

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

226

CWP-22754-2020

Date of Decision : March 24, 2021

AMARJEET SINGH AND ANR

.....Petitioners

VERSUS

AMARJEET SINGH AND ANR VS M/S NISSAN RENAULT
FINANCIAL SERVICES INDIA PVT. LTD. AND ORS

.....Respondents

**CORAM: HON'BLE MR. JASWANT SINGH
HON'BLE MR. JASGURPREET SINGH PURI**

Present : Ms. Anshika Sharma, Advocate for
Mr. H.S.Brar, Advocate
for the petitioners.

Mr. Vipul Dharmani, Advocate
for respondents No.1 and 3.

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

JASWANT SINGH. J. (Oral)

(1) Amarjit Singh and his wife Babita i.e. petitioners No. 1 and 2 are stated to be the guarantors in a loan agreement dated 20.10.2014 raised by M/s Padam Motors Private Limited-respondent No.4 from a non banking financial institution i.e. M/s Nissan Renault Financial Services India Private Limited-respondent No.1 for a sum of Rs.21 Crores during the period 25.9.2014 to 24.9.2015. The loan agreement was subsequently restructured vide memorandum of understanding (MOU) dated 15.5.2018 for a term loan of Rs.7 Crores approximately. The said account was declared NPA on 1.3.2019, leading to issuance of a notice under Section 13(2) of the Securitization and Reconstruction of Financial Assets and

Enforcement of Security Interest Act (SARFAESI) Act, 2002 recalling the outstanding loan amount of Rs.7.22 Crores approximately and subsequently the physical possession of the mortgaged property (collateral security) belonging to the guarantors i.e. petitioners was resumed on 1.1.2020. A sale notice dated 7.12.2020 (Annexure P-6) was issued by the Authorised Officer of the financial institution-respondent No.1 notifying the auction to be held on 30.12.2020. Hence, the present writ petition at that stage.

(2) This Court while issuing notice of motion vide order dated 29.1.2020 passed the following order:-

“Case is being taken up for hearing through Video Conferencing due to the outbreak of Covid-19 pandemic.

Learned counsel contends that the petitioners have not been able to make payment of the amount owed to respondent No. 1 on account of circumstances beyond their control leading to issuance of sale notice, Annexure P/6 dated 07.12.2020 for recovery of sum of Rs.7,21,09,213/- plus interest etc., but are willing to settle the amount payable to the respondents on reconciliation of the amount due, in reasonable installments within time to be mutually agreed upon between respondent No.1 and the petitioners. Learned counsel further contends that, in case the auction is not stayed great prejudice would be caused to the petitioners since the value of the property put to auction is approximately Rs.20 crores whereas its reserve price has been fixed at Rs.5.30 crores only.

Notice of motion for 21.01.2021. Auction proceedings may go on, but, the same be not confirmed without the permission of this Court provided the

petitioners deposit Rs.1 crore in the Registry of this Court within one week from today for payment to respondent No. 1 besides submit proposal for deposit of the balance due amount within reasonable period of time before the next date with copy in advance to the respondents. On receipt of aforesaid amount within one week from today, the same be kept in a Nationalized Bank drawing maximum rate of interest for the interregnum. However, it is made clear that in case Rs.1 crore is not deposited within one week from today or the proposed time schedule for payment of balance due amount is not filed before the next date, interim protection granted to the petitioners would stand vacated.”

(3) On the subsequent dated on 21.1.2021, the following order was passed:-

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Learned counsel for the respondents No. 1 and 3 submits that the auction for the mortgage property scheduled to be conducted on 31.12.2020 could not take place in the light of the order dated 29.12.2020.

He further submits that the petitioners have availed the benefit, however, not complied with the term of deposit of Rs. One Crore within one week. Therefore, the conditional interim protection would stand vacated in term of the same order.

We totally agree with the learned counsel.

For the alleged concealment and misleading by the petitioners, the respondents are given three weeks time to file reply.

Adjourned to 24.03.2021.”

At the time of resumed hearing today, learned counsel for the parties submit that the present writ has become infructuous in view of the written settlement agreement arrived at between the parties on 22.3.2021. Copy of the same has been produced and taken on record as Mark A.

In view of the above, the present writ petition is disposed of as infructuous.

(JASWANT SINGH)
JUDGE

(JASGURPREET SINGH PURI)
JUDGE

March 31, 2021

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Whether speaking/reasoned.	:	Yes/No
Whether Reportable.	:	Yes/No