IN THE HIGH COURT OF ORISSA AT CUTTACK

WP(C) No.1957 of 2010

Prafulla Kumar Sarangi .... ***Petitioner***

Mr. Ramanath Acharya, Advocate

-versus-

Managing Director, Orissa State Financial Corporation, OMP Square, Cuttack-3 and another .... ***Opp. Parties***

Mr. P. K. Barik, Advocate

CORAM:
JUSTICE JASWANT SINGH
JUSTICE M. S. RAMAN

ORDER (Oral)

Order No. **08.03.2022**

06. **1.** This matter is taken up by virtual/physical mode.

2. The brief facts of the case were that the Petitioner availed a Term Loan of Rs.66,800/- on 22.12.1981, an additional Term Loan of Rs.35,100/- on 31.12.1982, a second additional Term Loan of Rs.2,68,400/- on 07.09.1983, Seed Loan of Rs.3,700/- on 23.12.1981 and Flood Loan of Rs.5,000/- on 02.03.1983 from the Orissa State Financial Corporation, Paradeep Branch. The entire loan was to be repaid by installments.

3. The Petitioner defaulted in the payment of installments. Consequently, possession of the hypothecated/industrial assets and the collateral securities of the Petitioner were taken by the Opposite Parties i.e. Corporation on 13.07.2001 and 21.09.2001 respectively.

5. The Petitioner sent an application under the OTS Scheme introduced in the year 2004 by the Opposite Party No.2 i.e. Branch Manager, Odisha State Financial Corporation for their consideration. The Opposite Parties accepted the proposal of the petitioner and by letter vide No. OSFC/PDP/924/2004-05 dated 25.02.2005, it was communicated to the Petitioner indicating that an OTS of Rs.1,50,000/- is acceptable to the Bank if paid before 23.08.2005. The Petitioner was able to pay off the total debt by 18.12.2009.However, the Opposite Parties vide Letter no. 4010 dated 16.01.2010 asked the Petitioner to pay interest of Rs.54,662/- for delayed period in order to accept the late payment of settled dues as per Clause 1(b) of the settlement order dated 25.02.2005.

6. The present Writ Petition has been preferred by the Petitioner to challenge the said office memo dated 25.02.2005 by which interest was imposed for delayed payment of OTS amount.

7. Heard the counsel for the parties at length.

8. It is the case of the Petitioner that some leniency may be provided by the Corporation as he suffered from a serious spinal injury which deterred him from paying the OTS amount in time. We believe that the Opposite Parties have been sympathetic to the client's request by extending the time line by more than four (04) years to pay the OTS amount. Further, it has not disposed of the property considering the position of the client. The demand for payment of interest upon delayed payment of balance amounts deposited beyond the cut-off date of sanctioned OTS is in conformity with the policy/norms of Corporation. Mere on purported equity, the terms and conditions of Contract or the norms of the scheme/policy cannot be interfered with, more so when question is of recovery of public dues.

9. Hence, the request of the Petitioner for waiver of interest on delayed payment cannot be accepted and the Petition is dismissed. No costs.

(Jaswant Singh)
Judge

(M. S. Raman)
Judge

March 8th 2022
Cuttack

AKPradhan