

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

CWP-16717-2019

Date of Decision:01.07.2019

Saranjit Singh and others

. Petitioners

Vs.

State Bank of India and others

. Respondents

**CORAM: HON'BLE MR.JUSTICE RAKESH KUMAR JAIN
HON'BLE MR.JUSTICE ARUN KUMAR TYAGI**

Present: - Mr.Shubham Kaushik, Advocate,
for the petitioners.

RAKESH KUMAR JAIN, J. (ORAL)

This petition is directed against the order dated 27.12.2018 having been passed by the State Bank of India in terms of Sections 13(2) & (4) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [for short 'the Act'] and Rule 8(1) of the Security Interest (Enforcement) Rules, 2002 [for short 'the Rules'].

In brief, the petitioners stood as a guarantors for the borrower who had secured loan from the State Bank of India and has defaulted in repayment. Consequently, proceedings under Sections 13(2) & (4) of the Act was initiated by the Bank. Thereafter, possession proceedings were also initiated under Rule 8(1) of the Rules.

The only argument raised by the petitioners is that they had never stood as guarantors for the borrower and that a fraud has been played by the borrower upon them in securing the loan by citing them as the guarantors.

We have heard learned counsel for the petitioners and after perusal of record, are of the considered opinion that in such circumstances, the only course open to the petitioners is to file a suit for declaration in order to challenge the documents of guarantee to prove that the said documents have been prepared by the borrower by playing fraud upon them.

Insofar as the present petition is concerned, we do not find any merit in it and as such the same is hereby dismissed.

(RAKESH KUMAR JAIN)
JUDGE

(ARUN KUMAR TYAGI)
JUDGE

01.07.2019
Vivek

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