

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

**RSA-3976-2017 (O&M)
Date of decision : 29.11.2022**

State Bank Of India

... Appellant(s)

Versus

The National Small Industries Corporation Ltd & Ors.

... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Anil Kumar Ahuja, Advocate for the appellant.

Mr. Pankaj Gupta, Advocate for respondent No.1.

None for respondent Nos.2 to 6.

ALKA SARIN, J. (ORAL)

An application being **CM-8695-C-2022** has been preferred by respondent No.1 for disposing off the main appeal as having been rendered infructuous.

In the present case, respondent No.1 - National Small Industries Corporation Ltd. (hereinafter referred to as 'NSIC') - had extended a loan to respondent No.2 - M/s J & K Aluminum Company. To secure the loan, two bank guarantees were given by the appellant herein i.e. State Bank of India in favour of NSIC. M/s J & K Aluminum Company (respondent No.2) defaulted in the repayment and in view thereof NSIC (respondent No.1) invoked both the bank guarantees, while bank guarantee of Rs.50 Lacs was successfully invoked, bank guarantee qua Rs.1 Crore could not be invoked.

NSIC (respondent No.1) filed a suit for recovery of Rs.1 Crore along with interest against the State Bank of India (appellant) and M/s J & K Aluminum Company (respondent No.2). The suit was decreed vide judgment and decree dated 19.05.2016. Aggrieved by the said judgment and decree, the present appellant i.e. State Bank of India preferred a first appeal which was also dismissed vide judgment and decree dated 22.05.2017. Aggrieved by the said judgments and decrees, the present regular second appeal has been filed.

Learned counsel appearing on behalf of respondent No.1 states that in the interregnum, the dispute has been settled with the principal borrower and no amount stands payable now to NSIC (respondent No.1) by respondent No.2 or the appellant herein. Learned counsel for respondent No.1 on instructions from Mr. Pardeep Kumar, Senior Branch Manager, National Small Industries Corporation Ltd., Chandigarh, states that they would not be pursuing the execution proceedings against the appellant herein as no amount stands to be recovered from it.

Learned counsel for the appellant states that he would have no objection if the present appeal is disposed off as having been rendered infructuous on the statement made by learned counsel for respondent No.1.

In view of the above, the present regular second appeal is disposed off as having been rendered infructuous. Pending applications, if any, also stand disposed off.

29.11.2022
Yogesh Sharma

(ALKA SARIN)
JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO