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

FAO No.634 of 2019 (O&M)
Date of decision : 22.09.2025

Haryana Financial Corporation .....Applicant/appellant

Versus

M/s Vishav Manav Printers and others ...Respondents

CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN

Present : Mr. Vishal Garg, Advocate
for the applicant/appellant.

PANKAJ JAIN, J. (ORAL)

CM No.1987-CII of 2019

This is an application filed under Section 151 CPCseeking condonation of delay of 75 days in re-filing the instant appeal.

For the reasons recorded in the application, this Court is satisfied that the applicant/appellant has made out a sufficient cause for condonation of delay.

Consequently, the present application is allowed. The delay of 75 days in re-filing the instant appeal is hereby condoned.

CM No.1988-CII of 2019

This is an application filed under Section 5 of Limitation Act seeking condonation of delay of 66 days in filing the instant appeal.

For the reasons recorded in the application, this Court is satisfied that the applicant/appellant has made out a sufficient cause for condonation of delay.

Consequently, the present application is allowed. The delay of 66 days in filing the instant appeal is hereby condoned.

FAO No.634 of 2019 (O&M)

Present appeal is directed against the order dated 30.03.2018 passed by Additional District Judge, Karnal, dismissing the petition filed under Section 31 of the State Financial Corporations Act, 1951 (hereinafter referred to as 'the 1951 Act'), by the appellant.

2. The issue relates to recovery of the amount of loan granted by the appellant to the respondents.

3. It is not disputed that the loan facility availed was a term loan. The term expired on 01.07.2002.

4. Counsel for the appellant was asked to respond as to how the present petition filed under Section 31 of the 1951 Act, can be entertained in the year 2018 as the same was instituted only on 28.08.2014.

5. Mr. Garg relies upon Article 113 of the Limitation Act to submits that for applications *qua* which the limitation has not been prescribed, the same shall be 'three years' commencing from the date when the cause of action accrues. He submits that in the present case, the interest was being credited to the loan account and thus there was a continuous and recurring cause of action in favour of the appellant.

6. In order to appreciate the contention raised by Mr. Garg, it will be apt to peruse Article 113 of the Limitation Act, 1963 and Sections 30 and 31 of the 1951 Act. The same reads as under:

Article 113:- **PART X.—SUITS FOR WHICH THERE IS NO PRESCRIBED PERIOD**

	Description of suit	**Description of suit**	**Time from which period begins to run**
113.	Any suit for which no period of limitation is provided elsewhere in this Schedule.	Three years.	When the right to sue accrues

Section 30 & 31 of 1951 Act :-

Section 30. Power to call for repayment before agreed period.—Notwithstanding anything in any agreement to the contrary, the Financial Corporation may, by notice in writing, require any industrial concern to which it has granted any loan or advance to discharge forthwith in full its liabilities to the Financial Corporation,—

(a) if it appears to the Board that false or misleading information in any material particular was given by the industrial concern in its application for the loan or advance; or

(b) if the industrial concern has failed to comply with the terms of its contract with the Financial Corporation in the matter of the loan or advance; or

(c) if there is a reasonable apprehension that the industrial concern is unable to pay its debts or that proceedings for liquidation may be commenced in respect thereof; or

(d) if the property pledged, mortgaged, hypothecated or assigned to the Financial Corporation as security for the loan or advance is not insured and kept insured by the industrial concern to the satisfaction of the Financial Corporation or depreciates in value to such an extent that, in the opinion of the Board, further security to the satisfaction of the Board should be given and such security is not given; or

(e) if, without the permission of the Board, any machinery, plant or other equipment, whether forming part of the security or otherwise, is removed from the premises of the industrial concern without being replaced; or

(f) if for any reason it is necessary to protect the interests of the Financial Corporation.

Section 31. Special provisions for enforcement of claims by Financial Corporation.—(1) Where an industrial concern, in breach of any agreement, makes any default in repayment of any loan or advance or any instalment thereof 1 [or in meeting its obligations in relation to any guarantee given by the Corporation] or otherwise fails to comply with the terms of its agreement with the Financial Corporation or where the Financial Corporation requires an industrial concern to make immediate repayment of any loan or advance under section 30 and the industrial concern fails to make such repayment, 2 [then, without prejudice to the provisions of section 29 of this Act and of section 69 of the Transfer of Property Act, 1882 (4 of 1882)] any officer of the Financial Corporation, generally or specially authorised by the Board in this behalf, may apply to the district judge within the limits of whose jurisdiction the industrial concern carries on the whole or a substantial part of its business for one or more of the following reliefs, namely:—

(a) for an order for the sale of the property pledged, mortgaged, hypothecated or assigned to the 3 [Financial Corporation] as security for the loan or advance; or

4 [(aa) for enforcing the liability of any surety; or]

(b) for transferring the management of the industrial concern to the Financial Corporation; or

(c) for an ad interim injunction restraining the industrial concern from transferring or removing its machinery or plant or equipment from the premises of the industrial concern without the permission of the Board, where such removal is apprehended.

> (2) An application under sub-section (1) shall state the nature and extent of the liability of the industrial concern to the Financial Corporation, the ground on which it is made and such other particulars as may be prescribed.

7. Section 31 is consequential to the action taken under Section 30.

8. Mr. Garg does not dispute that Section 30 was resorted to against the respondents way back in the year 1995. Meaning thereby, the cause of action, if any, accrued in the year 1995 to proceed against the respondents under Section 31.

9. Even if the argument raised by Mr. Garg is accepted, the limitation shall commence in the year 1995 and cannot be extended beyond the year 1998.

10. In view thereof, finding no merit in the present appeal, the same is ordered to be dismissed.

September 22, 2025 **(Pankaj Jain)**
Dpr **Judge**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No