

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

**CM No. 10478-CWP of 2021 in/and
Civil Writ Petition No. 12927 of 2021 (O&M)
Date of Decision: 09.08.2021**

Venus Texspin Limited, Ludhiana

..... Petitioner

Versus

CFM-Asset Reconstruction Company (CFM-ARC),
Mumbai

..... Respondent

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

Present: Mr. Sandeep Wadhawan, Advocate
for the petitioner.

Mr. C.S. Pasricha, Advocate
for the respondent (**Applicant in CM No. 10478 of 2021**)

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

JASWANT SINGH, J. (ORAL)

The petitioner – Company is engaged in the business of Textile Industry. It had availed a Term Loan on 05.10.2013 from the Union Bank of India. The loan account, due to financial indiscipline, was declared as Non-Performing Asset (NPA) on 31.01.2016. A Demand Notice dated 05.02.2016 under Section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (in short “the Act, 2002”) was issued and symbolic possession of the secured asset assumed under Section 13 (4) of the Act, 2002, on 11.04.2016.

[2] The respondent – CFM-Asset Reconstruction Company (in short “CFM-ARC”) is an assignee of the Bank in view of the Assignment Agreement dated 24.04.2018 (**Annexure P-1**). The respondent - CFM-ARC

arrived at a settlement with the petitioner on 18.09.2018 (**Annexure P-2**),

whereby a total sum of ₹ 21,92,38,630/- is liable to be paid by the petitioner in various installments till 31.03.2023.

[2.1] Since, the petitioner could not pay its due installments in terms of the settlement dated 18.09.2018 (**P-2**) falling due w.e.f. 16.05.2020, the respondent – CFM-ARC (Secured Creditor) proceeded to dispose off one of the mortgaged properties towards the outstanding amount of the installments due w.e.f. 16.05.2020 to-date.

[3] Prayer of the petitioner in the present petition is, *inter alia*, for a direction to the respondent – CFM-ARC for keeping the settlement alive, however, without contesting the sale to meet the outstanding due of the installments.

[4] This Court, while issuing notice of motion vide order dated 19.07.2021, had passed the following order:-

“ Counsel for the petitioner and Mr. C.S. Pasricha, Advocate appearing for the Caveator/respondent who is on advance notice have been heard.

It is undisputed that a binding settlement agreement dated 18.09.2018 between the parties had been arrived at whereby a total amount of Rs.21,92,38,630/- is required to be paid in various installments by 31.03.2023. The petitioner has paid the stipulated installments till 16.05.2020 totalling to the tune of Rs.6.04 Crores. It is also conceded that till 31.03.2021 a total sum of Rs.11 Crores was required to be paid and thus there is an outstanding liability as per the schedule of repayment to the tune of more than Rs.6 Crores. The respondent-company is proceeding to sell one of the three mortgaged properties for a sum of Rs.8 Crore by way of private treaty towards adjustment of the outstanding installments for the periods during the settlement period.

Counsel for the petitioner has no objection for the sale of such property, however, he seeks a prayer for subsistence of the settlement till the expiry of the period stipulated in the settlement (Annexure P-2), to which proposal counsel for the respondent-CFM-Asset Reconstruction Company has no objection.

Before we permit such a sale by carving out an exception from the order passed in CWP-PIL-77-2021, let the negotiations be finalized and placed on the file of this case.

Notice of motion for 07.09.2021.

On the asking of the Bench, Mr. C.S. Pasricha, Advocate accepts notice on behalf of the respondent-CFM-Asset Reconstruction Company. ”

[5] Now the respondent - CFM-ARC has filed an application bearing **CM No. 10478 of 2021** seeking preponement of the date of hearing of the main case from 07.09.2021, as also placing on record a Memo dated 22.07.2021 (collectively) as **Annexure R-1**, whereby the respondent-CFM-ARC has revived / permitted the settlement to continue till the already stipulated date, i.e. 31.03.2023.

[6] Mr. Sandeep Wadhawan, Advocate, who appears on advance notice on behalf of the non-applicant / petitioner, accepts notice of the aforesaid application and states that he has no objection for preponement of the main case from 07.09.2021, as also disposal of the present writ petition itself, in view of the subsequent developments as also the agreed stand.

[7] In view of the agreed stand of the parties for sale of one of the mortgaged properties, it is also prayed that an exemption may be granted by this Court from restraining directions contained in the General Order(s) passed in CWP-PIL No. 77 of 2021.

[8] In view of the above, the aforesaid application bearing **CM No. 10478 of 2021** is **allowed**. The date of hearing of the main case is preponed from 07.09.2021; Memo dated 22.07.2021 (collectively) is taken on record as **Annexure R-1**; and with the consent of the parties, the case is taken up today itself for hearing.

[9] In the light of contents of the aforesaid application moved by the respondent – CFM-ARC, supported by the affidavit dated 02.08.2021 of Sh. Pankaj Agnihotri, Authorized Signatory, CFM-ARC, the present **petition is disposed of as infructuous** with the **permission** to respondent – CFM-ARC (assignee of Union Bank of India) for sale of one of the said mortgaged properties as an exception to the General Order(s) passed in aforesaid CWP-PIL No. 77 of 2021.

(JASWANT SINGH)
JUDGE

August 09, 2021
'dk kamra'

(SANT PARKASH)
JUDGE

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