IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.11682 of 2019

CNR No. BRHC010497842019

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M/s Ramesh Alumunium Industries Through its Proprietor Ramesh Prasad (Male), aged about-66 years, S/o Babu Chand, Resident of Mohalla Gosai bagh Lane, P.S.-Kotwali, District-Gaya.

... ... Petitioner/s

Versus

1. The State of Bihar through the Chairman Cum Managing Director, Bihar State Financial Corporation, Frazer Road, Patna-1.
2. The Dy Manager, I/C (Zone-ii), Bihar State Financial Corporation, Frazer Road, Patna-1.
3. The Branch Manager, Bihar State Financial Corporation, Gayawal Bigha, Behind Dyal Petrol Pump, Gaya, District-Gaya.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Ravindra Kumar Sinha, Advocate
For the Respondent/s	:	M/s Mr.Raju Giri, Sr. Advocate Harshvardhan Rahul Kumar, Advocates

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CORAM: HONOURABLE JUSTICE SMT. G. ANUPAMA CHAKRAVARTHY

ORAL JUDGMENT
Date : 30-10-2026

1. That the present Writ application has been filed for the following reliefs:-

> "For quashing the order dated 25.3.2019 passed by the Chairman cum Managing Director, Bihar State Financial Corporation, Frazer Road, Patna-1 and for issuance of any appropriate writ or writs, order or orders, direction or directions as your lordships may deem fit and proper."

2. The brief facts culled out of the Writ petition are that the petitioner had obtained a

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loan of Rs. 4.80 lakhs from the Bihar State Financial Corporation (hereinafter referred to as the Corporation) in the year 1985 for running an aluminium industry in the name of M/s Ramesh Aluminium Industries, Gaya. However, due to financial crisis and lack of electricity, the unit was declared as a sick industry and was closed. The petitioner submits that the Corporation auctioned his unit in favour of "Shri Shyam Nandan" without serving him any notice. Earlier, the petitioner had challenged the auction order, before this Court in CWJC No. 19041 of 2013, which was disposed of on 25.10.2018, granting him liberty to approach the Managing Director of the Corporation with a proposal for repayment of the dues. The petitioner, thereafter, submitted a representation and applied for settlement under the "One Time Settlement (OTS) Scheme, 2019", along with a bank draft of Rs. 1,21,000/-. However, his representation was rejected by order dated 25.03.2019. The petitioner has challenged the said rejection and seeks restoration of his unit,

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expressing his willingness to settle the dues under the OTS Scheme, 2019.

3. The Learned counsel for the petitioner submits that the auction of the petitioner's unit without proper notice is contrary to the principles of natural justice. It is further submitted that the petitioner is willing to settle the dues under the OTS Scheme, 2019, and the rejection of his representation deserves to be set aside.

4. A counter affidavit has been filed on behalf of the respondent Corporation. The Learned counsel for the respondents submits that the petitioner committed persistent defaults in repayment of the loan, despite repeated demand notices and opportunities granted by the Corporation. It is further submitted that the mortgaged unit was advertised for sale on several occasions and was ultimately sold in favour of "Shri Shyam Nandan" for a consideration of Rs. 30 lakhs after following the prescribed procedure. The petitioner was also given an opportunity to retain the unit by

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matching the terms and conditions of sale, but he failed to avail the same. The possession of the unit was thereafter handed over to the purchaser.

5. The Learned counsel for the respondents further submits that the petitioner's representation was duly considered pursuant to the directions of this Court, but the petitioner expressed his inability to clear the outstanding dues of Rs. 4,44,04,895.10 and instead sought settlement under the OTS Scheme, 2019, along with restoration of the unit.

6. It is contended by the Learned counsel for the respondents that the order dated 25.03.2019 was passed in accordance with law and the applicable guidelines of the Corporation. Since, the unit had already been sold and possession handed over to the purchaser, its restoration to the petitioner was not permissible under the OTS Scheme, 2019. Accordingly, the Learned counsel for the respondents submits that the impugned order suffers from no illegality and the Writ petition is liable to be dismissed.

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7. Heard the Learned counsel for the parties and perused the materials available on record.

8. Having considered the submissions advanced on behalf of the parties and perused the materials available on record, this Court finds that the present Writ petition arises out of the rejection of the petitioner's representation by order dated 25.03.2019 and constitutes the second round of litigation arising from the sale of the petitioner's unit.

9. It is evident from the order dated 25.10.2018 passed in the earlier Writ petition, being CWJC No. 19041 of 2013 (Annexure-5), that the petitioner had sought consideration of his willingness to settle the dues of the Corporation. This Court had accordingly granted him liberty to approach the Managing Director of the Corporation with a proposal for liquidation of the outstanding dues, with a direction that the same be considered on its own merits and in accordance with law. The said order did not set

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aside the auction sale or direct restoration of the unit to the petitioner.

10. It further appears that the petitioner has not demonstrated that the order passed in the earlier round of litigation contained any finding regarding the alleged non-service of notice prior to the auction sale. The petitioner cannot, in the present proceedings, seek to reopen the concluded proceedings relating to the sale of the unit merely on the basis of his willingness to settle the outstanding dues.

11. It is pertinent to mention that the Unit was sold to third party and rights are created to "Shri Shyam Nandan". The petitioner has not arrayed Shri Shyam Nandan as party to the Writ petition, as his rights would be effected if any order is passed in this Writ petition.

12. The records further indicate that the petitioner's representation was considered by the Corporation which was rejected by the impugned order dated 25.03.2019. The petitioner has also failed to establish that the said order violates the

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directions issued by this Court in the earlier Writ petition or suffers from any illegality warranting interference of this Court under Article 226 of the Constitution of India. The mere submission of an application under the OTS Scheme, 2019, accompanied by a bank draft of Rs. 1,21,000/-, does not, by itself, confer any enforceable right upon the petitioner to seek restoration of the unit, which had already been sold in favour of a third party.

13. In view of the aforesaid facts and circumstances, this Court finds no sufficient ground to interfere with the impugned order dated 25.03.2019. Accordingly, the Writ petition is dismissed.

14. Pending application(s), if any, shall stand disposed of.

(G. Anupama Chakravarthy, J)

Spd/-

AFR/NAFR	NAFR
CAV DATE	NA
Uploading Date	30.10.2026
Transmission Date	

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