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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 469/2024 & CM APPL. 2110/2024 CM APPL. 2111/2024**
PUNJAB NATIONAL BANK Petitioner

Through: Ms. Nishi Chaudhary, Mr. Mrinal Kr. Jha, Mr. Yashartha Gupta and Mr. Mayuresh Rishabh, Advocates

versus

SEVEN SEAS HOSPITALITY PVT. LTD. AND ORS

..... Respondents
Through: Mr. Rajeeve Mehra, Sr. Advocate with Mr. Pallav Saxena and Mr. Mohd Nausheen Samar, Advocates

CORAM:
HON'BLE THE ACTING CHIEF JUSTICE
HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER
% **12.01.2024**

1. The present petition has been filed under Article 226 of the Constitution of India assailing the interim order dated 06.12.2023 ('impugned order') passed by Debts Recovery Appellate Tribunal ('DRAT'), Delhi in Misc. Appeal No. 277/2023 titled as '*Seven Seas Hospitality Pvt. Ltd. & Another. v. Punjab National Bank & Ors.*' ('appeal'), whereby the Ld. Chairperson directed the Debt Recovery Tribunal-III, Delhi ('Tribunal') to not proceed further with entire proceedings in Original Application No. 158/2021 titled as '*Punjab National Bank v. Seven Seas Hospitality Pvt. Ltd. & Ors.*' ('O.A. No. 158/2021').



2. It is stated in the petition that the Respondent No. 1 defaulted in making regular payments to the Petitioner against the loan and credit facilities availed by the Respondent No. 1 and therefore, the Petitioner initiated recovery proceedings under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 for recovery of an amount of Rs. 211 Crores approximately. It is stated that Respondent Nos. 2 to 12 are the guarantors to the said loan and credit facilities availed by the Respondent No. 1. It is stated that the Tribunal vide Order dated 19.01.2023 closed the rights of the Respondent Nos. 1 and 2 to file their written statements in OA No. 158/2021.

2.1. Aggrieved by Tribunal's order dated 19.01.2023, the Respondent nos. 1 and 2 had filed their separate applications seeking review of the said order dated 19.01.2023 and consequently, seeking an opportunity to file their respective written statement in OA No. 158/2021; however, the said applications were dismissed by the Tribunal vide order dated 18.10.2023 holding that earlier order dated 19.01.2023 was passed on the basis of record.

2.2. Thereafter, Respondent nos. 1 and 2 preferred an appeal being Misc. Appl. 277/2023 before the DRAT challenging the aforesaid orders dated 19.01.2023 and 18.10.2023 passed by the Tribunal. In the said appeal, DRAT vide impugned order dated 06.12.2023 has stayed proceedings in OA No. 158/2021

3. The learned counsel for the Petitioner states that the Petitioner is severely prejudiced by the impugned order dated 06.12.2023, whereby, the DRAT has stayed the entire recovery proceedings in OA No. 158/2021, pending before the Tribunal. She states that it is the matter of record that



Respondent Nos. 3 to 12 are not even the Appellants in the appeal pending before the DRAT and consequent to the impugned order dated 06.12.2023, the proceedings before the Tribunal have been stayed even with respect to Respondent Nos. 3 to 12. She states that on 11.12.2023, the matter was listed before the Registrar for completion of pleadings and therefore, there was no cause for the DRAT to stay the entire proceedings in OA No. 158/2021. She states that therefore, the present petition has been filed seeking vacation of the impugned order dated 06.12.2023; so that the proceedings in OA No. 158/2021 can proceed. She prays that in the facts of this case, time bound directions for expeditious disposal be issued to the Tribunal.

4. In reply, learned senior counsel for Respondents states that Respondent Nos. 1 and 2 are aggrieved by the order dated 19.01.2023 passed by the Tribunal, closing their right to file their written statement in OA No. 158/2021. He states that the review application seeking recall of the said order was also dismissed by the Tribunal vide order dated 18.10.2023. He states that since the consequences of the reliefs sought in the OA No. 158/2021 are far reaching, Respondent Nos. 1 and 2 were constrained to file an appeal before DRAT for setting aside the orders dated 19.01.2023 and 18.10.2023; so as to restore the Respondent Nos. 1 and 2's right to file their written statement. He states that the order dated 19.01.2023 arbitrarily closes the right of Respondent Nos. 1 and 2 to file the written statement even though the due service of paper-book on the said Respondents is not proved on record.

4.1. He states that the controversy in this petition can be put to rest by granting an opportunity to Respondent Nos. 1 and 2 to file their written statement in a time bound manner. He states that the Respondents have a



substantial defence to the claims raised in the OA. He states that the Respondents have made payments even after the filing of the OA.

5. This Court has considered the submission of the learned counsel for the parties and perused the record.

6. In the grounds raised in the Misc. Appl. No. 277/2023, it has been contended by Respondent Nos. 1 and 2 that no copy of the paper book was received along with the summons and it was in these facts that they could not file the written statement. The proceedings in OA No. 158/2021 are admittedly still at the stage of completion of pleadings by the other Respondent Nos. 3 to 12. This Court without expressing any opinion on the rival contentions of the parties with respect to the service of the paper-book deems it appropriate to grant Respondent Nos. 1 and 2 time until 16.01.2024 to file their written statement along with all the documents relied upon in OA No. 158/2021.

7. The learned senior counsel for Respondents states that the written statement on behalf of Respondent Nos. 1 and 2 will be filed on or before 16.01.2024.

8. The said liberty to file the written statement has been granted so as to ensure that proceeding in OA No. 158/2021 proceeds further, considering the fact that OA No. 158/2021 has remained pending for completion of pleadings for more than two (2) years. It is made clear that in case Respondent Nos. 1 and 2 fail to file their written statement within the time granted by this Court, their right to file written statement shall stand foreclosed and the orders dated 19.01.2023 and 18.10.2023 shall operate and bind the parties.



9. In view of the liberty granted to Respondents Nos. 1 and 2 to file their written statement, the Misc Appl. No. 277/2023 pending before DRAT has become infructuous and the same is disposed of in terms of this order. Accordingly, the interim order dated 06.12.2023 passed in the said appeal is hereby vacated.

10. Further, the Tribunal is directed to hear and decide OA No. 158/2021 as expeditiously as possible. The parties are directed to assist the Tribunal in the aforesaid disposal and not seek any unnecessary adjournments.

11. With the aforesaid directions, the present petition stands allowed. The pending applications stands disposed of.

ACTING CHIEF JUSTICE

MANMEET PRITAM SINGH ARORA, J

JANUARY 12, 2024/hp/MG

Click here to check corrigendum, if any