DEBTS RECOVERY TRIBUNAL-2, CHANDIGARH

ITEM NO.42

SA/124/2023
MANI RAM OVERSEAS A PARTNERSHIP FIRM Vs PUNJAB NATIONAL BANK

21.06.2023

Present: Sh. Rakesh Kumar for the applicant Nos. 1 and 2
Ms Shivani applicant No. 3 in person
Sh. Rajesh applicant No. 4 in person
Ms Anju Bala applicant No. 5 in person
Ms Arpita Sonkar, Manager Law, GPA holder for the respondent bank (Caveator)

This application has been filed under **Section 17(1) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as 'the Act' for brevity).** Heard. It was argued on behalf of the applicants that the limit was enhanced to Rs. 4 crores on 03.06.2021. It was further argued that the collector rates got enhanced thereafter. It was further argued that the house in question was being sold at a low price. It was further argued that rice sheller was having value of around Rs. 5 crores as per the valuation report furnished by the architect.

On the other hand, Ms Arpita Sonkar argued that the assets were got valued by approved valuer. She further argued that fresh notices were issued under Section 13(2) of the Act on 19.12.2022 and with the issuance of fresh notice, earlier notices under Section 13(2) of the Act were withdrawn. It was stated that the account was declared NPA on 22.08.2022. It was stated by the applicants that their properties were being put on sale on 22.06.2023 and 28.06.2023.

Hon'ble Supreme Court of India, in the case of **'M/s L&T Housing Finance Limited Vs. M/s Trishul Developers and Another', in Civil Appeal No.3413 of 2020 (arising out of SLP (C) No.18360 of 2019)**, held that the proceedings under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, cannot be held to be bad in law merely on raising a trivial objection which has no legs to stand unless the person is able to show any substantial prejudice being caused on account of the procedural lapse as prescribed under the Act or the Rules framed thereunder still with a caveat that it always depends upon the facts of each case to decipher the nature of the procedural lapse being complained of and the resultant prejudice, if any, being caused and there cannot be a straitjacket formula which can be uniformly followed in all the transactions.

In the circumstances of the case, there is no *prima facie* case in favour of the applicants for staying the proceedings of sale merely on the basis of fixing of low reserve price especially when the applicants themselves can participate in the auction. The furnishing of the report by the architect in favour of the applicants cannot be given precedence over the report furnished by an approved valuer. However, nothing stated above shall be deemed to be an expression over the merits of the case. Reply be filed. Thereafter, rejoinder be filed. To come up on **06.07.2023** for arguments.

(M.M. Dhonchak)
Presiding Officer
DRT-2, Chandigarh