IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-35178-2019

Date of Decision:04.12.2019

Swaran Singh ... Petitioner

Vs.

Central Bank of India and another ... Respondents

CORAM : HON'BLE MS. JUSTICE JASWANT SINGH

Present : Mr. Sapna Seth, Advocate and
Mr. Navdeep Kalair, Advocate
for the petitioner.

JASWANT SINGH, J. (Oral)

The petitioner, namely, Swaran Singh apart from being a borrower of a loan amount of Rs.21.95 lacs from Central Bank of India also stood a guarantor for a loan of Rs.35 lacs raised by his son, namely, Gurinder Pal Singh from Central Bank of India, Branch office at G.T. Road Karnal.

A plot measuring total 276.5 sq. yd. upon which 7 shops are stated to have been constructed stood offered as a security for both the aforesaid loans raised by the petitioner and his son-Guinder Pal Singh. Admittedly, due to default of both the loans, the respective accounts have been declared to be Non Performing Accounts resulting into invoking of the provision of SARFAESI Act by Central Bank of India.

By filing the present petition, the prayer is for setting aside the auction notice dated 22.11.2018 (Annexure P-3) whereby, it is alleged that the mortgaged property is sought to be sold much below the market price.

After hearing learned counsel for the petitioner, no case for invoking the writ jurisdiction is made out. As per the valuation report dated 28.7.2017 (Annexure P-1), admittedly the estimated total value of the land plus building was ascertained to be Rs.81.56 lacs. The valuation report further records as under:

Present market value of the above property in the condition with aforesaid specifications I	Rs.81.56 Lac	Rs. Eight one Lac & Fifty Six Thousand only
Realizable Value of the Property	Rs.73.01 Lac	Rs.Seventy Three Lac only
Distress value of the above property is	Rs.65.00 Lac	Rs.Sixty Five Lac only

We find that in the impugned notice (Annexure P-5), the reserve price fixed for the auction to be held on 05.12.2019 is notified as Rs.60 lacs. The plea that the Bank is proceeding to sell the property much below the market value is absolutely misconceived at this stage since auction is yet to take place. In the face of the valuation report itself acknowledging that the distress sale value would be around Rs.65 lacs, that too, in the year 2017, the fixing of the reserve price in the present financial scenario, thus, cannot even be presumed as, in any manner, be prejudicial to the interest of the petitioner defaulter.

In view of the above discussion, this writ petition is dismissed being devoid of any merit.

(JASWANT SINGH)
JUDGE

(SANT PARKASH)
JUDGE

04.12.2019
rajeev

Whether speaking/reasoned **Yes/No**

Whether reportable **Yes/No**