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

+ **W.P.(C) 1372/2025 CM APPL. 6718/2025**

STATE BANK OF INDIA

.....Petitioner

Through: Mr. Ankur Mittal, Mr. Ankush
Kumar, Advs.

versus

M/S. PC JEWELLER LTD AND ORS.

.....Respondents

Through: Mr. Sanjeev Bhandari, Mr. Ravi Data,
Mr. Rajesh Sharma, Advs. for R1 to
19.
Mr. Talib Khan, Adv. for R20.
Mr. Santosh Kumar Rout, Standing
Counsel for Indian Bank/PNB/BOB.
with Mr. D. Veragi, Mr. B. N.
Mishra, Advs.
Counsel (appearance not given) for
R30.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE GIRISH KATHPALIA

ORDER

03.02.2025

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1. Issue notice.
2. The learned counsel appearing for the respondents accept notice.
3. The petitioner, State Bank of India (hereafter *SBI*) has filed the present petition impugning an order passed by the National Lok Adalat held on 14.12.2024 and an order dated 22.01.2025 passed by the Debt Recovery Tribunal-III, Delhi (hereafter *DRT*) in M.A. No.2/2025 in OA/1/2023, captioned *State Bank of India v. PC Jeweller Limited*. SBI had filed an Original Application (OA) before the learned DRT under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 claiming an amount of ₹1160,06,35,209.90 as outstanding as on 13.01.2023 along with *pendente*



lite and future interest at the rate of 11.15% per annum.

4. During the course of proceedings before the learned DRT, the parties have entered into an amicable settlement. In view of the above, the learned DRT referred the parties to the National Lok Adalat, which was held on 14.12.2024.

5. The SBI and the contesting respondents filed a joint application enclosing therewith the Settlement Agreement dated 30.09.2024 and prayed that OA be disposed of in terms of the said settlement. In terms of the aforesaid settlement, respondent Nos.1 to 19 (the contesting respondents) were required to pay an amount of ₹775,43,20,000/- to SBI along with allotment of 1,76,64,636 equity shares.

6. Notwithstanding that the parties had settled the dispute in terms of the Settlement Agreement dated 30.09.2024, the National Lok Adalat did not pass a consent decree in favour of SBI. Curiously, National Lok Adalat ordered “*In case of default of terms and conditions, consent decree shall be prepared accordingly and above noted IAs shall be part and parcel of the consent decree.*”

7. Apart from the above, certain typographical errors had also crept in the order dated 14.12.2024 passed by National Lok Adalat. Consequently, SBI filed an application before the learned DRT for correcting the order dated 14.12.2024. SBI also sought a decree to be issued in terms of the settlement arrived at between the parties.

8. By an order dated 22.01.2025, the learned DRT corrected the typographical errors in the order of National Lok Adalat, however, disposed of the said application in terms, which were, in effect, similar to those recorded in the order passed by the National Lok Adalat on 14.12.2024. The



learned DRT observed “*Consent decree shall be prepared in case the Defendants do not adhere to the terms and conditions and applicant can move application for preparation of consent decree.*”

9. We find ourselves at a loss to understand the approach of the learned DRT directing that the consent decree will be passed once there is a default to comply with the terms of the settlement. The joint application filed by the parties for disposing of the OA in terms of the settlement is in nature of an application filed Order 23 Rule 3 of the Code of Civil Procedure, 1908. The learned DRT was required to pass a final order disposing of the OA. In the event, the respondents fail to adhere to the terms of the settlement, SBI is entitled to avail of its remedies for enforcing the consent decree (settlement terms) in accordance with law, including seeking a recovery certificate from the learned DRT. However, by passing of the final order (consent decree) cannot be made contingent on the respondents adhering to the terms and conditions of the settlement.

10. In view of the above, we direct the learned DRT to consider the joint application (I.A. No.1425/2024) filed by the parties and pass a final order under Section 19(20A) of the Recovery of Debt and Bankruptcy Act, 1993, as expeditiously as possible, and preferably within a period of two weeks from today.

11. The petition is disposed in the above terms.

VIBHU BAKHRU, J

GIRISH KATHPALIA, J

FEBRUARY 03, 2025/dr

[Click here to check corrigendum, if any](#)