

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

**Civil Writ Petition No. 7999 of 2020
Date of Decision: 12.06.2020**

Dr. Sandeep Arora

..... Petitioner

Versus

State Bank of India and others

..... Respondents

**CORAM: HON'BLE MR. JUSTICE JASWANT SINGH
HON'BLE MR. JUSTICE SANT PARKASH**

Present: Mr. Aalok Jagga, Advocate for the petitioner.

Mr. Gaurav Goel, Advocate
for respondent No. 1-State Bank of India.

JASWANT SINGH, J. (ORAL)

Hearing conducted through Video Conferencing.

[2] The petitioner (*Dr. Sandeep Arora*) was the successful bidder for a residential property bearing House No. 1, Sector-21-C, Chanderlok, Mandi Gobindgarh for a total sale consideration of ₹ 1,77,25,000/- (One Crore Seventy-Seven Lac Twenty-Five Thousand only) in the Auction conducted on 29.02.2020 of the said mortgaged residential house by the State Bank of India under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (in short “SARFAESI Act, 2002”). The petitioner deposited the 25% (twenty-five per cent) amount towards earnest money of the total sale consideration amounting to a sum of ₹ 44,31,250/- (Forty-Four Lac Thirty-One Thousand Two Hundred Fifty only) on 02.03.2020. The petitioner in terms of the provisions of Rule 9 of the Security Interest (Enforcement) Rules, 2002 (in short “the 2002

Rules”) was required to deposit the entire remaining amount within next fifteen (15) days i.e. 15.03.2020.

[3] It is a matter of record that as per the provisions of sub-Rule (4) Rule 9 of “the 2002 Rules”, the period of the deposit of the remaining amount can be extended to the maximum period of three (03) months from the date of confirmation of sale. The petitioner is stated to have made a request on 13.03.2020 (**Annexure P-7**) seeking extension of time for deposit of the remaining amount.

[4] It is claimed that the remaining amount was to be paid upon realization of a certain amount from sale of parental property belonging to the family of the petitioner in terms of the Agreement to Sell dated 02.03.2020 (**Annexure P-14**). In view of the situation existing due to the Pandemic COVID-19, the said sale transaction could not materialise and the purchaser has sought time to make the balance payment for the sale of the said ancestral property, resulting into the inability of the petitioner to make the deposit of the remaining amount due towards the property purchased by the petitioner in the Auction conducted by the State Bank of India (SBI) / respondent No. 1.

[5] It is conceded fact that vide E-mail dated 19.05.2020 (**Annexure P-10**), the Bank had acceded to the request of the petitioner for extension of time, and not only one month, but granted extension of three (03) months i.e. till 28.05.2020.

[6] Present petition has been filed seeking the quashing of the

respectively), whereby the petitioner has been again requested to deposit the outstanding amount immediately, failing which the earnest money of ₹ 44,31,250/- (Forty-Four Lac Thirty-One Thousand Two Hundred Fifty only) would be liable to be forfeited.

[7] Notice of motion to contesting respondent No. 1 / Bank only.

[8] Mr. Gaurav Goel, Advocate, accepts notice on behalf of respondent No. 1 / State Bank of India.

[9] The main thrust of the argument is based on the judgments, which provide for invoking the equity to safeguard the substantial rights in view of the impossibility of the contracts being performed by the parties.

[10] We are not really impressed by the law cited in the facts of the present case, however, due to the extreme hardship being faced by the parties during the Curfew periods on account of the prevailing circumstances, we are inclined in equity to grant some more time to the petitioner to deposit the remaining amount.

[11] Upon a proposal mooted by the Court, counsel for contesting respondent No. 1 / Bank, upon instructions from Mr. Pardeep Arora, Authorised Officer, has agreed that in case the petitioner now deposits the entire outstanding amount within thirty (30) days commencing w.e.f. 15.06.2020, the statutory agreement shall be fully honoured by the parties by issuance of the necessary sale certificate.

In response, counsel for the petitioner, on instructions from his client, has accepted this situation and also agreed to file an undertaking before the Bank within one (01) week from today in terms of the aforesaid agreed stand.

[12] In view of the agreed stand of the parties, present **petition** is **disposed of**, with a **clarification** that in case the petitioner does not deposit the aforesaid amount within agreed time, the Bank would be entitled to proceed in accordance with law.

(JASWANT SINGH)
JUDGE

June 12, 2020
'dk kamra'

(SANT PARKASH)
JUDGE

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No