IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Civil Writ Petition No.15911 of 2017.

Date of Decision: July 21, 2017

M/s Devidayal Castings Private Limited ......Petitioner

versus

Haryana Financial Corporation and another .....Respondents

CORAM: HON'BLE MR.JUSTICE SURYA KANT.

HON'BLE MR.JUSTICE SUDHIR MITTAL.

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Present: Mr.Suvir Sehgal, Senior Advocate with
Mr.Daman Dhir, Advocate, for the petitioner.

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Surya Kant, J. (Oral)

The petitioner-company had availed loan facilities from the Haryana Financial Corporation (for short, 'HFC'). As there were persistent default in repayment, a demand letter was issued and due to failure of the petitioner to discharge its loan liability, its loan account was classified as Chronic Non Performing Assets. The Financial Corporation came out with a Settlement Policy known as "Compromise Settlement of Chronic Non Performing Assets (NPAs) of HFC, 2005". The petitioner was initially denied the benefit of 2005 Policy but pursuant to the directions issued by the Hon'ble Supreme Court in petitioner's favour vide judgment dated 06.09.2016 in Civil Appeal Nos.8797-8798 of 2016 (P-52), the Financial Corporation has passed order dated 23.05.2017 (P-54) whereby the settlement of loan accounts has been approved under the 2005 Scheme and the petitioner has been asked to deposit a sum of Rs.76,43,035/- within one year with simple interest @13% per annum from the date of OTS letter upto the date of final payment alongwith further miscellaneous expenses. The petitioner has also been offered to pay the entire amount without interest within 60 days.

The case of the petitioner is that it has accepted the above-stated One Time Settlement and has already deposited more than 25% of the Settlement amount. The next installment is not due so far.

The petitioner has manifold grievances against the One Time Settlement offered by HFC. Firstly, it is specifically averred that under the 2005 Scheme, the annual rate of interest is 10.5% and not 13% as has been charged by HFC. Secondly, the petitioner has not been furnished the details as to how its liability has been assessed to the tune of Rs.76,43,035/-. Thirdly, the petitioner has not been made aware of the amount of "miscellaneous expenses" which are to be debited. Fourthly, the petitioner has not been granted sufficient time to deposit the entire amount in one go. Had the HFC given 120 days time, the petitioner would have explored the possibility of depositing the entire amount in one go.

Having heard learned counsel for the petitioner and considering the fact that the above-mentioned grievances of the petitioner require objective consideration on the part of the authorities of HFC, we dispose of this writ petition without expressing any views on merits, with a direction to the Managing Director of HFC to consider the above aspects of the matter and take an appropriate decision in continuation of One Time Settlement dated 23.05.2017. Let the matter be decided within a period of two months from the date of receiving a certified copy of this order. The petitioner shall continue to deposit the monthly installments without prejudice to its right to seek determination of the above issues.

[SURYA KANT]
JUDGE

July 21, 2017
mohinder

[SUDHIR MITTAL]
JUDGE

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No