

## **Smt. Basant Kohli Vs Haryana Financial Corporation, Chandigarh and Another**

**Court:** High Court Of Punjab And Haryana At Chandigarh

**Date of Decision:** Aug. 1, 2013

**Acts Referred:** State Financial Corporations Act, 1951 "Section 29, 31, 32G

**Hon'ble Judges:** Sanjay Kishan Kaul, C.J; Augustine George Masih, J

**Bench:** Division Bench

**Advocate:** Supriya Garg, for Mr. Akshay Bhan, for the Appellant; Kamal Sehgal, for the Respondent

**Final Decision:** Disposed Off

### **Judgement**

Sanjay Kishan Kaul, C.J.

The petitioner, as a guarantor of the loan facility advanced to the partnership firm of her sons (subject matter of

CWP No. 15907 of 2002), has filed the present petition seeking to impugn the notice dated 20.10.2004 (Annexure P-2). In terms thereof, the

respondent-Corporation proposed to take over possession of the collateral security of land measuring 96 Sq. yards and Double Storey House

bearing No. 12/60-A, Tilak Nagar, New Delhi mortgaged with the respondent-Corporation for repayment of loan and to sell the same for

appropriate proceeds u/s 29 of the State Financial Corporation Act, 1951 (hereinafter referred to "said Act"). It is conceded by the learned

counsel for the respondents that such a course of action is impermissible and the matter is no more res integra in view of the Full Bench judgment

of this Court in Shiv Charan Singh Vs. Haryana State Industrial and Infrastructure Development Corporation Limited and Another, . This view also

finds support from the judgment of the Hon"ble Supreme Court in Karnataka State Financial Corporation Vs. N. Narasimahaiah and Others, The

respondent-Corporation is, thus, not entitled to proceed u/s 29 of the said Act, though this will not preclude them from proceeding under Sections

31 and 32-G of the said Act.

2. The result of the aforesaid is that the impugned notice dated 20.10.2004 (Annexure P-2) is quashed and the rule is made absolute, leaving the

parties to bear their own costs.