

SUPREME COURT OF INDIA SLSCI

Orissa State Financial Corporation

Vs.

Samaru Pasayat

(S Agrawal and B Kirpal JJ.)

21.08.1998

ORDER

1. Special leave granted.

2. These matters relate to recovery of dues by the Orissa State Financial Corporation (hereinafter referred to as "the Financial Corporation") from the respondents. The dues are in respect of loans advanced by the Financial Corporation for purchase of motor vehicles. The Financial Corporation had taken possession of the motor vehicles in exercise of its powers under Section 29 of the State Financial Corporations Act, 1951. By the impugned orders the High Court has directed the respondents to pay a part of the amount that was recoverable from them and has directed the Financial Corporation to reschedule the repayment of the balance amount and return the vehicles. In Orissa State Financial Corpn. v. Umesh Chandra Dani, the High Court had passed a similar order in exercise of its powers under Article 226 of the Constitution directing the respondent to pay a sum of Rs 50,000 and on payment of the said amount the Financial Corporation was directed to deliver back the vehicle which had been taken over for the recovery of the amount of Rs 4,52,903.10p. This Court, while allowing the appeal of the Financial Corporation and setting aside the order passed by the High Court, directed as follows;

"The setting aside of the impugned judgment will, however, not preclude the respondent from making an offer for settling the dues and if such an offer is made, the same shall be given due

consideration by the Financial Corporation. No costs."

3. For the reasons given in our judgment dated 24-10-1997, we are unable to uphold the impugned orders passed by the High Court in these appeals. The appeals are accordingly allowed, the impugned orders of the High Court are set aside. The setting aside of the impugned orders will, however, not preclude the respondents from making an offer for settling the dues and if such an offer is made, the same shall be given due consideration by the Financial Corporation. No order as to costs.