

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-37948-2018

Date of decision: 28.8.2019

Ashok Leyland Employees Hosur Provident Funds Trust and others
...Petitioners

Versus
State of Punjab and another

...Respondents

CORAM: HON'BLE MR. JUSTICE JITENDRA CHAUHAN

Present: Mr.Sandeep Jasuja, Advocate for the petitioner

Mrs.Anju Arora, Addl.AG, Punjab

Mr.Sudhir Kashyap, Advocate for respondent No.2

JITENDRA CHAUHAN, J.

The present petition under Articles 226/227 of the Constitution of India has been filed for directing the respondents to fulfill the obligations in terms of Memorandum of private placement for bonds and government Notification (Annexure P-2) and to pay and settle the redemption amount due under the bonds alongwith interest and interest on the delayed payment till the date of settlement as the amount was invested in the bonds with respondent No.2 in view of the express guarantee by the State Government that the same will be repaid with interest.

Heard.

As per the reply, respondent No.2 has categorically admits the claim of the petitioner and its liability to make the payment in question and that being so, further adjudication of the matter is not required.

The submission of learned counsel for respondent No.2 that PSIDC Ltd. is facing acute financial crunch cannot be accepted.

Hon'ble the Supreme Court in Civil Appeal No. 6126 of 2008 titled as "State of U.P. vs. Hindustan Unilevers Ltd and ors" decided on 15.10.2008, has held as under:-

6. Such a contention is not tenable. The amount invested by first respondent belongs to the workmen of first respondent. The amount was invested in the bonds of the Federation in view of the express guarantee by the State Government that the same will be repaid with interest upto 15.5% p.a. The very purpose of the State Government guarantee is to ensure payment in case the Federation was not able to make payment. In the circumstances, the fact that the Federation is in financial difficulties cannot be ground for the State Government to say that it will not make payment of interest, even though it had guaranteed the repayment with interest. If such a contention is accepted, the very purpose of the guarantee will be defeated. We are indeed surprised that such a plea is put forward on behalf of the State of Uttar Pradesh.

In view of the above, the present is allowed. Respondent No.2 is directed to make the payment alongwith interest in terms of the bonds executed between the parties.

28.8.2019
gsv

(JITENDRA CHAUHAN)
JUDGE

Whether speaking / reasoned?

Yes / No

Whether reportable?

Yes / No