and petitioner No.2 is the guarantor. State Bank of India, Khanauri Mandi, District Sangrur, has been arrayed as respondent in this writ petition.

3. The petitioner No.1 availed a working capital limit to the tune of Rs.26 lakhs on 21.05.2014. The said limit was enhanced to Rs.35 lakhs on 10.11.2015. In order to secure the credit facility, following two

properties were mortgaged:

> (i) **Residential Property**/House measuring 6 Marlas comprised in Khata No. 221/466 Khasra No. 57//12 (8-0) 13(8-0) 14/1(3-8) 17/3(2-11) 18(8-0) 19(8-0) Kitte 6=37K 19M out of share 6/759=0K-6M, registered vide sale deed No.900 dated 10.01.1994 situated at ward No.3 Master colony Khanauri Mandi, Tehsil Moonak, District Sangrur in the name of Sh. Chandi Ram s/o Surjit Singh r/o Naiwala, Tehsil-Patran, District Patiala.
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> (ii) **Commercial Property**- Plot No. 37 total 0K 5 M out of share 1/6=0K-3/4M registered vide sale deed No. 532 dated 12.08.2014 situated at Ward No.11 Anaj Mandi Khanauri, Tehsil Moonak, District Sangrur in the name of Sh. Sanjeev Kumar s/o Sh. Chandi Ram r/o Khanauri Mandi, Tehsil Moonak, District Sangrur.

4. The petitioner No.1 failed to maintain the financial discipline. Consequently, the account was classified as Non-Performing Asset (NPA) on 28.11.2017. The respondent-Bank issued notice dated 06.12.2017 under Section 13(2) of the Act. As per the notice, there was an outstanding amount of Rs.35,48,826/- as on 06.12.2017. Thereafter, a notice dated 14.02.2018 for taking symbolic possession was issued. The petitioners filed a reply dated 03.03.2018. One time settlement (OTS) offer was also submitted by the petitioner No.1 but without any upfront payment.

5. Aggrieved of the proceedings under the Act, the present writ petition has been filed.

6. On 23.03.2018 learned counsel for the petitioners stated that the petitioners are ready and willing to pay Rs.10 lakhs within two weeks and thereafter Rs. 2 lakhs per month. Notice of motion was issued and the parties were directed to maintain the status-quo regarding the possession of the secured assets.

7. Heard learned counsel for the parties.

8. Learned counsel for the petitioners contended that the petitioners have deposited a sum of Rs. 17,50,100/- from April 2018 to September 2018 and would approach the Bank to clear the outstanding amount. It was submitted that the Bank be directed to take decision on the proposal in a time bound manner.

9. Learned counsel for the respondent-Bank states that in case a reasonable proposal is made by the petitioners, the same would be considered by the Bank.

10. Keeping in view the facts of the case and without expressing any opinion on the merits of the case, the writ petition is disposed of with the following directions:

> (i) The petitioners shall within three weeks from today approach the Bank with a proposal to clear the outstanding amount. The proposal shall also mention the time schedule for clearing the outstanding dues. Along with the proposal the petitioners shall deposit a demand draft of Rs.5 lakhs.
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> (ii) On receipt of the proposal, the Bank shall consider it sympathetically. Decision on proposal shall be taken after providing an opportunity of hearing to the petitioners and by passing a speaking order. The decision on the proposal shall be taken at the earliest but not later than one month from the receipt of the same.
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> (iii) The interim order granted by this Court vide order dated 23.03.2018 shall continue till 30.11.2018. It is, however, clarified that the extension of interim order shall not be construed as an expression on the merits of the case by this Court.
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> In case, the petitioners fail to deposit Rs. 5 lakhs along with the proposal, the proposal shall be rejected

summarily by the respondent-Bank.

11. Needless to state that in case of any default by the petitioners in repayment of the outstanding dues as per the proposal, the Bank shall be at liberty to proceed in accordance with law.

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

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

**15.10.2018**
**reema**

Whether speaking/reasoned Yes/No
Whether Reportable: Yes/No