

CWP-13482-2020

Date of Decision: 30.09.2020

Dr. Pritpal Singh

...Petitioner

**Versus**

Assistant Collector, Grade-I, U.T., Chandigarh and others

...Respondents

**CORAM:- HON'BLE MR. JUSTICE JASWANT SINGH  
HON'BLE MR. JUSTICE ASHOK KUMAR VERMA****Present:** Mr. Rahul Sharma-I, Advocate for the petitioner.**JASWANT SINGH, J. (ORAL)**

[The aforesaid presence is being recorded through video conferencing since the proceedings are being conducted in virtual court.]

The petitioner-Dr. Pritpal Singh was a guarantor as also the equity share holder of M/s Punjab Drugs Limited (for short 'the Company'), which had raised a loan of Rs.70 lacs from the Punjab State Industrial Development Corporation Limited (for short 'PSIDC')-respondent No.3 in the year 1991. The secured assets of the company were taken over under Section 29 of the State Financial Corporations Act, 1951 (for short 'the Act of 1951') by PSIDC-respondent No.3 on 04.03.1998 leading up to the sale of the said assets on 31.03.2002.

Since the amount towards interest remained unrecovered, proceedings under Section 32-G of the Act of 1951 were initiated on 04.10.2010 by way of application, the petitioner contested the said application. However, an order dated 28.06.2013 (P-9) came to be passed by the Managing Director of PSIDC, holding that the applicant PSIDC-respondent No.3 was entitled to recover an amount of Rs.11,59,23,000/- (Eleven crores, fifty nine lacs and twenty three thousand) along with future and penal interest, after deducting the amount of Rs.1,05,22,000/- (One crore, five lacs and twenty two thousand) as sale proceeds, to be recoverable

from the guarantor that is the petitioner, in terms of the conditions of the Guarantee Deed. Accordingly, recovery certificate dated 05.07.2013 (P-10) was issued.

The petitioner did not challenge the same in time. However, on receipt of the summons issued in August 2020 by the Assistant Collector Grade-I, U.T. Chandigarh -respondent No.1 for recovery of the outstanding amount as arrears of land revenue, the petitioner approached this Court under Article 226 of the Constitution of India assailing the order dated 28.06.2013 (P-9), certificate of recovery dated 05.07.2013 (P-10) and the summons (P-13).

The primary argument raised in the petition is that the entire recovery under the provisions of Section 32-G of the Act of 1951 would be hit by the law of limitation at least from the day of the sale proceeds received qua the sale of the secured assets/mortgaged property.

At the time of hearing today, learned counsel for the petitioner submits that his client has been granted the benefit of one time settlement floated by PSIDC-respondent No.3 and therefore, prays for permission to withdraw the writ petition.

In view of the above, the present writ petition is dismissed as withdrawn.

**(JASWANT SINGH)**  
**JUDGE**

**(ASHOK KUMAR VERMA)**  
**JUDGE**

**30.09.2020**  
**mks**

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