**Item No.4**
15.06.2026
Court. No. 12
*GB*

MAT 1784 of 2022
With
CAN 1 of 2022
With
CAN 2 of 2023

Punjab National Bank & Anr.
Vs.
JMV Polymer Limited & Anr.

*Mr. Mainak Bose, Sr. Adv.,*
*Mr. Onkar Ganguly,*
*Mr. Ayanabha Raha*

*... for the Appellants.*

1. Affidavit-of-service filed in Court today, is taken on record.
2. Despite service, none appears on behalf of the respondents.
3. Liberty is granted to cure the defect.
4. The Bank is the appellant. This appeal arises out of a judgment and order dated September 20, 2022 in WPA 15438 of 2022.
5. By the judgment impugned before us, Her Lordship had restrained the bank from taking any further step in terms of three notices under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 dated April 28, 2021, June 2, 2021 and June 15, 2022. The bank was further restrained from making necessary publications in the newspapers.
6. The bank was further directed to revisit its decision of dropping the restructuring proposal of the respondent

no.1 in respect of the outstandings against the the loan availed of from the said bank.

7. The respondent no.1 was also directed to provide all necessary information to the bank and comply with the required conditions for reconsideration by the bank. The respondent no.1 is a Micro, Small and Medium Enterprise (MSME). The writ petition was filed upon placing reliance on a circular of the Reserve Bank of India dated May 5, 2021 issued to all commercial banks and non-banking financial companies for restructuring of the loans during the COVID 19 pandemic.

8. Her Lordship found that the process of consideration of restructurization was going on. Fees were deducted from the account of the respondent no.1 and thereafter, suddenly the process was dropped. Her Lordship found contrary stand of the bank and recorded the undisputed facts as below:-

> *"a) Bank responded to the petitioners' invocation for restructuring under the RBI Circular on 22.6.2020 and approved sanction of the proposal for enhancement of the existing overall cash credit limit and other measures. The terms of sanction was enclosed with the Bank's letter of 22.6.2020.*
>
> *b) The Terms also include Processing and Review charges of the Bank for restructuring requested by the petitioners.*
>
> *c) The Bank deducted Review Charges on 25.3.2021 from the accounts of the petitioners which is reflected from the statement period from 1.4.2020 – 31.3.2021.*
>
> *d) The Bank issued the first notice under section 13(2) of the 2002 Act on 28.4.2021*

> *stating that the accounts of the petitioners have been classified as NPA on 23.3.2021.*
> *e) A second notice under section 13(2) was issued by the bank on 2.6.2021.*
> *f) A third notice under section 13(2) was issued on 15.6.2022.*
> *g) The Bank dropped the restructuring proposal by a letter dated 4.2.2022.*
> *h) The demand letters were published on 28.6.2022 in newspapers."*

9. Her Lordship found that after classification of the account as an NPA, the process of restructuring had been continued. Thus, Her Lordship observed that unless the restructuring was completed in accordance with the circular, the declaration of NPA was not proper. Thus, bank was asked not to act pursuant to the notices.
10. We do not find any illegality in the order impugned. The proposal for restructuring was dropped on the ground that adequate documents were not provided by the respondent no.1 to the bank. Her Lordship permitted further consideration upon documents being furnished.
11. However, we find from the document supplied by Mr. Bose, learned senior advocate for the bank that the order of Her Lordship was subsequently complied with, upon the respondent no.1 producing some documents. The proposal was re-considered, but restructuring was not permitted. The bank pointed out the laches. A letter to that effect was issued to the respondent no.1 on

March 28, 2023. The order of Her Lordship was complied with and the proposal had been revisited.

12. The bank also informed the respondent no.1 that it could not wait for an indefinite period, inasmuch as, huge public money was due and the respondent no.1 repeatedly failed to furnish the required documents. Thereafter, a demand notice under Section 13(2) of the SARFAESI Act was issued.

13. It is informed to us that the respondent no.1 has challenged the proceeding initiated by the bank before the learned Debts Recovery Tribunal by filing an application under Section 17 of the said Act.

14. Under such circumstances, nothing remains to be decided in the appeal. The proceeding before the learned Debts Recovery Tribunal shall continue independently.

15. The apprehension of Mr. Bose that the order impugned before us may influence the learned DRT is misconceived, inasmuch as, the writ proceeding was restricted to three notices and those notices were not quashed. The subsequent steps taken by the bank pursuant to the order of Her Lordship is not under challenge and as such, the correctness and validity of those steps taken by bank will be decided before the appropriate forum.

16. Accordingly, the appeal and the connected applications are disposed of.

17. We have not expressed any opinion on the merits of the proceedings initiated by the bank after compliance of the order of Her Lordship.
18. Urgent Xerox certified copy of this order, if applied for, be given to the parties upon compliance of all necessary formalities.

**(Shampa Sarkar, J.)**

**(Ajay Kumar Gupta, J.)**