**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**
**CIVIL APPELLATE JURISDICTION**

**WRIT PETITION NO. 11504 OF 2025**

**Ridham Synthetics Pvt. Ltd & Ors** … **Petitioners**

**V/s.**

**SVC Cooperative Bank Ltd. & Anr.** … **Respondents**

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Mr. Shadab Jan a/w Mr. Vinod Kothari & Mr. Kshitij Parekh i/b. Apex Law Partners for Petitioners.

Mr. Dinesh Purandare, Senior Counsel a/w Mr. Charles De'Souza and Mr. Nikhil Rajani i/b. M/s. V. Deshpande & Co. for Respondent No. 1.

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**CORAM : R.I. CHAGLA AND**
**FARHAN P. DUBASH, JJ.**

**DATE : 11TH NOVEMBER 2025**

**ORDER :**

1. The present Writ Petition has been taken out by the Petitioners seeking to quash and set aside the order dated 17th June 2025 **(impugned order)** passed by the Debts Recovery Tribunal-III, Mumbai **(DRT)** in Interlocutory Application No. 1793 of 2025 **(IA)** in Securitisation Application No. 157 of 2025 **(SA)**.

2. The SA filed by the Petitioners had sought to challenge the steps/proceedings initiated by Respondent No. 1 Bank under the SARFAESI Act, 2002 including *interalia* the order dated 11th February 2025 passed by

the District Magistrate, Thane under Section 14 thereof, appointing a Court Commissioner to take possession of Plot No. B-23 and B-24 (as per MIDC Consent – Plot No. PH-2-B-23 & B-24), admeasuring about 7,452 sq. mtrs., MIDC, Phase II situated in the Dombivali Industrial area within the village limits of Sagaon, within the limits of Kalyan Dombivali Municipal Corporation, Taluka and Registration Sub-District Kalyan, District and Registration District Thane along with all buildings/structures constructed thereon **(secured asset)** and the subsequent notice dated 10th March 2025 issued by the said Court Commissioner for taking possession of the secured asset on 27th March 2025. The Petitioners had preferred the said IA therein seeking interim reliefs including *interalia* deferment of possession of the secured asset by the said Court Commissioner.

3. By the impugned order dated 17th June 2025, the DRT noted its earlier order dated 26th March 2025 under which, possession of the secured asset was previously deferred on the assurance/undertaking of the Petitioners that they would deposit a sum of Rs. 1.50 Crores in three equal installments on 28th March 2025, 29th April 2025 and 21st May 2025. The earlier order had also directed the Petitioners to file an Undertaking to make the said payments and that it would settle the matter within 3 months *viz.* by end of June 2025 by selling one of its properties and paying the outstanding dues of Respondent No. 1 Bank which were stated (at that time) to be Rs. 61

Crores. The impugned order further notes that despite such indulgence that was previously granted and despite the Petitioners furnishing the said Undertaking dated 26th March 2025 to making such payment (as directed therein), not a single rupee/installment was paid/deposited by the Petitioners since 26th March 2025.

4. The impugned order then records the submission made by the Petitioners that the secured asset was a running factory which employed about 300 workers and if possession thereof was permitted to be taken by Respondent No. 1 Bank, their livelihood would be at stake. It also records the further assurance of the Petitioners that if time for making payment (as previously directed in the order dated 26th March 2025) was extended, they would deposit the amounts with Respondent No. 1 Bank. It appears that the DRT was impressed with the said arguments made by the Petitioners and despite noting the objections of Respondent No. 1 Bank that such arguments were also previously made at the time of passing of the earlier order dated 26th March 2025, (and despite such assurances, the Petitioners had already failed to keep their word) the DRT was pleased to grant the said extension, as requested by the Petitioners. Accordingly, the DRT restrained Respondent No. 1 Bank from taking possession of the secured asset notwithstanding the default on the part of the Petitioners in complying with the earlier order dated 26th March 2025 and the Undertaking dated 26th March 2025 given by

them on the ground that the Petitioners would deposit a sum of Rs. 22 Crores with Respondent No. 1 Bank within the timelines as agreed to by them (and more particularly recorded therein). In addition, by the impugned order, the DRT also directed the Petitioners to clear the entire outstanding of Respondent No. 1 Bank by 30th September 2025. The impugned order also directed the Petitioners to submit another Undertaking that they would comply with the revised timelines and make the deposit, as represented by them.

5. Being aggrieved by the impugned order dated 17th June 2025, the Petitioners preferred the present Writ Petition. Immediately upon filing thereof, the present Writ Petition was moved for urgent interim reliefs when an order dated 19th June 2025 came to be passed by this Court in favour of the Petitioners once again (and for the third time) extending the time to make the said payment (of Rs. 22 Crores, as more particularly directed in the impugned order) by a further period of 2 months. A perusal of the said order dated 19th June 2025 passed by this Court would reveal that yet again, the Petitioners had highlighted that more than 300 workers were employed in the factory, whose possession was sought to be taken by Respondent No. 1 Bank and which workers would lose their livelihood if this was permitted to be done. Upon such submissions being made, this Court was persuaded to grant a further extension of time to the Petitioners to make the deposit with

Respondent No. 1 Bank, which was required to be made from 28th March 2025 and which the Petitioners had conveniently neglected to do, since then.

6. However, whilst exercising its discretion and showing indulgence to the Petitioners, the said order dated 19th June 2025 records the statement made by the Petitioner's advocate (on instructions from them) that they would clear the entire outstanding dues of Respondent No. 1 Bank by 30th September 2025. Further, during this interregnum, the Petitioners were permitted to remain in possession of the secured asset and conduct their business from the said factory, merely as an agent of Respondent No. 1 Bank and upon the Petitioners executing the necessary Agency Agreement to that effect with Respondent No. 1 Bank that they would make the payments, as agreed and undertaken by them. The Petitioners were also directed to submit an Undertaking that they would make these payments/deposits within the prescribed timelines. On compliance with these conditions, the Petitioners were granted further time of two months from the date of the said order to deposit a sum of Rs. 14 crores.

7. The record reveals that the Petitioners have since, executed an Agency Agreement with the Respondent No. 1 Bank on 24th June 2025 and are in possession of the secured asset as an agent of Respondent No. 1 Bank. The said Agency Agreement also contains the necessary clauses whereby the Petitioners have undertaken to make the said deposits with Respondent No.

1 Bank within the prescribed timelines, as undertaken by them, and recorded in the said order dated 19th June 2025. The Petitioners have also filed the requisite Undertaking dated 21st June 2025 as directed therein.

8. Thereafter, it appears that, despite these repeated assurances and undertakings, the Petitioners were (yet again) unable to make the said deposit of Rs. 14 crores within the prescribed timelines. This prompted the Petitioners to take out Interim Application No. 11346 of 2025 in the present Writ Petition, yet again, seeking various reliefs including *interalia* extension of time to make the said deposit.

9. By an order dated 2nd September 2025, (once again and for the fourth time) the Petitioners were successful in securing an extension of time to make the deposits/payments to Respondent No. 1 Bank. A perusal of this order dated 2nd September 2025 would reveal that yet again, this Court was convinced to grant such extension to the Petitioners by showing indulgence to them only because the argument of the livelihood of 300 workers being at stake, was canvassed by them. As more particularly recorded in the said order, the Petitioners were directed to deposit a sum of Rs. 2 crores within a period of two weeks from the date of the said order to show their bonafides and thereafter directed to comply with the timelines that were provided in the Undertaking dated 21st June 2025. The Petitioners were also granted time till 30th September 2025 to repay the entire dues of Respondent No. 1

Bank and close the account and accordingly, the timelines that were earlier provided in the order dated 19th June 2025 were extended till 1st October 2025.

10. It appears that the Petitioners have failed to comply with the said order dated 2nd September 2025 and the Undertaking given to this Court and yet again, defaulted in making any payment to Respondent No. 1 Bank, let alone the first deposit of Rs. 2 crores, that they undertook to do within two weeks from the date of the said order dated 2nd September 2025 to show their bonafides.

11. On account of this failure, by a letter dated 24th October 2025, the Advocates of Respondent No. 1 Bank, by relying on the said defaults committed by the Petitioners, terminated the Agency Agreement that was executed by Respondent No. 1 Bank in favour of the Petitioners and accordingly, called upon them to forthwith vacate and handover vacant and peaceful possession of the secured asset alongwith the hypothecated machineries to them, within a period of seven days from the date of the said notice.

12. Today, Mr. Shadab Jan, learned Counsel appears on behalf of the Petitioners and informs this Court that after the passing of the last order dated 2nd September 2025, his client, Mr. Kamlesh Bafna, Petitioner No. 2 herein had passed away on 12th September 2025. He submits that as a result

of this bereavement, the Petitioners have been unable to comply with the said order passed by this Court and the Undertaking given by them and make any payment to Respondent No. 1 Bank. Once again, he seeks to highlight the plight of the 300 workmen employed by the Petitioners in the said factory and on that ground, seeks extension of time to make the outstanding payment to Respondent No. 1 Bank by selling some other property of the Petitioners (as was also suggested by the Petitioners and accepted by the DRT whilst passing the first order dated 26th March 2025).

13. Upon this request, Mr. Dinesh Purandare, learned Senior Counsel and Mr. Charles D'Souza, learned Counsel who appeared on behalf of Respondent No. 1 Bank vehemently opposed the same. They have painstakingly taken us through the various orders passed in the matter and which have been set out hereinabove. They vehemently submit that considering the repeated defaults committed by the Petitioners, no further indulgence ought to be given to them. It is submitted that on account of the latest defaults committed by the Petitioners, the Agency Agreement that was executed by Respondent No. 1 Bank in their favour has been terminated by them vide letter dated 24th October 2025 addressed through their Advocates and pursuant thereto, the Petitioners do not have any right to continue to remain in possession of the secured asset and as such, by continuing to remain in possession, the Petitioners are trespassing thereon.

14. This Court is further informed that since then, Respondent No. 1 Bank has already scheduled an auction of the secured asset, which is stated to take place on 11th December 2025 and in furtherance thereof, they have already planned to invite potential bidders to inspect the property/secured asset on two dates *viz.* 13th November 2025 and 20th November 2025. Accordingly, it is submitted that the Petitioners be directed to immediately surrender and hand over quiet, vacant and peaceful possession of the secured asset to Respondent No. 1 Bank.

15. In rejoinder and upon taking instructions from his clients, Mr. Shadab Jan states that since the Petitioners are undertaking some *job work* in the factory/secured asset, on behalf of their clients, they would require about two weeks to complete the same, whereupon, they would be in a position to themselves vacate and handover peaceful possession of the secured asset to the Respondent No. 1 Bank.

16. We have considered the submissions made by both the parties and also gone through the record and proceedings. We are shocked to note the conduct of the Petitioners, who, despite two orders passed by the DRT and thereafter, two further orders, passed by this Court to deposit the monies with Respondent No. 1 Bank within the prescribed timelines and despite submitting repeated Undertakings, both to the DRT and thereafter, to this Court, undertaking to deposit the said amounts within the agreed timelines,

have repeatedly and brazenly flouted and defaulted in compliance thereof. What is more shocking is that the Petitioners have not been able to provide any reason, let alone any plausible or justifiable one, for the same. Even today, this Court is merely informed that on account of the passing of Respondent No. 2 on 12th September 2025, the Petitioners have not been in a position to deposit any monies with Respondent No. 1 Bank. No explanation whatsoever, is provided on why the other Promoters/Directors of Petitioner No. 1 (which is a private limited company) have failed and defaulted in making the said deposits. This Court cannot be a silent bystander and permit a party to blatantly disregard its orders moreso when, such orders are passed at the instance of such (defaulting) party and only on the assurance/undertaking given by them, which is also breached by the said party. We are therefore of the considered opinion that no further indulgence is required to be shown to the Petitioners. Respondent No. 1 Bank has rightly terminated the said Agency Agreement dated 24th June 2025 vide letter dated 24th October 2025 and upon such termination, the Petitioners no longer have any right to remain in possession of the secured asset. In these circumstances, the following order is passed :

**ORDER**

(i) The Court Receiver, High Court, Bombay is hereby appointed as the Receiver of the Secured Asset *viz.* Plot

No. B-23 and B-24 (as per MIDC Consent – Plot No. PH-2-B-23 & B-24), admeasuring about 7,452 sq. mtrs., MIDC, Phase II in the Dombivali Industrial area within the village limits of Sagaon, within a limit of Kalyan Dombivali Municipal Corporation, Taluka and Registration Sub-District Kalyan, District and Registration District Thane along with all buildings / structures constructed thereon.

(ii) Accompanied with the representatives of Respondent No. 1 Bank, the Court Receiver shall visit the secured asset on Wednesday, 19th November 2025 and take possession of the Secured Asset from the Petitioners or any other person/party who may be in possession of the secured asset and thereafter, handover the same to the authorised representative of Respondent No. 1 Bank. The concerned Police Station shall provide necessary police protection to the Court Receiver, if so required for ensuring that possession of the Secured Asset is taken.

(iii) If for any reason whatsoever, the Court Receiver is unable to take/complete the exercise of taking physical possession of the Secured Asset and handover the same to Respondent No. 1 Bank on 19th November 2025, the Court

Receiver shall continue such exercise on following day/s until the same is successfully completed.

(iv) The Court Receiver shall photograph and videograph the entire activity of taking physical possession of the Secured Asset by engaging the services of suitable personnel. All costs and charges in this regard shall be borne by Respondent No. 1 Bank.

(v) The Court Receiver shall prepare a Report of detailed Inventory of all the machinery, articles, equipment, materials, etc. that may be lying in the Secured Asset when/at the time of taking physical possession thereof. A handwritten copy of such inventory Report shall be forthwith counter-signed by the authorised personnel of the Petitioners and Respondent No. 1 Bank who may be present at the Secured Asset at the time of taking possession and they shall be entitled to a copy of the same. Upon finalization of the detailed inventory, a typed copy of the Report shall also be sent by the Court Receiver to the Petitioners and Respondent No. 1 Bank.

(vi) Upon successful completion of the aforementioned directions, the Court Receiver shall stand automatically discharged, without drawing up of accounts, and on payment of costs, charges and expenses to be borne by Respondent No. 1 Bank.

17. At this point of time, after the order is dictated in open court, Mr. Shadab Jan, states on instructions of Mrs. Jasma Kamlesh Bafna, who is stated to be wife of (the deceased) Petitioner No. 2 and who is also stated to be a Director of Petitioner No. 1 Company that the Petitioners will extend full support and co-operation and themselves hand over possession of secured asset to the Court Receiver on 19th November 2025. This statement is accepted.

18. All parties, including the Court Receiver shall act on a copy of this order duly authenticated/digitally signed and uploaded by the Private Secretary/Personal Assistant of this Court.

19. The present Writ Petition is accordingly disposed of. There shall be no order as to costs.

**( FARHAN P. DUBASH, J. )** **( R.I. CHAGLA J. )**

JYOTI PRAKASH PAWAR

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