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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 3513/2024, CM APPL. 14315/2024, CM APPL. 14316/2024 & CM APPL. 14317/2024

PANKAJ AGGARWAL ..... Petitioner

Through: Mr. Chinmaya Seth & Mr. A.K. Seth, Advs.
M: 9911610547
Email: confluencelegal_law@gmail.com

versus

STATE BANK OF INDIA ..... Respondent

Through: Mr. Jaya Tomar, Adv.
M: 9810522962
Email: tomarjaya@gmail.com

CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

O R D E R

% **07.03.2024**

CM APPL. 14316/2024 & CM APPL. 14317/2024 (For Exemptions)

1. Exemptions allowed, subject to just exceptions.

2. Applications are disposed of.

W.P.(C) 3513/2024 & CM APPL. 14315/2024

3. The present petition has been filed by the petitioner being aggrieved by the cancellation of the auction sale dated 25th October, 2023 in favor of the petitioner for residential property bearing No. 132A (Eastern Side Build up Portion of Plot No. 132), Sadhora Kalan, Veer Nagar, Jain Colony, Delhi – 110007 (“subject property”), as conveyed to the petitioner vide Email dated 07th February, 2024.

4. Learned counsel appearing for the petitioner submits that the aforesaid cancellation letter dated 07th February, 2024 was issued on account of non-payment of part amount to the respondent-Bank. He submits that the petitioner is ready to make payment of the balance amount to the respondent-bank, along with any interest or penalty, as may be deemed appropriate.

5. The facts that emerge from the pleadings on record show that the petitioner had taken part in the auction of the subject property. Vide E-mail Dated 25th October, 2023, the petitioner was declared as the highest bidder, with a bid amount of Rs. 3,07,00,000/-.

6. The petitioner was, thus, called upon to deposit the aforesaid amount as per procedure of law.

7. It is the case of the petitioner that after the auction, the petitioner deposited the following amounts:

- Rs. 30,60,047.20/- on 18th October, 2023.
- Rs. 46,15,000.00/- on 26th October, 2023.

8. Since the petitioner was facing certain issues, vide letter dated 07th November, 2023, the petitioner requested the respondent-bank for some more time to deposit the balance amount. Thus, vide letter dated 07th November, 2023 the request of the petitioner for grant of thirty days for depositing the balance sale amount was accepted and time was extended for another period of thirty days from 09th November, 2023.

9. It is submitted that despite the aforementioned extension, the petitioner was unable to pay the balance amount, as some mis-happening occurred, in which the petitioner suffered serious injuries, including fracture on his leg. Thus, it is submitted that the petitioner again by letter dated 06th

December, 2023 requested for further two months time to make the balance payment and made the following further payments:

- Rs. 50,00,000.00/- on 13th December, 2023.
- Rs. 50,00,000.00 on 24th January, 2024.
- Rs. 50,00,000.00/- on 25th January, 2024.

10. Learned counsel appearing for the petitioner submits that before receipt of the E-mail dated 07th February, 2024, the petitioner had already made payments of Rs. 2,26,00,000/- and only a balance amount of Rs. 80,24,953/- was left to be paid by the petitioner.

11. It is submitted that before the petitioner could make the balance payment, the respondent issued the E-mail dated 07th February, 2024 informing the petitioner about cancellation of the auction sale in his favor.

12. Thus, the petitioner submits that he is ready to make the balance payment of Rs. 80,24,953/-, for which amount of Rs. 77,18,000/- is payable to the respondent-Bank and Rs. 3,07,000/- is payable towards the Tax Deducted at Source ("TDS").

13. Issue notice. Notice is accepted by learned counsel appearing for the respondent – Bank.

14. She submits that the petitioner was required to make the full payment within a period of maximum three months of the declaration of the petitioner as the highest Bidder.

15. She draws the attention of this Court to Rule 9(4) and (5) of the Security Interest (Enforcement) Rules, 2002, as per which the balance amount of any purchase price payable by the purchaser has to be paid on or before the 15th day of confirmation of the sale of immovable property.

16. Further, the said amount has to be paid on such extended period, in

any case not exceeding three months.

17. Rule 9(4) and (5) of the Security Interest (Enforcement) Rules, 2002 reads as under:

> *"xxx xxx xxx*
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> ***9. Time of sale, issue of sale certificate and delivery of possession, etc. –***
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> …………..
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> *(4) The balance amount of purchase price payable shall be paid by the purchaser to the authorized officer on or before the fifteenth day of confirmation of sale of the immovable property or such extended period [as may be agreed upon in writing between the purchaser and the secured creditor, in any case not exceeding three months].*
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> *(5) In default of payment within the period mentioned in sub-rule (4), the deposit shall be forfeited [to the secured creditor] and the property shall be resold and the defaulting purchaser shall forfeit all claim to the property or to any part of the sum for which it may be subsequently sold.*
>
> *xxx xxx xxx"*

18. Thus, she submits that action taken by the respondent is in accordance with law.

19. However, learned counsel appearing for the petitioner submits that it was due to extraordinary circumstances that the petitioner was unable to make the balance payment. He further submits that the petitioner has already made payment of the more than 2/3rd of the amount payable to the respondent.

20. He further submits that he is ready to pay the interest as penalty to the respondent-bank on account of delay on his part.

21. Considering the submissions made before this Court, this Court considers that the petitioner has already made payment of an amount of Rs. 2,26,00,000/- till now, out of the bid amount of Rs. 3,07,00,000/-.

22. As per learned counsel for the respondent, the petitioner is liable to

make payment of Rs. 77,18,000/- to the respondent and an amount of Rs. 3,07,000/- towards the TDS.

23. Considering the aforesaid, it is directed that the aforesaid amounts shall be paid by the petitioner within a period of four working days from today.

24. Further, considering the fact that the petitioner has delayed in making the payment, it is directed that the aforesaid amount shall be paid by the petitioner, along with interest of 15% per annum, payable with effect from 23rd January, 2024, till the date of payment.

25. It is clarified that the present order has been passed in the peculiar facts and circumstances of the present case.

26. With the aforesaid directions, the present petition is disposed of along with the pending applications.

MINI PUSHKARNA, J

MARCH 7, 2024/kr