



CWP-15255-2022 (O&M)
Date of decision: 12.08.2025

2. The challenge herein is to the order passed by the District Magistrate, Gurdaspur, under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (in short, 'SARFAESI Act'), primarily on the ground that the guidelines issued by the Reserve Bank of India in respect of MSME units have not been

adhered to by the respondent-bank while proceeding against the petitioners under the SARFAESI Act.

3. Learned counsel for the respondent-bank does not dispute that a request had been made by the petitioner for One Time Settlement (OTS). The respondent-bank has approved the said OTS offered to it by the petitioner on 06.12.2024, by issuance of letter dated 05.03.2025. The period of compliance of the One Time Settlement by the petitioner is given as six months from the issuance of letter dated 05.03.2025.

4. Learned counsel for the petitioners submits that the terms and conditions of the OTS are being complied with by the petitioners.

5. In view of the subsequent developments, the Court declines interference on merits and relegates the petitioners to work out the OTS within a period of six months and in case, the OTS does not work out or the petitioner defaults by not following any terms and conditions of the OTS latest by 30.09.2025, the respondent-bank is free to take all possible lawful coercive steps permissible under the SARFAESI Act, while the petitioners shall also be free to take recourse to available remedies as per law.

6. Present petition stands disposed of accordingly.

**(SHEEL NAGU)
CHIEF JUSTICE**

**(SANJIV BERRY)
JUDGE**

12.08.2025

Ajay Prasher

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No