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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 3184/2020, CM APPL. 11067/2020

ESTOCORP(INDIA) PVT LTD. & ANR. .....Petitioners

Through: Mr. Abhinav Vashisht, Senior Advocate with Mr. Kunal Mimani, Mr. Amar Gupta, Mr. Divyam Agarwal, Ms. Pallavi Kumar and Ms Priya, Advocates alongwith petitioner no. 2.

versus

STATE BANK OF INDIA ..... Respondent

Through: Mr. S.L. Gupta, Advocate.

CORAM:
HON'BLE MR. JUSTICE NAJMI WAZIRI

<u>O R D E R</u>

% 21.05.2020

1. The hearing was conducted through video conferencing.
2. The learned counsel for the SBI submits that the petitioner utilised the monies lent to it and should have repaid large amount of the same in terms of its letter dated 20.09.2019. The statement in the letter has not been honoured.
3. The petitioner contends that it was unable to do so because of the worldwide pandemic situation already having taking a toll in the export market. Be that as it may, the petitioner has offered to clear the entire outstanding amount, of roughly Rs. 4.07 crores, within a period of nine months which would translate to approximately Rs. 45 lakh per month. The first tranche is to be paid before 30.06.2020. Mr Abhinav Vashisht, the learned Senior Advocate, states that the Bank

may immediately appropriate and adjust the Rs.10 lakh lying in the Savings Bank Account of the petitioner's Director, as a matter of first part-repayment and of re-assurance of the petitioner's commitment to repay the dues. The remaining, Rs.35 lakh of the first instalment, shall be paid by 30.06.2020. The learned counsel for the Bank submits should the petitioner not be able to honour the aforesaid offer of re-payment; the Bank should have the freedom to sell the property which has been offered as security to recover its dues.

4. The learned Senior Advocate for the petitioner, submits that the company has been in export business for over 30 years and has a very good credit profile. He further submits that, the portioner has not defaulted with SBI, which has been kept in the loop of all the financial transactions i.e. of monies coming into the SBI account after liquidation of LC transaction, etc. Therefore, if the petitioner is able to show that he has largely kept up with the present schedule of offer of monthly repayment of roughly Rs. 45 lakh or more, the banker may not necessarily insist on proposing to sell-off the secured properties, should there be a minor default or discrepancy.
5. The SBI may revisit the issue at a subsequent stage, subject to its satisfaction about the conduct of the petitioner apropos his repayment of the monies in the next four months.
6. In view of the above, the SBI agrees to unfreeze the company and Director's accounts and transfer Rs.10 lakh from the said account into the loan account. As a sequitur to the above, the petitioner shall not be treated as an NPA. After 30.09.2020, SBI may review the situation, depending upon the petitioner honouring its commitment, as recorded

hereinabove.

7. In view of the above, the learned counsel for the respondent Bank states that they will not take any further action in terms of their letter dated 23.04.2020, till they review the position after September, 2020.
8. The learned counsel for the petitioner submits in an effort to liquidate the entire amounts in one-go, instead of waiting for nine months, it may explore to dispose-off one of the pledged properties. Should that situation arise the petitioner would coordinate with the Bank and seek the latter's prior permission.
9. The petition stands disposed-off in terms of the above.
10. The order be uploaded on the website forthwith. Copy of the order be also forwarded to the counsel through email.

NAJMI WAZIRI, J

MAY 21, 2020/kb