

**IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH.**

CWP-33386-2019

Date of Decision:-22.03.2022

Sudershan Verma & Anr.

.....Petitioners.

Versus

Union of India & Ors.

.....Respondents.

**CORAM:- HON'BLE MR. JUSTICE M.S. RAMACHANDRA RAO
HON'BLE MR. JUSTICE JASJIT SINGH BEDI**

Present:- Ms. Seema Pasricha, Advocate for the Petitioners.

Mr. Rajnish Kumar Jindal, Advocate for respondent nos.2 to 4.

M.S. RAMACHANDRA RAO, J.(ORAL)

In this writ petition petitioner has challenged the action of the respondent no.2-Bank in assigning the petitioner's loan account to respondent nos.3 & 4 under the assignment agreement dated 08.04.2015. Such assignment was admittedly being made by the respondent no.2 to respondent nos.3 & 4 in exercise of rights conferred on it under Section 5(1)(b) of the SARFAESI Act, 2002. Clause-1 of Section 5 states as under:-

(1) Notwithstanding anything contained in any agreement or any other law for the time being in force, any securitisation company or reconstruction company may acquire financial assets of any bank or financial institution-

(a) by issuing a debenture or bond or any other security in the nature of debenture, for consideration agreed upon between such company and the bank or financial institution, incorporating therein such terms and conditions as may be agreed upon between them; or

(b) by entering into an agreement with such bank or financial

institution for the transfer of such financial assets to such company on such terms and conditions as may be agreed upon between them.

A perusal of the above clause shows that there is no restriction on the right of the bank or financial institution to transfer an asset (loan) to a reconstruction company. Therefore, the relief sought by the petitioner with regard to declaring as illegal by assignment of the petitioner's loan to respondent nos.3 & 4 cannot be granted and to that extent the prayer in the writ petition is rejected.

The other prayer in the writ petition is with regard to direction to be given to the respondent no.2-Bank to settle the loan account as per the OTS date given. Once the loan of the Petitioner with respondent no.2 has been assigned to respondent nos.3 & 4 vide assignment agreement dated 08.04.2015, the petitioner will have to approach the respondent nos.3 & 4 for an OTS and any request made to the respondent no.2-Bank in 2012 will not survive. Therefore, granting liberty to the petitioner to approach the respondent nos.3 & 4 seeking OTS, the writ petition is disposed of.

Any representation made by the petitioner for OTS shall be considered by the respondent nos.3 & 4 in accordance with law within four weeks from the receipt of such a representation and decision taken thereon shall be communicated to the petitioners.

Writ petition is disposed of.

No costs.

(M.S. RAMACHANDRA RAO)
JUDGE

(JASJIT SINGH BEDI)
JUDGE

March 22, 2022

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<i>Whether speaking/reasoned</i>	<i>Yes/No</i>
<i>Whether reportable</i>	<i>Yes/No</i>