

ITEM NO.53

COURT NO.7

SECTION XVI

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petitions for Special Leave to Appeal (C) No(s). 11995-11996/2026

[Arising out of impugned final judgment and order dated 23-02-2026 in MAT No. 7/2026 & MAT No. 12/2026 passed by the High Court of Calcutta Circuit Bench at Jalpaiguri]

HOTEL SHAMBALA (P) LTD & ANR.

Petitioner(s)

VERSUS

WEST BENGAL FINANCE CORPORATION & ORS.

Respondent(s)

(IA No. 97461/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT)

Date : 10-04-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA
HON'BLE MR. JUSTICE K.V. VISWANATHAN

For Petitioner(s) :

Mr. Rauf Rahim, Sr. Adv.
Mr. Sankar Nath Mukherjee, Adv.
Mr. Niraj Gupta, Adv.
Mr. Ali Asghar Rahim, Adv.
Mr. Mohsin Rahim, Adv.
Mrs. Tania Tamanna, Adv.
Mr. Shekhar Kumar, AOR

For Respondent(s) :

Mr. Ardhendhumauli Kumar Prasad, Sr. Adv.
Mr. P.V. Surendranath, Sr. Adv.
Mr. Subhasish Bhowmick, AOR
Mr. Manisha Pandey, Adv.
Mr. Suraj Kumar Singh, Adv.
Mr. Sannidhya Dutta, Adv.
Mr. Rakesh Kumar Tiwari, Adv.
Mr. Reegan S Bel, Adv.
Mr. Rahul Kushwaha, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Exemption Application is allowed.
2. It appears from the materials on record that the petitioners obtained an amount of Rs.40,00,000/- (Rupees Forty Lakh only) by

way of a loan agreement dated 23-11-1995 from the Corporation. This loan was availed for the purpose of constructing a hotel namely Hotel Shambala. In accordance with the terms of the loan agreement, the repayment of the loan amount was to be completed within a period of 8 years. It is the case of the petitioners that over a period of time, a substantial amount was repaid to the Corporation. It is on 20-10-2003 that for the first time, a notice came to be issued under Sections 29(1) and 30 respectively of the State Financial Corporation Act. However, it appears that no action was taken thereafter by the Corporation over a period of years. The learned counsel appearing for the petitioners brought to our notice that in the year 2017, the petitioners entered into negotiations with the Corporation for one time settlement (OTS). There are series of correspondence between the petitioners and the Corporation on record.

3. It is the case of the Corporation that ultimately notional possession was taken over and the property was put to auction. The property was sold for a total sum of Rs.2,68,00,000/- (Rupees Two Crore Sixty Eight Lakh). It is very surprising to note that although the property was put to auction and the same has been purchased by a third party, yet the petitioners still claim to be in possession and running the hotel. According to the learned counsel appearing for the petitioners, as against the loan amount of Rs.40,00,000/- (Rupees Forty Lakh), his client paid approximately a sum of Rs.1,50,00,000/- (Rupees One Crore and Fifty Lakh) with interest to the Corporation over a period of time.

4. The demand of the Corporation, as on date, is Rs.87,00,00,000/- (Rupees Eighty Seven Crore). We fail to understand on what basis the Corporation has arrived at this particular figure.

5. We are of the view that the parties should go for mediation and try to resolve the dispute amicably.

6. In view of the aforesaid, we appoint Hon'ble Mr. Justice Bhaskar Bhattacharya, former Chief Justice of the Gujarat High Court, to act as a Mediator between the parties. The fees of the

learned Mediator and other modalities shall be worked out in consultation with the parties. The auction purchaser shall also join the mediation proceedings.

7. Once the report of the learned Mediator comes on record, we shall proceed further with the matter.

8. List the matter immediately after Mediation Report is received from the learned Mediator.

(VISHAL ANAND)
DY. REGISTRAR

(POOJA SHARMA)
COURT MASTER (NSH)

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