Item No.2
03.07.2026
Court. No. 12
GB

MAT 1063 of 2026
With
CAN 1 of 2026

Murad S. Mahmood
VS
The State of West Bengal & Ors.

Mr. Siddhartha Banerjee,
Mr. Dhiman Kumar Sengupta,
Ms. Farhin Mustaque
... for the Appellant.
Ms. Susmita Saha Dutta, Ld. AGP.,
Ms. Tanusree Ghosh
... for the State.
Mr. Anirban Pramanick,
Mr. B. Dey
... for the Respondent Nos.5 & 6.

1. The appeal arises out of an order dated June 25, 2026, passed in WPA 13265 of 2026. The learned Single Judge rejected the prayer of the appellant for a direction upon the bank to consider the offer for settlement. His Lordship directed that the State respondents and the Officer-in-Charge, Beniapukur Police Station to implement the order passed by the District Magistrate under Section 14 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (in short 'SARFAESI Act').

2. Upon going through the facts, His Lordship came to a, prima facie, conclusion that the appellant had all the traits of a bank dodger and had successfully managed to frustrate the SARFAESI proceeding. The conduct of the

appellant was reprehensible and did not deserve any discretion.

3. The inaction of the police authorities in implementing the order of the District Magistrate amounted to showing undue benevolence to the appellant, according to His Lordship.

4. Mr. Banerjee, learned advocate for the appellant submits that the appellant is willing to offer a further sum of Rs.45,00,000/- and that the appellant is ready with the cheques in Court. He prays that the bank may be directed to consider the final offer made in Court today.

5. Mr. Pramanick, learned advocate for the State Bank of India submits that the appeal should not be entertained, as the appellant has continuously embroiled the bank in litigations, only to avoid payment of the dues. Reference is made to an earlier order of the Division Bench, presided over by one of us (Shampa Sarkar, J.) in support of the contention that the matter had reached finality when MAT 255 of 2026, had been disposed of. Reference is made to paragraphs 10 and 11 of the said order which are quoted below:-

> *"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."

6. Mr. Banerjee submits that the Division Bench had observed that the bank should have a reasonable approach. In the instant case, the bank had mechanically rejected the offer of the appellant, without indicating the amount to which the bank was would be agreeable.

7. We find from the communications of the appellant, that on May 27, 2026 and June 3, 2026, fresh proposals were made. First offer was for payment of an additional amount of 30,00,000/- and the same was enhanced to 32,00,000/- in the second proposal. The bank on the other hand, by a communication dated June 12, 2026, rejected the proposals on the ground that the concessions and the extension of time to pay up the proposed amount, could not be allowed. The bank expressed its unwillingness to wait indefinitely and

defer recovery of public money, merely on the assurances of the appellants, Moreover, the bank took a serious view of the repeated failure of the appellants to pay up the dues.

8. We find that the onetime settlement which was agreed to between the parties some time in 2023, was 40,00,000/-. The matter travelled to the High Court in a civil revision. An opportunity was given by the Bench to pay up the money, by extending the time. The payment was to be made within six months and also in instalments. Payment of 32,00,000/- was made, but 8,00,000/- remained unpaid for a long time. The bank proceeded under Section 14 and was favoured with an order by the District Magistrate to take over possession.

9. Thus, in our view, the earlier OTS had lost its force. Thereafter, the order of the District Magistrate was challenged in a writ petition. The writ Court did not interfere with the order but, granted liberty to the appellant to approach the bank with an offer. Such order was challenged before the Division Bench and an order was passed on March 5, 2026. The relevant portions of the order are quoted below for convenience:-

> *"8) In the revisional application, the following directions were given :*
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> > *"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."

10. Again, the appellant made some offers. The appellant has adopted a bargaining technique. After the order of the Division Bench, the appellant offered 30,00,000/-, thereafter 32,00,000/- and now has offered 45,00,000/-. The multiple opportunities which were given to the appellant, have not resulted in any fruitful settlement. The bank submits that, on account of the

delay in payment of the dues, the amount payable with interest is more than 1 crore.

11. The offers of the appellant were not acceptable to the bank. The appeal is from the validity or legality of an order passed by the District Magistrate under Section 14 of the SARFAESI Act. The conduct of the appellant has been noted by the learned trial Judge. There are factual findings, which cannot be interfered with in an intra court appeal.

12. Under such circumstances, in the absence of any illegality either on the part of the bank or any perversity in the order impugned before us, we are not in a position to interfere with the order impugned. We are also not in a position to ask the bank to accept the offer made by the appellant today, in Court. The bank is empowered by law to take steps with regard to the NPA and the bank is also free to accept any offer by arriving at a onetime settlement, on its own terms and conditions.

13. Accordingly, the appeal and the application are dismissed.

14. The writ petition will be decided on its own merits.

15. Parties are directed to act on the basis of the server copy of this order.

(Shampa Sarkar, J.)

(Smita Das De, J.)