IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CWP-10241-2020(O&M)
Date of Decision : 17.09.2020

M/s Gurbir Trading Co. and another ...... Petitioners

Versus

Punjab National Bank ...... Respondent

CORAM : HON'BLE MR. JUSTICE RAKESH KUMAR JAIN
HON'BLE MR. JUSTICE ASHOK KUMAR VERMA

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Present : Mr. Kuljit Singh Bal, Advocate
for the petitioners.

Mr. Gaurav Goel, Advocate
for the respondent.

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RAKESH KUMAR JAIN, J. (Oral)

CM-8166-2020

Case has been taken up for hearing through video conferencing due to the outbreak of Pandemic COVID-19.

This application is filed by the petitioners, seeking permission to place on record receipt of agreement to sell dated 02.01.2020 (Annexure P-7).

Application is allowed subject to all just exceptions. Annexure P-7 is taken on record.

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The petitioners have prayed for setting aside the notice dated 05.05.2020 (Annexure P-3).

In short, the petitioner had availed an overdraft limit of ₹29,00,000/- from the respondent-Bank. The account was declared NPA on 30.01.2018. However, one time settlement was arrived at between the parties on 12.02.2020 in which the respondent-Bank had agreed to discharge the liability of the petitioner on payment of ₹22,00,000/-. The petitioners have paid a sum of ₹2,20,000/- and the remaining amount of ₹19,80,000/- was to be paid upto 11.05.2020. Since the said amount could not be paid due to the outbreak of Pandemic COVID-19, causing complete lock-down in the country w.e.f. 24.03.2020, the petitioners have approached this Court after receiving notice (Annexure P-3), issued by the bank.

At the time of preliminary hearing on 11.09.2020, the following order was passed by this Court:-

> *"Through this petition, the petitioner is challenging the action of the respondent-Bank and seeking to recover its amount by taking recourse to SARFAESI Act. It is tranpired that there was an ealier settlement on 12.02.2020, as per which the petitioner was to make a payment of Rs. 19,80,000/- on or before 11.05.2020. However, the amount was not paid and that is why the petitioner is before this Court seeking more time.*
>
> *Notice of motion.*
>
> *On advance notice Mr. Gaurav Goel, Advocate appears for the respondent-Bank.*
>
> *Learned cousnel for the respondent-Bank has argued that by a letter dated 05.06.2020, the bank had extended the time to make the payment upto 30.09.2020 subject to the condition that for the said period, the interest would also be paid.*
>
> *Learned counsel for the petitioner has stated that because of the COVID Pandemic situation, the petitioner would not be in a position to fulfill this offer but undertakes that the petitioner would pay a sum of Rs. 10,00,000/- plus interest (upto date on the entire amount of Rs. 19,80,000/-) on*

or before 30.09.2020 but the bank should grant some more time to make the remaining payment.

Mr. Gaurav Goel has very fairly argued that he would get instructions in this regard before the next date.

Adjourned to 17.09.2020.

Sh. Gaurav Goel, Advocate appearing on behalf of respondent-Bank has submitted that as per his instructions, the petitioners have to pay ₹10,00,000/- with interest calculated on the entire amount of ₹19,80,000/- from February, 2020 till September, 2020, on or before 30.09.2020 and the remaining amount of ₹9,80,000/- has to be paid within a period of three months thereafter i.e. till the end of December, 2020 with delayed interest calculated from February, 2020 till December, 2020.

Learned counsel for the petitioners has submitted that since the petitioner had to pay the remaining amount of ₹19,80,000/- till 11.05.2020, therefore, the component of interest will be calculated from the said date i.e. 11.05.2020 instead of February, 2020 as he was unable to make the payment of remaining amount and the interest due to the outbreak of Pandemic COVID-19.

Learned counsel for the respondent has submitted that as per circular, the interest has to be paid from February, 2020.

After hearing the learned counsel for the parties, we dispose of this petition with direction that in case the petitioners deposit ₹10,00,000/- with interest calculated on the entire amount of ₹19,80,000/- from 11.05.2020 to 30.09.2020 on or before 30.09.2020, the respondent-Bank shall give them three months time thereafter i.e. till December, 2020 for payment of remaining amount of ₹9,80,000/- with delayed interest from May, 2020 till December, 2020. On payment of aforesaid amount, the petitioners shall be discharged from all their liabiliteis towards the loan which was availed by them in the overdraft limit. However, it is made clear that if there is any default on the part of the petitioners, the bank shall be at liberty to use any appropriate remedy in accordance with law for recovery.

(RAKESH KUMAR JAIN)
JUDGE

(ASHOK KUMAR VERMA)
JUDGE

17.09.2020
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Whether speaking/reasoned	Yes/No
Whether Reportable	Yes/No