

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

CWP No.22887 of 2017
Decided on : 14.03.2019

Krishna Steel Rolling Mills

..... Petitioner

Versus

Union Bank of India & anr.

..... Respondents

**CORAM : HON'BLE MR. JUSTICE AJAY KUMAR MITTAL
HON'BLE MRS. JUSTICE MANJARI NEHRU KAUL**

Present : Mr. Aayush Gupta, Advocate and
Mr. Pardhuman Garg, Advocate
for the petitioner.

Mr. I.P.S.Mangat, Advocate
for respondent No.1.

Mr. Kirpal Singh, Advocate for
Mr. Abhilaksh Grover, Advocate
for respondent No.2.

Manjari Nehru Kaul, J.

Prayer in the present writ petition filed under Articles 226/227 of the Constitution of India inter alia is for issuance of writ in the nature of Certiorari for setting aside the impugned reply dated 01.09.2017 (Annexure P-7) passed by the respondent-bank with further prayer for issuance of direction to the bank to return the bid amount along with interest.

2. Brief facts of the case are that the respondent-bank had published an advertisement in Hindustan Times on 06.08.2017 whereby bids for sale of factory land and building (Industrial Unit) of M/s Sahil Concast Pvt. Ltd. situated in Mandi Gobindgarh, Tehsil Amloh, District Fatehgarh Sahib were invited. In the advertisement, it was specifically

mentioned that the property was free from all encumbrances. After being satisfied by the respondent-bank about the status of the property being free from all encumbrances, the petitioner-firm participated in the auction by making online bid. The property in question was sold to the petitioner-firm being the highest bidder for an amount of ₹ 1,40,10,000/-. At the time of deposit of an amount of ₹ 21,02,500/- by way of demand draft, it came to be revealed to the petitioner-firm that Punjab State Power Corporation Ltd. (for short 'PSPCL') had issued a Press Note dated 16.08.2017 (Annexure P-5) regarding their lien over the property in question for recovery of ₹ 1,11,88,618/-. In fact, the lien stood reflected in the revenue record also. The petitioner immediately on 24.08.2017 itself made a representation (Annexure P-6) to the respondent-bank with a request for cancellation of the bid and for refund of the amount deposited by it. However, the respondent-bank vide letter dated 01.09.2017 (Annexure P-7) informed the petitioner-firm that they were unaware about the outstanding dues of PSPCL on the date of e-auction notice and that the bid amount as per terms and conditions of e-auction stood forfeited. The petitioner-firm then followed it up by sending a legal notice (Annexure P-8) to the respondent-bank to which the respondent-bank replied that they had the first charge over the property being the secured creditor and since PSPCL was unsecured creditor, their charge was secondary. The respondent-bank reiterated that the sale was proper and alleged that the petitioner-firm was backing out from the bid. Feeling aggrieved, the present writ petition has been filed.

3. Learned counsel for the petitioner in compliance of order dated 20.02.2019 produced a cheque No.016809 dated 12.03.2019 amounting to

₹ 1.26 crores in Court depicting the balance amount payable by it, which was handed over to learned counsel for the respondent-bank who shall be entitled to encash the same.

4. We have heard learned counsel for the parties and perused the material available on record with their assistance.

5. In the affidavit dated 19.12.2018 filed by Er. Dhanwant Singh, Addl. Superintending Engineer, Division Special, PSPCL it has been stated that PSPCL would recover the outstanding amount of ₹ 1,11,88,618/- on account of electricity charges from M/s Sahil Concast Pvt. Ltd. and no amount would be recovered from the auction purchaser i.e. the petitioner.

6. After hearing learned counsel for the parties, perusing the petition and without expressing any opinion on the merits of the case particularly in view of the affidavit dated 19.12.2018 filed by Er. Dhanwant Singh, Addl. Superintending Engineering, PSPCL, the present writ petition is disposed of in the following terms:

- i) That no recovery would be affected from the petitioner-firm.
- ii) Further, the electricity connection to the premises would be restored within one week.
- iii) The Conveyance Deed of the property in question would be executed in favour of the petitioner-firm by the respondent-bank within a period of one month.

(AJAY KUMAR MITTAL)
JUDGE

14.03.2019

sonia

(MANJARI NEHRU KAUL)
JUDGE

Whether speaking/reasoned:

Whether reportable :

Yes/No

Yes/No