

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

**Civil Writ Petition No. 12698 of 2021 (O&M)
Date of Decision: 20.09.2021**

M/s. Ranjeev Alloys Limited, Village Jassran,
Amloh Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib
and another

..... Petitioners

Versus

Asset Reconstruction Company (India) Limited,
Dadar (West), Mumbai

..... Respondent

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

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

Mr. Amandeep Singh Samra, Advocate for
Mr. Nitin Grover, Advocate for the respondent.

*[The aforesaid presence is being recorded through video conferencing
since the proceedings are being conducted in virtual court]*

JASWANT SINGH, J.

Petitioner- Companies are the borrowers which had availed credit facilities from IDBI Bank Ltd., which had further assigned the debt to respondent (Asset Reconstruction Company (India) Ltd.) under Section 5 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as “**Act, 2002**”). On account of non-payment of the credit facilities, the secured assets were to put sale on various occasions by the respondent, but could not receive any bid. The petitioners thereafter arranged for a prospective buyer of the secured assets and submitted a proposal dated 08.09.2020 (**Annexure P-8**) for release of the secured assets on making a payment of ₹ 4.50 Crore. The said proposal was accepted by the respondent vide settlement letter dated 25.09.2020

(**Annexure P-11**). As per the repayment schedule, the aforesaid amount was

to be cleared by 15.12.2020 alongwith interest @ 18% p.a.. The said period was extendable by 30 days i.e. till 14.01.2021 alongwith interest @ 20% p.a.

The petitioner deposited ₹ 1.45 Crore but could not deposit the balance amount i.e. ₹ 3.05 Crore by 14.01.2021, as the prospective buyer who is stated to be a citizen of United States of America flew back on 09.01.2021, (as is evident from the passport **Annexure P-21**) but could not return back on account of travel restrictions due to COVID-19 pandemic. On account of default, the respondent revoked the settlement, vide letter dated 28.01.2021 (**Annexure P-15**). In response thereto, the petitioners requested for an extension for 2 months vide letter dated 27.02.2021 (**Annexure P-16**) which was rejected by the respondent vide letter dated 03.03.2021 (**Annexure P-17**). Thereafter vide letter dated 22.06.2021 (**Annexure P-19**), the petitioners wrote back to respondent and attached photocopies of the demand drafts representing the balance settlement amount of ₹ 3.05 Crore, which was ready with the petitioner, which was also refused to be accepted by the respondent.

On the last date of hearing, the petitioners submitted that they are still ready with the entire balance amount and are also prepared to pay interest for the delayed payment as well. Reliance has been placed on the judgment of Hon'ble Supreme Court in ***P. Vijayakumari Versus Indian Bank 2018 AIR SC 759***, wherein delay of 2½ years was condoned but imposed interest of 24% for the delay. This judgment has been followed by this Court in ***Anu Bhalla Versus District Magistrate, Pathankot 2020 (4) PLR 572***.

Today, when the matter was taken up for resumed hearing, learned counsel for the petitioners has again shown his readiness to pay off

the balance settlement amount with interest instantaneously and states that the delay was on account of circumstances beyond its control.

Learned counsel for the respondent submits that the interest for the delayed period ought not to be less than what is mentioned in the sanction letter dated 25.09.2020 **(P-11)** i.e. 20% p.a.

Learned counsel for the petitioners, on instructions from the Director of the petitioner-Companies namely Sh. Ranjeev Bhatia, states that they are agreeable to pay interest @ 20% for the delayed period.

In view of above consensus, the impugned letter dated 28.01.2021 **(P-15)** and letter dated 03.03.2021 **(P-17)** are set aside. The petitioners are **permitted** to deposit the balance settlement amount of ₹ 3.05 Crore alongwith interest @ 20% for the delayed period as mentioned in the sanction letter dated 25.09.2020 **(P-11)**. The respondent shall inform the petitioners of the interest amount within seven (07) days from today. The balance settlement amount of ₹ 3.05 Crore alongwith such interest shall be paid by the petitioners within next seven (07) days thereof. On such deposit, the respondent shall release the title deeds of the secured assets in favour of the petitioners.

Disposed off in the aforesaid terms.

(JASWANT SINGH)
JUDGE

September 20, 2021

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(SANT PARKASH)
JUDGE

<i>Whether Speaking/reasoned</i>	<i>Yes/No</i>
<i>Whether Reportable</i>	<i>Yes/No</i>