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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No. 10198 of 2020

Date of Decision: 20th July, 2020

M/s Dedha India HR Solutions Private Limited

....Petitioner.

VERSUS

State Bank of India

....Respondent

CORAM: JUSTICE S. MURALIDHAR
JUSTICE AVNEESH JHINGAN

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

Mr. Rakesh Gupta, Advocate for the Respondent.

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Dr. S. Muralidhar, J.

1. The Petitioner is an auction purchaser seeking some additional time to deposit the entire balance consideration with the Respondent/Bank in the circumstances explained in the petition.
2. The Respondent/Bank held an e-auction for sale of a property at Nirwana Country, South City, Gurugram, for which the Petitioner submitted its bid by depositing 10% of the bid money i.e. Rs.38.48 lakhs on 21st February, 2020. The Petitioner was declared highest bidder with the bid value of Rs.4.95 crores against the reserve price of Rs.384.71 lakhs. On 27th February, 2020 the Petitioner deposited a further sum of Rs.85.27 lakhs. The total sum deposited till that date was Rs.123.75 lakhs i.e. 25% of the bid amount.

3. The Petitioner was required to deposit the balance 75% within 15 days thereafter i.e. on 11th March, 2020. The Petitioner sought extension of time for the final payment till 26th March, 2020. On 12th March, 2020, the Petitioner deposited a further sum of Rs.50 lakhs to show his *bona fides*.
4. The Petitioner seeks to explain that, in the meanwhile, with the lockdown and curfew commencing on account of Covid-19, the Petitioner could not immediately mobilize the balance sum to deposit with the Respondent/Bank. The Petitioner, therefore, sought a further extension of time on 26th March, 2020, which was declined by the Respondent/Bank on 27th March, 2020.
5. On 30th March, 2020, the Respondent required the Petitioner to pay the balance auction amount within 5 working days of the lockdown being lifted.
6. With the lockdown being extended in Delhi till 3rd May, 2020 the Respondent/Bank called upon the Petitioner to deposit the balance amount by 9th May, 2020. A further extension was granted up to 25th May, 2020.
7. On 29th June, 2020, when the Petitioner sought a further extension, the Respondent/Bank replied on 2nd July, 2020, declining to grant a further extension. The bank intimated that the sale stood cancelled and that the entire amount deposited by the Petitioner i.e. Rs.173.75 lakhs stood forfeited.
8. The Petitioner by a letter dated 2nd July, 2020 requested the Respondent/Bank to reconsider its decision, which request came to be rejected by the Bank by its letter dated 7th July, 2020. The Petitioner has thereafter filed this petition challenging the above letters dated 2nd and 7th July, 2020 of the Respondent/Bank.

9. Learned Counsel for the Petitioner has relied on a recent decision dated 12th June, 2020 of this Court in CWP No.7999 of 2020 (***Dr. Sandeep Arora v. State Bank of India)***, where in similar circumstances, on equitable grounds, this Court granted the Petitioner therein 30 days' time to deposit the balance amount with the Respondent/Bank.

10. Learned Counsel for the Respondent/Bank states that authorized officer of the Bank could not have granted any extension to the Petitioner beyond the period already granted, as he was not authorized to do so.

11. The Court finds that in view of the extreme hardship generally faced by parties on account of circumstances that have arisen due to Covid-19, it is necessary, on equitable grounds, to grant some more time to the Petitioner to pay the balance sum.

12. In that view of the matter, the decision of the Respondent/Bank dated 2nd July, 2020 by which the Petitioner's bid stood cancelled and the sum deposited by it forfeited, will stand set aside, subject to the Petitioner paying the entire balance amount within a period of 30 days commencing from 21st July, 2020. This will be further subject to the Petitioner filing an undertaking before the Respondent/Bank within one week from today that it would abide by the above directions issued by this Court. The Respondent/Bank, in the event of the Petitioner depositing the entire outstanding amount within 30 days from 21st July, 2020, would honour the terms of the e-auction by issuing the necessary sale certificate in favour of the Petitioner.

13. It is made clear that if the Petitioner fails to abide by the directions issued by this Court, the Respondent/Bank will be free to proceed in accordance with law.

14. The petition is disposed of in the above terms.

(S. MURALIDHAR)
JUDGE

(AVNEESH JHINGAN)
JUDGE

20th July, 2020
Sachin M.

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No