

Punjab & Haryana High Court

*Justice Jasbir Singh; Justice Pritam Pal*

**Sat Kartar Ice And General Mills v. Punjab Financial Corporation**

CWP-18557-2003

22.12.2006

**OTS - Banking - Once one time settlement has already been offered , the Corporation was bound to condone the delay and it was not open to the Corporation to reject the offer made under one time settlement scheme, after accepting the entire amount - Action of the respondent Corporation in rejecting the one time settlement offered to the petitioner is declared null and void. .**

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This writ petition has been filed with a prayer that act of the respondent, in refusing OTS (One Time Settlement Scheme) after accepting the money, be declared null and void.

2. It is not in dispute that in the month of August 2001, benefit of one time settlement scheme, was extended to the petitioner and it was asked to deposit an amount of Rs. 5.20 lacs. 25% of the said amount was to be paid on or before 30.9.2001. The petitioner failed to make payment as per time schedule given to it. However, subsequent thereto, it paid the entire amount i.e. Rs. 7.70 lacs, though at a belated stage. Vide document Annexure P 16, the petitioner was intimated that only a sum of Rs. 50 remains due from the petitioner. The petitioner, vide receipt Annexure P17, cleared that amount an amount of Rs. 15 lacs on the ground that as the petitioner had failed to deposit the amount which was offered to it under one time settlement scheme, within time, as such, that offer failed and it is bound to make payment of amount demanded by the Corporation. It is apparent from the records that in the meantime, the petitioner had moved one application for condonation of delay in making the payment. That application was rejected without assigning any reason. When this matter came up for hearing before this Court on 15.12.2006, following order was passed:

During arguments, it has been noticed that the defaulted account of the petitioner was settled under one time settlement scheme of 2001 and it was asked to pay an amount of Rs. 5.20 lacs. 25% of the amount was to be paid upto 30.09.2001. The petitioner failed to adhere to the schedule fixed payment and deposited the entire amount at a belated stage. Its application for condonation of delay was not considered. The petitioner was even ready to pay interest for the delayed period. Counsel for respondent No. 1, is directed to file an affidavit stating as to whether under similar circumstances, where payment was made beyond period fixed under the settlement, the delay was condoned or not, if that has been done in other cases, why it was not done in the case of the petitioner. Affidavit be filed before the next date of hearing.

Shri Duggal states that in large number of cases, under similar circumstances, delay in

depositing the amount, offered under one time settlement scheme, was condoned by the respondent Corporation.

To this, Shri Sagar has failed to show anything to the contrary. Shri Sagar has only stated that as the petitioner had not utilized the amount, for the purpose for which it was released, the Corporation was justified in demanding the entire amount.

Be that as it may, once one time settlement has already been offered to the petitioner and no such plea was taken in the written statement, no relief can be given to the respondent Corporation on this account. We feel that in the case of the petitioner also, the Corporation was bound to condone the delay and it was not open to the Corporation to reject the offer made under one time settlement scheme, after accepting the entire amount.

In view of this, the writ petition is allowed and action of the respondent Corporation in rejecting the one time settlement offered to the petitioner is declared null and void. .