IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 5410 OF 2022

Suyog Development Corporation Unit 12 LLP ...Petitioner
Versus
Bank of Baroda & Anr. ...Respondents

Dr. Abhinav Chandrachud i/b Kayval Shah for the Petitioner.

Mr. Animesh Bisht a/w Ms. Saloni Kapadia, Karan Sanghani, i/b Cyril Amarchand Mangaldas for the Respondent No.1.

CORAM : REVATI MOHITE DERE &
MADHAV J. JAMDAR, JJ.
DATED : 29th APRIL 2022

P.C. :

1. Heard learned counsel for the parties.

2. By this petition, the petitioner seeks the following substantive reliefs:-

"(b) this Hon'ble Court be pleased to issue writ of mandamus or any such appropriate writ, order and/or direction thereby directing the Respondent bank to grant a period of 30 days to

clear the entire outstanding loan of the Respondent Bank;

(c) this Hon'ble Court be pleased to issue writ of mandamus or any such appropriate writ, order and/or direction thereby refraining the Respondent Bank from classifying the loan account of the Petitioners as 'NPA' and further refraining the Respondent Bank from freezing the operations of the Petitioners Account;"

3. Learned counsel for the petitioner submits that the petitioner is ready to file an undertaking in this Court stating therein, that they would clear the entire outstanding loan of the respondent No.1-Bank alongwith interest, within 30 days from today.

4. The apprehension of the learned counsel for the petitioner is that if the petitioner does not pay the outstanding loan of the respondent no.1-Bank, by 30th April 2022, the respondent-Bank will classify the petitioner's loan account as 'NPA' and that the respondent-Bank would further freeze the operation of the petitioner's account.

5. Learned counsel appearing for the respondent-Bank states, that if the petitioner does not pay the amount by 30th April 2022, the petitioner's loan account will come under the category 'SME 0' and after the said account is

classified as ‘SME 0’; after 90 days, the petitioner’s account will be declared as ‘NPA’. He further submits that during the said period i.e. the period of 90 days, the petitioner’s account cannot be freezed. Statement accepted.

6. Accordingly, the petitioner to file an undertaking in the Registry of this Court, that they will clear the entire outstanding dues of the respondent-Bank alongwith interest, within 30 days from 29th April 2022. The said undertaking to be filed by the petitioner in the Registry within one week from today. Copy of the said undertaking to be furnished, on the learned counsel for the respondent-Bank.

7. In view of the statement made by the learned counsel for the respondent-bank, that the petitioner’s account after 30th April 2022 will be declared as ‘SME 0’ and not as `NPA’ and the statement that the account will not be freezed for 90 days, after it is declared as SME 0; no orders as prayed for are required to be granted.

8. Considering the statement made by the learned counsel for the petitioner, on instructions, as stated aforesaid, we permit the petitioner to operate the bank account for paying all statutory dues, taxes, salaries, wages, payments to contractors, for meeting day today expenses, and also for servicing its debt to the Bank of Baroda.

9. We accept the undertaking of the petitioner conveyed through the learned Counsel, that the petitioner will clear the entire outstanding loan of the Bank of Baroda, with interest, within 30 days from today. Accordingly, till such time, the dues of the respondent-Bank are cleared, we do not permit the utilization of this bank account, for making any cash withdrawals or personal payments to any of the directors of the petitioner company. The Bank of Baroda, if required, to lift the classification of 'NPA' if applied to the petitioner's account, and permit operations in the foregoing terms, for a period of 30 days.

10. Needless to state, that if the petitioner fails to abide by his undertaking, it is open for the respondent-Bank to take appropriate steps in accordance with law.

11. The petition is disposed of in the aforesaid terms.

12. All concerned to act on an authenticated copy of this order.

MADHAV J. JAMDAR, J. **REVATI MOHITE DERE, J.**