05.03.2026
Court No. 12
Item No. 03
Sandip

IN THE HIGH COURT AT CALCUTTA
CIVIL APPELLATE JURISDICTION
APPELLATE SIDE

M.A.T. 225 of 2026
IA No : CAN 1 of 2026

M/s Ace Graphics Trade Private Limited, represented by its proprietor & Anr.
-Versus-
State of West Bengal & Ors.

Mr. Siddhartha Banerjee,
Mr. Dhiman Kr. Sengupta,
Mr. Debasis Karmakar,
Ms. Farhin Mustak,
Mr. Rabindra Mitra,
Mr. Anjan Bhandari
.....for the appellants
Mr. Manas Kundu,
Ms. Sucheta Banerjee
.....for the State
Mr. Anirban Pramanick,
Mr. Punarbasu Nath,
Ms. Bhagyasree Dey
....for the respondent bank.

1) The order under challenge does not appear to be erroneous.

2) By the order dated January 20, 2026 passed in W.P.A. 26519 of 2025, the learned Single Judge permitted the bank to take possession of the mortgaged property with the help of the police, upon recording that the settlement had failed. The petitioner is the borrower. However, some breathing time was given to the petitioner to settle the matter with the bank.

3) The writ petitioner was the State Bank of India. The writ petition had been filed for implementation of an order passed under Section 14 of the Securitization and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as the said Act),

4) The specific case of the bank was that the police cost had also been deposited, but the bank could not to take possession of the property. It was further contended that OTS had failed. The appellants had not fulfilled their commitments. Thus, directions were sought from the writ court, for implementation of the order passed by the District Magistrate.

5) In the civil revisional application, the petitioners were permitted extension of time to pay the settlement amount and an arrangement was made. The revisional application was disposed of. A connected application was filed for extension of time and a direction was passed. The bank's categorical contention is that the payments were not made in due time and the entire sum was not paid. It appears that the writ court also granted opportunity to make payments before disposing of the same.

6) It is submitted by Mr. Banerjee, learned advocate for the appellants that payments were made, although time period may not have been adhered to.

7) In 2023, the parties had agreed that the dues would be settled at 40 lakhs. The appellants deposited 32 lakhs and failed to pay the rest. The writ petition was allowed by the learned Court, upon reserving the right to the

appellants to go back to the bank for further settlement and it was specifically recorded in the order impugned that the bank had lastly rejected the appellants' proposal on January 19, 2026. Although Mr. Banerjee submits that the observation of the learned Court that the O.T.S. had failed was incorrect, we do not agree with such submission. In paragraph 6 of the order, the court observed that the last rejection of the bank was on January 19, 2026. However, it was kept open to the parties to enter into further terms and conditions as may be mutually agreed, if the appellants once again approached the bank. The pendency of the connected application in the civil revisional application can neither be an impediment towards disposal of the writ petition nor a hindrance on the part of the bank to take possession. His Lordship was considering whether the bank could take possession of the secured asset, in view of the failure of one time settlement.

8) In the revisional application, the following directions were given :

> *"Having considered the rival contentions of the parties, this Court passes the following order :-*
>
> *a) The entire amount of Rs. 40,00,000/- shall be liquidated within six months.*
>
> *b) The petitioners have the option of paying in equal instalments or in case there is any deficit in a particular month, the said deficit amount shall be paid with the insalment of the following month.*

c) Every month, some amount will have to be paid towards this Rs. 40,00,000/-, which shall not be below Rs. 3,00,000/-.

d) No month should go by without any payment.

e) In case of default in payment on any month, the bank shall be at liberty to proceed with the SARFAESI proceedings, without any reference to any court.

Under such circumstances, the order impugned is set aside with the abovementioned direction.

Accordingly, the revisional application is disposed of.

All the proceedings pending from the SARFAESI action taken by the bank including S.A. 409 of 2022, which is pending before the DRT-II, Kolkata stand disposed of.

The actions taken by the bank so far, is not interfered with but the bank shall not proceed until the arrangement made hereinabove is concluded, except in case of default of any of the terms stated hereinabove."

9) The bank was also permitted to proceed in case of default of the above directions. Subsequently time was extended, but the appellants are not in a position to demonstrate that the directions passed in the application or in the civil revision were complied with. Also opportunities were given by the learned Trial Judge.

10) We do not interfere with the order impugned. Implementation of the direction of the District Magistrate under Section 14 of the Securitization and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002, is permissible in law. The District Magistrate is permitted to aid and assist the secured creditor to take possession of the secured asset, with the help of the police. The appellants have already been granted liberty to move the bank. It is expected that the bank will be reasonable in its approach and the parties may settle the dues within May 10, 2026. The appellants will approach the bank within seven days from date.

11) The order of the District Magistrate dated August 02, 2021 shall not be executed within 10th May, 2026. If the settlement is not arrived at within such time, the bank will take possession with police help. If the settlement is arrived at, the order will automatically lose its validity.

12) Accordingly, M.A.T. 225 of 2026 and the connected application are disposed of.

13) Urgent photostat certified copy of the order, if applied for, be given to the parties, upon usual undertakings.

(Shampa Sarkar, J.)

(Uday Kumar, J.)