

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

210

**CWP No.8102 of 2020
Date of Decision: 18.12.2020**

DEEPIKA SETH

.....Petitioner

V/S

PUNJAB NATIONAL BANK

.....Respondent

**CORAM: HON'BLE MR. JUSTICE JASWANT SINGH
HON'BLE MR. JUSTICE SANT PARKASH**

Present: Mr.Vaibhav Sharma, Advocate for Petitioner.

Mr. H.S. Bhatia, Advocate For
Mr. R.S. Bhatia, Advocate for Respondent-PNB.

SANT PARKASH J.

The instant writ petition has been filed under Article 226 of the Constitution of India praying for issuance of a writ in the nature of mandamus directing the respondent-Bank to decide one time settlement proposal dated 28.02.2020 (Annexure P-9), prior to auctioning the collateral security, as well as to stay the auction of residential house which is the collateral security of the loan account of petitioner's firm.

The petitioner is the partner in a firm by the name of M/s D.H. Imports, which was employed in the import of materials such as cement, gypsum etc from Pakistan, for further sale in India. The Oriental Bank of Commerce (before being merged into Punjab National Bank w.e.f.01.04.2020), sanctioned a cash credit facility in favour of the aforesaid

firm with a limit of Rs.1.5 Crore on 31.03.2017. In order to secure the loan, the residential house located at Plot No.48-49, Village Kambo, Abdai, Golden City, Ajnala Road, Amritsar owned and occupied by the petitioner, her husband Mr. Hitesh Seth, their 2 years old daughter and Kali Charan Seth, was provided as collateral. On 30.09.2019, the Bank classified the account of Petitioner's firm as Non-Performing Asset (NPA) since the total outstanding to the Bank had crossed Rs.1.5 Crore and stood at Rs.1,53,12,451.13. On 01.10.2019, the respondent-Bank issued recall notice under Section 13(2) of the Securitization And Reconstruction of Financial Assets And Enforcement of Security Interest Act, 2002 without affording any opportunity to the petitioner's firm to come out of the NPA status. The petitioner's firm deposited a sum of Rs.4.71 Lakh within the next few days and the outstanding as on 29.11.2019 was reduced to Rs.1,49,99,281.31. Despite that the Bank issued a possession notice taking the symbolic possession of the residential house which had been placed as collateral vide possession notice dated 13.12.2019 (Annexure P-7). The bank on 03.02.2020 (Annexure P-8) issued auction notice for the aforesaid residential property with the reserve price of Rs.1.3 crore and fixed the date as 09.03.2020, for auction.

During the course of arguments, learned Counsel for the petitioner has stated at bar that the parties have arrived at an amicable settlement under the OTS Scheme dated 26.11.2020 and as such the present appeal has been rendered infructuous.

The aforementioned fact has been fairly conceded by learned counsel for the respondent.

In view of the above, the present appeal is disposed of as having intended being infructuous. However, the parties shall remain bound by the terms & conditions of the aforesaid One Time Settlement, dated 26.11.2020.

(JASWANT SINGH)
JUDGE

(SANT PARKASH)
JUDGE

18.12.2020
Vandana/Avin

Whether Speaking/reasoned:	Yes/No
Whether Reportable:	Yes/No