IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

Civil Writ Petition No. 12153 of 2014 (O&M)
Date of decision : 04.05.2015

M/s Labh Singh Des Raj .....Petitioner

Versus

The State of Haryana and others ....Respondents

CORAM:- HON'BLE MR. JUSTICE HEMANT GUPTA
HON'BLE MRS. JUSTICE LISA GILL

Present: Ms. Manisha Gandhi, Senior Advocate with
Mr. Gourav Goel, Advocate
for the petitioner.

Mr. Vishal Garg, Addl. AG, Haryana.

Mr. Dhiraj Chawla, Advocate
respondents No. 2 and 3.

Hemant Gupta, J.

The petitioner has invoked writ jurisdiction of this Court for quashing order dated 04.04.2012 (Annexure P-17) and 13.09.2012 (Annexure P-19) whereby settlement proposal has been declined by the respondents and the auction notice published in terms of the order dated 19.12.2011 passed by the Letters Patent Bench in LPA No. 1119 of 2012.

The Division Bench of this Court on 19.12.2011 directed the Corporation to consider the proposal of the present petitioner for settlement in terms of prevalent policy devised by Haryana Financial Corporation. It was ordered that if any application was filed by the present petitioner, the same may be considered by the respondent-Corporation in accordance with law with the prevailing policy. If any dues are found payable to the

Corporation then the same shall be paid on or before 31.03.2015. It is thereafter, the impugned order (Annexure P-19) was passed on 13.09.2012. Relevant extract of the order reads as under:-

> "In this connection, this is to inform you that your settlement proposal has been considered and declined after careful consideration by the Corporation as the realizable value of mortgaged primary & collateral securities has been assessed at Rs. 171.06 lacs which is more than six times of the outstanding dues of the Corporation. You are, therefore, advised to pay within 15 days the entire outstanding amount of Rs. 24,38,159/- (subject to audit) including Rs. 8.00 lacs deposited as down payment with further interest from 01.06.2012 and expenses in terms of loan agreement till the date of final payment, failing which, the Corporation will process as per Law for recovery of its dues without any further reference to you in this regard.

Learned counsel for the petitioner argued that the realizable value of the assets in hand of the borrower have no co-relation with the amount to be realized. The petitioner has taken a loan of ₹7,56,000/- in the year 2001 and has paid more than ₹34 lakhs, therefore, the writ petitioner is entitled to the consideration of one time settlement in accordance with law.

We have heard learned counsel for the parties and find that no further directions can be issued in the present writ petition. Corporation advances public money for promoting industry in the State. The failure to re-pay the same within stipulated period is at the cost of public money. The amount is payable along with compound interest and is secured by the immovable assets of the borrower. It is a matter of accounting that how much amount is due and payable in terms of loan agreements executed between the parties. But, in the writ jurisdiction, this court in its exercise of powers of judicial review does not to sit over the calculation as to how much amount is due and payable by the petitioner. Since the amount due has been calculated and communicated to the petitioner, it is open to the petitioner to seek waiver of accrued interest from the respondent-Corporation but this Court cannot issue direction for settlement of loan account in a particular manner.

Thus, the writ petition is disposed of. The respondent shall calculate the amount due within one week from today. The petitioner shall deposit the same within six weeks. The Corporation shall be entitled to act in accordance with law on failure of the petitioner to deposit the same.

(Hemant Gupta)
Judge

(Lisa Gill)
May 04, 2015 **Judge**
rts