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

CWP No. 11400 of 2016 (O&M)
Date of decision: 6.2.2020

M/s Satia Synthetics Limited
.. Petitioner

vs

Punjab State Industrial Development Corporation Limited
.. Respondents

**Coram: Hon'ble Mr. Justice Rajiv Sharma
Hon'ble Mr. Justice Harinder Singh Sidhu**

Present Mr. Rahul Sharma, Advocate, for the petitioner.
Mr. Vikas Mohan Gupta, Advocate, for the respondent.

Rajiv Sharma, J.

The petitioner-company raised a loan of ₹ 3.12 crores. The loan was disbursed on 12.8.1997 and 26.8.1997. The attention of the Court was drawn to Clause 2(II) of One Time Settlement Scheme for Equity & Loans -PSIDC/ PFC/ PAIC Or its Subsidiary Corporations/ Companies -2015 as well as to Clause V(v), (xi) and (xii). These clauses read as under:-

"II. OTS Amount

(i) The amount outstanding (Prin. + Intt.) on the date of Default (duly certified by a Chartered Accountant of the respective Corporation) plus any amount disbursed after account being NPA is to be frozen and simple interest @ 10% p.a. is to be charged from this date – Less any amount paid after the date of Default upto the cut-off date of the policy plus expenses in current account [CCA] with PSIDC/ PFC/ PAIC or its subsidiary Companies. The benefit of total amount paid by the borrower after Default date shall be given on the cut off date.

(ii) The loan cases where all the mortgaged securities, primary and collateral, if any have been sold, the OTS amount shall be, outstanding principal as on the date of Default plus CCA expenses on the cut off date of PSIDC/ PFC/ PAIC and its subsidiary Companies.

Note: Status of all the above categories of companies shall be determined as on the "31st March, 2015".

V. Other Terms & Conditions

(i) to (iv) xx xx xx

(v) For the amounts deposited by companies with PSIDC/ PFC/ PAIC or its subsidiary Companies under previous OTS/ settlement and lying in 'No Lien Account', the credit shall be given from the date, it was transferred to the Corporation's Bank Account till the cut off date @ 10% simple interest.

(vi) to (x) xx xx xx

(xi) There will be no refund of any excess amount, if so worked out under this OTS Policy.

(xii) The OTS amount, in any case, shall not be less than principal plus expenses in current account with PSIDC/ PFC/ PAIC or its subsidiary Corporations/ companies."

Learned counsel for the petitioner submitted that as per the one time settlement, which was arrived at between the parties, as per communication dated 25.5.2009 annexed as Annexure R-5 with the reply, a sum of ₹ 4,90,80,000.00 (rupees four crore ninety lac and eighty thousand) was deposited with the respondent-corporation. However, according to learned counsel appearing for the respondent-Corporation, the petitioner did not abide by the terms and conditions contained in letter dated 1.7.2010 (Annexure R-6), which led to the passing of detailed order.

The attention of the Court was drawn to Annexure R-2 dated 14.1.2011 and the detailed speaking order annexed with it. Now as per the learned counsel for the respondent- corporation, the amount which the petitioner company owe to the respondent-corporation without invoking one time settlement policy is ₹ 3.78 crores (rupees three crore and seventy eight lacs) and with the settlement, which has been entered into between the parties, a sum of ₹ 3,15,34,787.00 (rupees three crore fifteen lac thirty four thousand seven hundred and eighty seven) is payable as on 31.5.2016.

We have gone through the clauses mentioned hereinabove harmoniously. The submission of learned counsel for the petitioner that the petitioner-company is entitled to 10% interest on the amount, which has been deposited by it on the basis of one time settlement, cannot be accepted. The amount which the petitioner-company has paid is ₹ 6,43,52,331.00 (rupees six crore forty three lac fifty two thousand three hundred and thirty one). This amount has been adjusted towards the loan amount. Once the parties arrive at a settlement, they are bound by all the terms and conditions contained therein. If the contention of learned counsel for the petitioner is accepted, it would also amount to unjust enrichment i.e. without re-paying the amount which the petitioner- company has taken by way of a loan from the respondent-corporation.

Accordingly, there is no merit in the writ petition. The same is dismissed.

(Rajiv Sharma)
Judge

6.2.2020
vs

(Harinder Singh Sidhu)
Judge

Whether speaking/ reasoned Yes/No

Whether Reportable Yes/No