IN THE HIGH COURT OF ORISSA AT CUTTACK
W.P. (C) No. 3901 of 2013

M/s. East India Steels Limited, Industrial Area, Rourkela .... *Petitioner*

None

-versus-

Chief General Manager State Bank of India, Bhubaneswar & Others .... *Opposite Parties*

Mr. Himanshu Pattnaik,
Advocate for Bank

CORAM:
JUSTICE JASWANT SINGH
JUSTICE M.S. RAMAN

ORDER (Oral)
06.07.2022

Order No.

05. **1.** This matter is taken up by virtual/physical mode.

2. With the prayer to quash the decision as communicated vide letter No. SAMB/BBSR/05/1094 dated 14th January, 2013 declining to accede to the request to rehabilitate, the Petitioner approached this Court in the afore-noted writ petition. Placing reliance on the guidelines vide circular No. PCB.POT.01/09.09.01/2002-03 dated 19th July, 2019 issued by the Reserve Bank of India qua sick small scale industrial units for rehabilitation, the Petitioner has stated to have approached the Bank with the representations which are at Annexure-1 series.

3. Perusal of Annexure-3, i.e., impugned decision communicated vide letter dated 14th January, 2013 transpires that the Bank had extended sufficient opportunity by enhancing the working capital limit, yet the Petitioner-Company failed to infuse funds. Therefore, the Opposite Parties-Bank expressed its inability to rehabilitate Company.

4. This Court having considered the averments, issued notice to the Opposite Parties-Bank vide order dated 11th April, 2013. On 19th April, 2022, when the matter is taken up Mr. Himanshu Pattnaik, counsel for the Bank sought for adjournment to enable him to file reply. Accordingly, today a counter affidavit on behalf of the Opposite Parties came to be filed in the Court.

5. None appeared for the Petitioner.

6. In the aforesaid counter affidavit, the counsel for the Bank has submitted that the loan accounts of the Petitioner-Company, defaulting borrower, have been classified as Non-Performing Assets on 19th October, 2012. Having failed to liquidate the outstanding dues of the Bank after availing sufficient opportunity, the State Bank of India, Stressed Assets Management Branch (SAMB), Bhubaneswar recalled the dues and sought enforce of the secured asset by invoking provisions of the SARFAESI Act, 2002. The demand notices under Section 13(2) of the SARFAESI Act, 2002 issued to the borrowers/guarantors on 18th January, 2013 remained unattended to, for which the possession notice under Section 13(4) of the SARFAESI Act, 2002 was issued on 29th March, 2013. Subsequently, the Bank sold the secured assets. It is also submitted by the counsel for the Opposite Parties that the Bank has approached learned Debts Recovery Tribunal, Cuttack under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 vide Original Application No.153 of 2013, which is pending adjudication as on date.

7. Counsel for the Opposite Parties, therefore, submitted that the matter having been duly considered by the Bank and secured assets having been sold since long, no cause of action does survive.

8. In view of the above, the writ petition has been rendered infructuous, hence dismissed.

Issue urgent certified copy as per rules.

(Jaswant Singh)
Judge

(M.S. Raman)
Judge

Laxmikant July 6th, 2022
Cuttack