**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

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CWP-15812-2026
Date of Decision: 22.05.2026

M/S SPRINGZ AND ANR

...Petitioners

Versus

INDIAN BANK AND ORS

...Respondents

**CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL
HON'BLE MR. JUSTICE VIKAS SURI**

Present: Mr. Aalok Jagga, Advocate with
Mr. Harkirat S. Jagdev, Advocate and
Mr. A.P.S. Madaan, Advocate, for the petitioners.

Ms. Manjari Joshi, Advocate, for respondent No.1-Bank.

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<u>SUVIR SEHGAL, J. (ORAL)</u>

1. Although, this matter has a chequered history, but for the purpose of disposal of this writ petition, some basic facts deserve to be noticed.

2. Petitioners approached the Debts Recovery Tribunal (DRT) by filing a Securitization Application (SA) assailing the proceedings initiated by Indian Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'SARFAESI Act'). An order dated 21.04.2026, Annexure P-18, was passed by DRT-III, whereby prayer for stay of SARFAESI proceedings was rejected. Petitioners approached this Court by filing a writ petition (CWP-12215-2026), which was dismissed as not maintainable on 22.04.2026, Annexure P-19, as petitioners had a remedy of filing an appeal

before Debts Recovery Appellate Tribunal (DRAT). Petitioners availed the statutory remedy and by order dated 05.05.2026, Annexure P-21, DRAT directed the petitioners to deposit 30% of Rs.2,49,31,772/- (i.e. amount mentioned in the notice under section 13(2) of SARFAESI Act), as pre-deposit within a period of 15 days for the entertainment of the appeal.

3. Mr. Jagga states that petitioners have already deposited demand draft(s) amounting to Rs.30,00,000/- with the DRAT, which have been encashed and insofar as the balance amount is concerned, he requests for extension of time by about 25 days. He submits that the proceedings before the DRAT have been deferred to 06.07.2026, but as the bank has issued a possession notice on 05.05.2026, Annexure P-23, as well as a sale notice on 07.05.2026, Annexure P-24, for e-auction of the property on 30.05.2026, there is an urgency in the matter. He has requested that DRAT be directed to decide the appeal expeditiously.

4. Advance copy of the petition has been served upon Bank-respondent No.1.

5. Ms. Manjari Joshi, Advocate, has put in appearance on behalf of Bank-respondent No.1. She has vehemently opposed both the prayers made in the writ petition. She submits that petitioners are habitual defaulters and despite grant of more than 2555 days, they have failed to deposit the amount demanded under Section 13(2) of SARFAESI Act. She has placed reliance upon the observations of the Supreme Court in ***Sidha Neelkanth Paper Industries Private Limited and another vs Prudent ARC Limited***

and others, **2023 SCC Online SC 12,** to urge that no indulgence deserves to be shown to the petitioners. It is also her assertion that appeal pending before the DRAT has become infructuous as relief claimed is no longer available to the petitioners.

6. We have heard counsel for the parties and considered their respective submissions.

7. Petitioners have availed the statutory remedy as has been provided under the SARFAESI Act by filing an appeal under Section 18 thereof. Proviso to Section 18 of the SARFAESI Act provides that an appeal cannot be entertained until minimum pre-deposit of 25% of the debt due is made. By virtue of order dated 05.05.2026 (Annexure P-21), DRAT has directed the petitioners to deposit 30% of the amount claimed in notice under Section 13(2) of the SARFAESI Act and partial deposit has already been made by the petitioners. This Court is, therefore, *prima facie* satisfied with the *bona fide* of the petitioners and considers it to be a fit case to extend the time for deposit of the balance amount. Accordingly, petitioners are granted time till 15.06.2026 to make the balance deposit so as to complete the requisite deposit of 30%, as directed by the DRAT in its order, Annexure P-21.

8. This Court also finds substance in the second prayer made by Mr. Jagga, counsel for the petitioners. Petitioners are pursuing the remedy available to them under the statute. Respondent No.1-Bank is proceeding to recover the amount due from them by taking appropriate steps, which are legally permissible. It is in the interest of both the sides that till the time the pleas raised by the borrowers are not determined, proceedings under the

SARFAESI Act should be stopped. In these circumstances, DRAT is requested to decide the appeal and/or application for interim direction, if any, instituted by the petitioners, on the date fixed, i.e. 06.07.2026 or on any day as is convenient to it.

9. With the above direction, writ petition is disposed of.

10. It is clarified that respondent No.1-Bank shall not proceed to take possession of the secured assets or to put them on sale till 06.07.2026, provided petitioners make the balance deposit before the DRAT within the time granted by this Court. It is further clarified that as this Court has not examined the merits of the matter, DRAT shall decide the appeal and/or any application moved by the petitioners, uninfluenced by any observation made by this Court.

(SUVIR SEHGAL)
JUDGE

(VIKAS SURI)
JUDGE

May 22, 2026
harish

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