IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

123

CWP-7949-2024
Date of Decision:- 19.12.2025

INDIAN BANK

....Petitioner(s)

Versus

THE DISTRICT MAGISTRATE SIRSA AND OTHERS

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY

Present:- Mr. Sanjiv Gupta, Advocate (arguing counsel)
Mr. Krishnam Gupta, Advocate for the petitioner.

Mr. Neeraj Gupta, Additional A.G. Haryana.

Mr. Harkirat S. Jagdev, Advocate for respondents No.4 to 12.

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SHEEL NAGU, C.J. (Oral)

1. The present writ petition has been filed by petitioner-Bank seeking execution of the order dated 06.07.2022 (Annexure P-3) passed by the District Magistrate, Sirsa under the provisions of Section 14 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act for brevity).

2. This Court, on the last occasion i.e. 30.09.2025, had adjourned the matter and directed the Bank to seek instructions on the contention raised by learned counsel for respondents No.4 to 12/borrowers that a request had been made before the Bank for revival of the One-Time Settlement (OTS) proposal on 27.08.2025.

3. A bare perusal of the e-mail dated 01.09.2025 sent by the petitioner-Bank, in response to the letter dated 27.08.2025 of the borrowers seeking revival of OTS proposal reveals that there were certain terms and conditions for which a written undertaking was required to be given by the

borrowers. However, instead of submitting the requisite undertaking to comply with the conditions subject to which the Bank had proposed to consider the request for revival of OTS proposal, the borrowers vide e-mail dated 03.09.2025 (page 46 of the paper-book) reiterated their earlier proposal made by letter dated 27.08.2025 (page 44 of the paper-book), which contained slightly different terms and conditions, and that too without any undertaking.

4. Therefore, it is clear that the borrowers failed to comply with the condition by not submitting the requisite undertaking and consequently, the OTS proposal remained only a proposal and no agreement was entered into between the parties.

5. Furthermore, it is rather surprising that District Magistrate, Sirsa or the concerned Naib Tehsildar, (Respondent No.2) have failed to discharge their statutory duty of assisting and handing over physical possession of the secured asset to the petitioner Bank.

5.1 Non-Performing Assets (NPAs) are a huge burden on the public exchequer, banking and financial system, and, thus, prompt enforcement of recovery mechanism under the SARFAESI Act is paramount for liquidity in the system.

6. In view of the above, this Court by way of writ of mandamus directs Respondents No.1 to 3 to execute the order dated 06.07.2022 (Annexure P-3) passed under Section 14 of SARFAESI Act by handing over physical possession of the secured asset to the petitioner-Bank as expeditiously as possible, preferably, within a period of 30 days. The petitioner-Bank, thereafter, can proceed to adopt all possible legitimate means to liquidate the secured asset to recover the due amount.

7. The petition for the time being stands disposed of in the terms aforesaid. Needless to say that the guidelines laid down by Coordinate Bench in ***Bank of Maharashtra Vs. District Magistrate, Hisar And Others*** **[**CWP-7018-2022 decided on 28.05.2024] be adhered to by the concerned authorities.

8. We hasten to add that this order shall however be subject to any restraint/interim/final order which may have been passed by any judicial forum, in favour of the borrowers/guarantor/any aggrieved person, who is party to this *lis*.

9. Respondents No.2 is directed to file a compliance report before the Registry of this Court within 45 days from the date of passing of this order. The Registry shall ensure that, in case any deficiency is found in the compliance report so filed, the matter be placed before the appropriate Bench on the judicial side under IOIN category.

10. Before parting, the petitioner-Bank is directed to refund the upfront amount deposited by the borrowers in terms of the decision of the Apex Court in the case of ***'M/s Kut Energy Pvt Ltd. and Others Vs. Authorized Officer, Punjab National Bank and Others' (Civil Appeal Nos. 6016-6017 of 2019 dated 20.08.2019).***

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

19.12.2025
S.Sharma

i)	*Whether speaking/reasoned?*	*Yes/No*
ii)	*Whether reportable?*	*Yes/No*