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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**  
% **Date of Decision: 25<sup>th</sup> February, 2025**

+ W.P.(C) 3616/2023 & CM APPL. 14051/2023

**BHUSHAN INFRASTRUCTURE PRIVATE LIMITED** .....Petitioner  
Through: Mr. Akhil Sibal, Sr. Advocate with  
Ms. Ranjana Roy Gawai, Ms.  
Vashudha Sen, Mr. Vineet Wadhwa  
and Ms. Jhanvi Sindhu, Advocates.

versus

**UNION OF INDIA THROUGH FINANCE SECRETARY,  
MINISTRY OF FINANCE & ORS.** .....Respondents  
Through: Mr. Vijay Joshi with Mr. Hemant  
Goyal, Advocates for respondent  
No.1.  
Mr. Niraj Kumar with Mr. Nikhil  
Narayan Arora, Advocates for  
respondent No.3.

+ W.P.(C) 3636/2023 & CM APPL. 14084/2023

**TREMENDOUS MINING AND MINERALS PRIVATE LIMITED  
& ANR.** .....Petitioners  
Through: Mr. Akhil Sibal, Sr. Advocate with  
Ms. Ranjana Roy Gawai, Ms.  
Vashudha Sen, Mr. Vineet Wadhwa  
and Ms. Jhanvi Sindhu, Advocates.

versus

**UNION OF INDIA & ORS.** .....Respondents  
Through: Mr. Satya Ranjan Swain, SPC for  
UOI with Mr. Rudra Paliwal, GP.  
Mr. Niraj Kumar with Mr. Nikhil  
Narayan Arora, Advocates for  
respondent No.3.

**CORAM:**

**HON'BLE MR. JUSTICE MANOJ JAIN**

**J U D G M E N T (oral)**

1. A very short point is involved in both the abovesaid writ



petitions.

2. Since the issue is same and similar in both the abovesaid writ petitions, with the consent of learned counsel for the parties, these are being disposed of by this common order.

3. Let me first advert to the facts averred in W.P.(C) 3616/2023.

4. There was an *Agreement for Pledge of Shares* between *M/s Bhushan Infrastructure Private Limited* (petitioner) and *IFCI Limited* (respondent No.3).

5. Such agreement was reduced in writing on 18.06.2014 and as per the recitals appearing in the abovesaid agreement, petitioner had approached and requested IFCI Limited (lender and pledgee) to sanction a corporate loan to the extent of Rs.25 crores. IFCI Limited (respondent No.3 herein) agreed, in principle, to sanction the abovesaid loan. As per the terms and conditions of the pledge agreement, petitioner created a security by way of pledge of 15,06,932 number of equity shares which it held and which had been issued by M/s Bhushan Steel Limited.

6. As per the abovesaid agreement, as and when the loan was to be repaid by the petitioner in full, such shares were to be released from the pledge.

7. Clause 16 of such agreement reads as under:-

*“16. When the said Loan and other monies are recovered or repaid by the Borrower in full as prescribed in the Loan Agreement, the said Shares shall be released from the pledge and the Lender shall confirm the closure of the pledge to DP in such form as may be required so as to cause cancellation of pledge in the records of the DP, and this Agreement shall terminate. The Lender shall also return to the Pledgor the irrevocable power of attorney, executed in favour of the Lender in terms hereof, marked “cancelled”.”*



8. According to petitioner, there is no dispute that the abovesaid loan liability does not exist anymore and the entire loan amount along with interest, if any, has already been duly repaid and refunded in the year 2015.

9. According to petitioner, since the loan amount has been duly refunded and there was no subsisting obligation under the abovesaid loan facility of Rs.25 crores, IFCI Limited was under a legal obligation to return the abovesaid pledged shares immediately as per the abovesaid agreement but these were not released by them.

10. Petitioner sent them a notice on 30.04.2022 requesting them to release the abovesaid shares.

11. Another legal notice was also sent on 30.11.2022.

12. There is no dispute that the abovesaid legal notice dated 30.11.2022 was duly acknowledged by IFCI Limited and in response thereto, they submitted that *such request regarding release of said shares was under examination* and they also undertook to revert back within twenty-one days.

13. The grievance of petitioner is limited to the effect that despite sending legal notice and despite the fact that there were no subsisting liabilities, such pledged shares have yet not been returned.

14. Though Union Bank of India and Reserve Bank of India are also parties to the present *lis*, essentially speaking, IFCI Limited is the actual contesting respondent.

15. The broad facts are not disputed by learned counsel for respondent No.3/IFCI Ltd.



16. He does admit that there was an agreement for pledge of shares. He also does admit that the entire loan amount has also been refunded by petitioner/borrower.

17. Their grievance is, however, three-fold.

18. Firstly, petitioner cannot maintain a writ petition of the present nature. It is contended that there was a specific contract between the parties and if there is any breach of any term of the contract, the proper remedy for petitioner was to have filed appropriate civil suit, instead of filing a writ petition.

19. Secondly, and more importantly, the loan was repaid way back in the year 2015 and there is no plausible explanation as to why the present writ petition has been filed, after a lapse of seven years of such repayment. It is, therefore, submitted that the legal remedy, if there was any, to redeem such pledged shares is now completely barred by laches and, therefore, the writ petitions deserve to be dismissed on the abovesaid ground as well.

20. Thirdly, there is a loan liability of around Rs.400 crores and such amount has to be paid by *M/s Bhushan Steel Limited (BSL)*, which is a group concern of petitioner and since there is a default of abovesaid substantial and huge payment and since there is involvement of public money to the extent of Rs.400 crores, respondent No.3, in order to protect such public interest is, even otherwise, under no obligation to return the abovesaid pledged shares and these shares need to be adjusted against the aforesaid liability of *M/s Bhushan Steel Pvt. Limited*.

21. In the counter affidavit, a table has been given by IFCI Ltd.,



showing as to what amount was given as loan to which Company and status thereof.

22. Such table reads as under:-

Sl.No.	Company	Loan Amount	Repayment status
1.	M/s Bhushan Infrastructure Pvt Ltd (BIPL)	Rs.25 crores	Repaid
2.	M/s Tremendous Mining and Minerals Pvt Ltd (TMMPL)	Rs. 100 crores	Repaid
3.	M/s Bhushan Steel Ltd (BSL)	Rs. 400 crores	Defaulted

23. M/s Tremendous Mining and Minerals Pvt. Ltd. (TMMPL) is the petitioner in the other writ petition.

24. Interestingly, in counter affidavit, IFCI Limited has also contended that there is a possibility that it would get a Recovery Certificate in its favour and, therefore, they wish to utilize the pledged shares to negotiate a settlement with the petitioner. It is submitted that IFCI Limited has already invoked personal guarantee given by Mr. Neeraj Singhal, who is promoter of the abovesaid group companies and there is already a restraint order against Mr. Neeraj Singhal, restraining him from alienating, transferring, selling or parting with or creating any third-party interest in respect of properties owned by him. It is, therefore, submitted that once there is a Recovery Certificate in favour of IFCI Limited, they would use the abovesaid shares in order to negotiate some settlement with petitioner.

25. After hearing extensive arguments from learned Senior Counsel for the petitioner and learned counsel for respondent No.3, this Court



does not find any merit or substance in any of the abovesaid contentions of IFCI Limited.

26. Admittedly, there was an agreement for pledge of shares and it is also acknowledged fact that the loan in question has already been duly repaid and refunded.

27. Once such loan is repaid by the borrower in full as per the loan agreement, as a necessary corollary, all such pledged shares are required to be released from the pledge and have to be returned back to the pledger.

28. Respondent No.3, being a public body and discharging public function, cannot be heard complaining that since there is delay on the part of petitioner approaching them, they would not return it at all. Rather, as noted already, *there was no requirement of even making a demand by the petitioner and the return was natural, implicit and inherent consequence, once the loan was duly repaid and the entire liability with respect to the loan agreement had been cleared.*

29. This Court, therefore, would not mince any word in commenting that the duty was, squarely, upon the shoulder of IFCI Limited to return these shares forthwith, once it received the entire payment. For the reasons best known to IFCI Limited, despite the fact that the loan was repaid way back in 2015, it did not take any step whatsoever towards returning the abovesaid pledged shares.

30. To make things worse, when a notice was sent to them seeking return of such pledged shares, IFCI Limited, instead of denying such return on the ground of delay, responded by saying that such request was under examination. They, themselves, kept the matter alive. This



means that even they were of the view that such shares had to be returned. They, for inexplicable reasons, did not return such shares and took no decision, either. As a matter of fact, till date, no decision has been taken by IFCI Limited about said request.

31. Obviously, in the interregnum, the present writ petition has been filed by the petitioner and the stand, which has been taken by IFCI Limited, has already been noted above.

32. Generally, a writ petition, involving disputed question of facts, is not entertained against State or a public body. In such a scenario, it is always better to relegate them to a civil court for proper adjudication, by way of trial.

33. However, in the present case, the situation is totally dissimilar as all the material relevant facts are duly admitted by IFCI Limited.

34. There is no dispute that the shares were pledged.

35. There is no dispute that the loan has been repaid.

36. There is no dispute that as per the agreement, once loan is duly repaid and refunded, these shares have to be returned back to the pledger.

37. In such a scenario, it would be travesty of justice if the parties are rather asked to go to a Civil Court for adjudication of a 'dispute' which does not even seem to exist.

38. Undoubtedly, petitioner should have also been quick and swift in seeking refund of these shares.

39. It cleared its liability way back in the year 2015 and, simultaneously, with the clearance of the abovesaid liability, it should have requested IFCI Limited to return all such shares.



40. But in the given facts and circumstances, since the primary duty was cast upon IFCI Limited, it cannot be said that the petitioner should be non-suited on the ground of delay and laches. On the other hand, it seems to be a case of continuous wrong and cause of action continues to subsist as despite the fact that the loan was repaid way back in 2015, it is IFCI Limited which is still holding on to the pledged shares.

41. Such action is nothing but an attempt to *unjust enrich* itself.

42. Of course, there cannot be any universal or straightjacket formula while considering any such aspect of delay and laches. The discretion, in this regard, has to be exercised with due care and caution. It is bounden duty of court to see the overall factual matrix and then to decide the same. Here, even if there was a contract, the petitioner has been deprived of its property without due process, or authorisation of law. Needless to say, State or any such like public body has to act in a responsible and accountable manner and is also required to demonstrate and establish that its action is within the four corners of rule of law. As rightly noted in *Sukh Dutt Ratra v. State of H.P.: 2022 SCC OnLine SC 410*, there cannot be a “limitation” to doing justice. Thus, respondent cannot be permitted to shield itself behind the ground of delay and laches. Moreover, here, since it is a case of continuing wrong, delay and laches do not extinguish the claim of the petitioner, either.

43. With respect to third contention of the respondent, this Court has already extracted the abovesaid table and the entity from which IFCI has to recover Rs.400 crores is a different entity altogether i.e.



Bhushan Steel Limited. Even if it is a group concern, it would not give any right or handle to IFCI Limited to hold on to these shares, which act is nothing but an arm-twisting tactic.

44. Such act is neither justifiable nor permissible.

45. Moreover, such entity i.e. Bhushan Steel Limited went under insolvency and as per resolution plan, IFCI Limited has already acknowledged receiving Rs. 281 crores approximately, towards settlement of the entire debt owed to them by Bhushan Steel Limited.

46. How, in such a situation, are they justified in holding over?

47. Viewed thus, this Court does not find any merit or substance in the contentions raised by learned counsel for respondent No.3.

48. The situation in the other writ petition i.e. W.P.(C) 3636/2023 is also similar.

49. The differences are inconsequential.

50. Petitioner in W.P.(C) 3636/2023 is *Tremendous Mining and Minerals Private Limited* and the loan liability was of Rs.100 crores. The shares were pledged on 20.03.2013 and the number of shares were 48,50,000.

51. Apart from above, there is no major change.

52. Moreover, the stand of respondent IFCI is also the same herein and all the material facts are admitted.

53. It is submitted that though, initially, the pledged shares were of Bhushan Steel Limited but these have now been converted into shares of Tata Steel Limited and, therefore, the number of shares has changed, with such conversion.

54. Resultantly, both the abovesaid writ petitions are allowed and



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respondent No.3 i.e. IFCI Limited is directed to release all such converted shares to respective petitioners, within a period of six weeks.

55. Both the petitions stand disposed of accordingly.

**(MANOJ JAIN)**  
**JUDGE**

**FEBRUARY 25, 2025**  
**st/ss**