IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH.

CWP No.3229 of 2021(O&M)

Date of Decision:-22.02.2021

M/s Bhai Industries & Ors.

......Petitioners.

Versus

Punjab National Bank & Ors.

......Respondents.

CORAM:- HON'BLE MR. JUSTICE JASWANT SINGH
HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present:- Mr. Ashish Gupta, Advocate for the Petitioner.

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JASWANT SINGH, J.(ORAL)

[The aforesaid presence is being recorded through video conferencing since the proceedings are being conducted in virtual court]

Petitioner No.1 is a private limited flour Mill while petitioners no.2 & 3 are its Managing Director and Director respectively. Petitioner No.1 company obtained Cash Credit Limit, Working Capital Turn Loan and Funded Interest Term Loan amounting to Rs.7.22 Crores from respondent-Punjab National Bank.

It is averred that due to complete lockdown in March 2020 in the wake of COVID-19, petitioners suffered huge losses as the debtors delayed the payment to them. It is case of the petitioners that they have paid interest upto February 2020 to the respondents-Punjab National Bank. Vide letter dated 22/6/2020 Annexure P-4 respondent

Bank called upon the petitioners to pay the entire outstanding amount of Rs.7,49,81,629.70/- as their loan account had been classified as NPA on 10.06.2020 due to non servicing of interest for more than 90 days. Unable to pay the said outstanding amount petitioners approached respondent-Bank with a request not to declare their account as NPA but to no avail. Thereafter respondent-Bank served notice under Section 13(2) of the SARFAESI Act (**P-9**) dated 16.7.2020 followed by notice under Section 13(4) dated 17.9.2020. Ultimately mortgaged property of the petitioners was put to auction vide notice dated 17.12.2020 Annexure **P-11**. However, the auction could not materialise as the respondent Bank was unable to fetch a buyer and thereafter the auction was slated for 11.2.2021. Hence the present writ petition under Article 226 of the Constitution *inter alia* for setting aside the letter dated 22.6.2020 Annexure **P-4** and to drop the proceedings under the SARFAESI Act.

Notice of motion is yet to be issued, however, during the course of hearing on 11.02.2021 counsel for the respondent-Bank was directed to seek instructions with regard to upgradation of NPA accounts upon deposit of the amount overdue as on 28.02.2021 along with providing adequate drawing power in the Cash Credit Limit Account.

At the time of hearing today, learned Counsel for the petitioners states that the business of the petitioner-company has been closed thus there is no question of upgradation of its NPA Account. He further seeks permission to withdraw the present writ petition with liberty to avail alternative remedy in accordance with law.

Dismissed as withdrawn with aforesaid liberty.

(JASWANT SINGH)
JUDGE

(JASGURPREET SINGH PURI)
JUDGE

February 22, 2021
Vinay

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