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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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*Judgment reserved on: 15.10.2025*

*Judgment pronounced on: 30.10.2025*

+ W.P.(C) 15911/2025, CM APPL. 65062/2025, CM APPL. 65063/2025

MAHARAJI EDUCATIONAL TRUST & ANR. ....Petitioners

Through: Mr. Vikas Singh, Mr. Sunil Dalal, Mr. Sanjiv Kakra, Sr. Advs. with Mr. Vikram Singh Dalal, Mr. Kashish Narang, Ms. Deepika Kalia, Mr. A.S. Shera, Ms. Shipra Bali, Advs.

versus

HOUSING AND URBAN DEVELOPMENT CORPORATION  
LIMITED HUDCO .....Respondent

Through: Mr. Yoginder Handoo, Mr. Ashwin Kataria, Mr. Aditya Aggarwal, Advs.

**CORAM:**

**HON'BLE MR. JUSTICE ANIL KSHETARPAL**

**HON'BLE MR. JUSTICE HARISH VAIDYANATHAN  
SHANKAR**

**JUDGMENT**

**ANIL KSHETARPAL, J.**

1. The issue that arises for consideration in the present petition is whether the Petitioners are entitled to claim filing of recasted Statements of Account from the Respondent beyond the Recovery Certificate issued on 22.03.2011, and whether the Recovery Officer can be directed to reconsider matters which have attained finality, including principal, interest, and recoveries already crystallized in the past proceedings.



2. The present Petition, filed by the Petitioners, assails the correctness of the order dated 18.09.2025 [hereinafter referred to as “Impugned Order”] passed by the learned Debts Recovery Appellate Tribunal [hereinafter referred to as “DRAT”], Kolkata, which held additional charge of DRAT, Delhi, in Appeal Nos. 139/2025 and 140/2025, both titled ***Housing and Urban Development Corporation Limited (HUDCO) vs. Maharajji Educational Trust & Ors.***

3. The Petitioners, invoking the jurisdiction of this Court under Article 226 and 227 of the Constitution of India, seek the following reliefs:

*“a. Issue a writ of certiorari or any other appropriate writ, order or direction thereby setting aside the Judgement & Order dated 18.09.2025, passed by the Ld. Debts Recovery Appellate Tribunal, Kolkata (holding additional charge of Ld. Debts Recovery Appellate Tribunal, Delhi), in Appeal Nos. 139 of 2025 and 140 of 2025;*

*b. Direct the Respondent to file recasted statement of account before the Ld. Recovery Officer - I, DRT III, Delhi, in Recovery Case No. 39/2011 as per the law laid down in Central Bank of India Vs. Ravindra & Ors. [(2002) 1 SCC 367], in terms of Final Judgement & Order dated 06.10.2010 passed by the Ld. DRAT, Delhi in Appeal No. 120/2008 and Appeal No. 124/2008 and Order dated 09.10.2024 passed by this Hon'ble Court in WP(C) 14328/2024, after giving due adjustment to the recoveries already made in the loan account;*

*c. Direct the Recovery Officer-I, DRT-III, Delhi to decide and adjudicate the recovery proceedings, being Recovery Case No. 39/2011, on the basis of recasted statement to be filed by the Respondent and after adjusting the payments already made by the Petitioners ; and/or”*

## **FACTUAL MATRIX**

4. It is well settled that a Decree Holder/Certificate Holder can enforce rights under a Recovery Certificate only after obtaining the certificate. In the present case, the revised Recovery Certificate was



issued on 22.03.2011. Nearly fourteen years have elapsed since its issuance, yet the recovery proceedings remain pending.

5. The Petitioner No.1 committed default in repayment of the loan, forcing Housing and Urban Development Corporation Limited [hereinafter referred to as “HUDCO”] to file OA No.160/2002 before Debts Recovery Tribunal [hereinafter referred to as “DRT”], Delhi. The DRT, by its order dated 03.06.2008, allowed the OA and directed recovery of Rs.148.08 crores along with *pendente lite* and future interest @9% per annum with quarterly rests from 20.08.2002, till the date of its realization.

6. On Appeal, DRAT Delhi modified the rate of interest from 9% quarterly rests to 16.5% simple interest per annum and directed HUDCO to submit a recasted Statement of Account in accordance with the law laid down in *Central Bank of India vs. Ravindra*<sup>1</sup>. HUDCO thereafter filed a revised recasted Statement of Account, which led to the issuance of the revised Recovery Certificate dated 22.03.2011.

7. The matter reached the Hon’ble Supreme Court and on 08.05.2017, the Court directed the Petitioner Trust to settle a repayment scheme with HUDCO within one month and to commence payments of dues with effect from June 2017. The Supreme Court further observed that in case of default, HUDCO was permitted to sell approximately 43 acres of mortgaged land to realize dues. It was clarified that 21 acres of property obtained in exchange from Awas

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<sup>1</sup> (2002) 1 SCC 367



Parishad could not be sold, except under specific conditions outlined in the judgment. The Supreme Court directed the Arbitrator to expedite proceedings within two months. The operative paragraphs of the Supreme Court order are reproduced herein for convenience:

*“42. Thus we direct as under:*

- (1) That Educational Trust is directed to settle scheme of repayment with HUDCO within one month and to start payment of dues w.e.f. month of June, 2017.*
- (2) On failure of Education Trust as per aforesaid direction or in case of default it would be open to HUDCO to sale approximately 43 acres of the land which was mortgaged with it to realize its dues in the legally permissible manner.*
- (3) In case the proceeds from sale of approximately 43 acres of land are not sufficient to satisfy the dues of HUDCO, it would be open to sale property No.1 to 5 or its part which may be necessary for realization of the outstanding dues.*
- 4) However, 21 acres of property which has been obtained in exchange from Awas Parishad cannot be sold. It is only in the circumstance if Arbitrator disallows the claim of SGS Constructions for purchase of 21 acres of said property can be sold not otherwise. That too if dues of HUDCO remain outstanding after sale of approximately 43 acres of land out of Item No.6 mortgaged initially and property item No.1 to 5 which are under mortgage. Let the Arbitrator also expedite the matter and decide the proceedings as far as possible within two months.*

*43. With the aforesaid directions and modification in the order of the High Court, the appeals stand disposed of. No costs.”*

8. Another miscellaneous application being M.A. No.293-295/2017 filed by the Petitioner Trust was disposed of by the Supreme Court, affirming the compromise entered into between the parties and holding it to be valid and enforceable, subject to deposits by SGS Construction & Development (P) Ltd. into the loan account for outstanding liabilities of the Petitioners towards HUDCO, and further directions to settle amounts finally in accordance with the Board's



decision of HUDCO. The operative paragraph of that order is reproduced herein for convenience:

*“11. Thus, we find no substance in the application. We affirm the compromise entered into between the parties and hold it to be valid and enforceable. However, it is subject to the rider that the amount shall be deposited by SGS Construction & Development (P) Ltd. In the loan account for the outstanding liability of Maharaji Education Trust towards HUDCO. It is assured on the amount being so deposited and the amount of the property of 42.845 acres of land, which is Rs. 301.15 crores, the Board of Directors of HUDCO would take a call on the final settlement and try to settle the amount finally to be paid by the Maharaji Education Trust towards its dues. Money has to be deposited within the time limit specified.”*

9. Thereafter, on 10.01.2019, the DRT-II, Delhi, passed an order clarifying that grievances concerning the valuation report had already been addressed and that other grievances regarding payment of dues were outside the Tribunal's jurisdiction since substantial amounts had already been recovered by HUDCO, and issues relating to amounts determined by the Supreme Court could not be reopened before the DRT. The Petitioners were advised to approach the Supreme Court if they had further grievances within two weeks. The order attained finality as it was never challenged. The relevant paragraphs of order dated 10.01.2019 read as under-

*“Heard both sides, in so far as grievance of appellant for valuation report is concerned, it was already addressed by the order dated 17.12.2018 by this Tribunal and further the Recovery Officer is directed to take the valuation filed by the CDs and objections for consideration and proceed with the matter in accordance with law for recovery. In so far as other grievance of the appellant is that they addressed a representation dated 14.08.2018 and various other representations with regard to payment of dues. The HUDCO filed its reply directing the CDs that as recovery was directed by the DRT/DRAT and ultimately by the orders of Hon'ble Apex Court in CA No 6463-65 of 2017 dated 8.5.2017.*



*Since the contention of the Ld. Sr. Counsel for the appellant is that against a loan of Rs 75 07 crs. and OA of Rs. 140.08 crs. The HUDCO has already recovered Rs. 416.22 crs. as per the letter dated 30.8.2018. The issue raised by the Ld. Sr. Counsel for the appellant is not within the purview of this Tribunal as the matter was decided by the Hon'ble Supreme Court. If the appellant has got any grievance regarding the amount payable to the HUDCO, this Tribunal is not competent to decide the aforesaid aspect of the matter and if the appellants are so advised and it they so warrant, they may approach the Hon'ble Supreme Court within two weeks. With these observations the appeal is disposed off. The direction issued on 17.12.2018 to the Recovery Officer is made absolute. File be consigned to record room."*

10. On 27.04.2022, the Recovery Officer, DRT held that he was bound by the Recovery Certificate issued by the DRT and could not enter into disputes regarding calculation of the amount prior to the filing of original application. An application filed by the Certificate Debtor seeking directions to HUDCO to provide Statements of Account from the date of disbursal of the loan was held to be infructuous; the objections filed by the Certificate Holder were dismissed.

11. In the meantime, a notification was issued by Government of India on 04.10.2022 transferring matters of Rs.100 Crores and above to DRT-III, Delhi, but the instant matter was not transferred. A Writ Petition being W.P.(C) No. 14328/2024 was filed by the Petitioners before this Court for issuance of writ in the nature of mandamus seeking directions for filing recasted Statements of Account.

12. On 09.10.2024, this Court directed the Respondent to supply/furnish a recasted Statements of Account in terms of the Petitioners' representation dated 14.08.2018 within fifteen days. Relevant paragraph of the said order reads as under:



*“16. Therefore, without prejudice to the rights and contentions of the parties, the present petition is disposed of, thereby directing the respondent to supply/furnish a recasted statement of account in terms of the representation of the petitioner dated 14.08.2018 spelling out if any excess amount has been paid or not and thus, the same be submitted with the concerned Recovery Officer in the DRT-II, Delhi or as the case may be with a copy to the petitioner with a period of fifteen days from today.”*

13. The Recovery Officer subsequently passed an order on 18.02.2025. which was challenged before the Presiding Officer, DRT, Delhi. The Appeal was allowed by the Presiding Officer who set aside the Impugned Order dated 18.02.2025 and directed that the Recovery Officer shall hear the matter *de novo* after granting reasonable opportunity to the respondents to file objections and thereafter pass a reasoned order in accordance with law expeditiously, noting that the Recovery Certificate was issued in 2010 and remained pending. The said order reads as under-

*“4.3 In light of the above discussions, the appeal is hereby allowed accordingly and the impugned order dated 18.02.2025 passed by the Ld. Recovery Officer. DRI-III. is hereby set aside and the Ld. Recovery Officer shall hear the matter *de novo*, after granting reasonable opportunity to the respondents to file their objections, if any, and thereafter pass a reasoned order in accordance with law, as expeditiously as possible, since the concerned RC was issued way back in 2010 which is still pending.”*

14. In Miscellaneous Application being M.A. No.13/2015, the DRT recorded that although HUDCO claims to have filed various recasted statements supported by affidavits between 2018 and 2025, a single consolidated and certified ledger-based statement explaining all receipts, charges and accruals had not been filed despite the direction



of this Court dated 09.10.2024; that unverified reports such as the PwC report cannot, by themselves, justify closure of the Recovery Certificate or refund of amounts already adjudicated; and that the finality of the Recovery Certificate and the non-challenge of the order dated 27.04.2022 weighed against the defendants. The Misc. application was dismissed as premature. The relevant paragraphs of that order are reproduced herein for convenience-

*“Although HUDCO claims to have filed various re-casted statements supported by affidavits between 2018 and 2025. It is noteworthy that despite the direction of the Hon’ble High Court dated 09.10.2024, a single consolidated and certified ledger-based statement explaining all receipts, charges, and accruals has not been filed. The Tribunal also finds it pertinent that even after the intervention of the Hon’ble Supreme Court in 2018, HUDCO did not place the settlement proposal before its Board, despite its own communication dated 30.08.2018 making reference to the amount recovered. The non-action on this direction may have implications, but in the present application the Tribunal is only concerned with whether the Recovery Certificate stands satisfied and whether the accounting provided by HUDCO meets judicial standards.*

*At the same time, this Tribunal is not inclined to grant the reliefs sought by the defendants at this stage, as the PwC report relied upon is unilateral, not tested in adversarial proceedings and not based on certified documents from HUDCO. It may raise valid concerns but cannot, by itself, justify the closure of the Recovery Certificate or refund of amounts already adjudicated by prior orders. The finality of the Recovery Certificate, especially when no appeal was filed against the order dated 27.04.2022 affirming HUDCO’s dues, also weighs against the defendants.*

*In light of the above analysis, the present Misc. application is hereby dismissed, being premature, unsupported by judicially acceptable accounting, and based largely on unverified reports. However, serious concerns remain regarding the discrepancies in the statements of account filed by HUDCO and its failure to justify substantial variations in final amounts, as well as its non-compliance with the direction of the Hon’ble High Court in W.P. (C) No.14328/2024.”*



15. Two Appeals were subsequently preferred before the DRAT. By the Impugned Order dated 18.09.2025 DRAT recorded, in substance, that the principal sum was adjusted and interest was allowed at 16.50% per annum simple with pendente lite and future interest; that the directions issued by this Court on 09.10.2024 regarding filing of recasted statement in reference to the representation dated 14.08.2018 had already been complied with by HUDCO; that the Recovery Officer was bound by the Recovery Certificate; and that the Recovery Officer had no right or jurisdiction to keep the Recovery proceedings pending for a future date. DRAT directed the Recovery Officer to proceed to recover the amount in accordance with law expeditiously and to call for statements from the parties as far as interest amount awarded is concerned, calculate interest amount and deduct payments, if any, made by the Certificate Debtors, and proceed with recovery in accordance with law. The operative paragraphs of DRAT's judgment are reproduced herein for convenience-

*“37. Judgment of the DRAT in Appeal attained finality wherein principal sum was adjusted and interest was also allowed @16.50% per annum simple with pendente lite and future interest. Directions issued by the Hon’ble Delhi High Court on 09.10.2024 in W.P. No. 14328 of 2024 regarding filing of recasted statement with reference to the representation dated 14.08.2018 had already been complied with by the secured creditor CH.*

*38. The Recovery Officer passed an order on 27.04.2022 in R.C. No. 39 of 2011 in TA No. 01 of 2008 whereby it was held that the Recovery Officer is bound by the Recovery Certificate issued by the DRT in the proceedings under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993. It is beyond the jurisdiction of the Recovery Officer to enter into the arena of dispute with regard to the calculation of the amount prior to filing of the Original Application as the liabilities stand adjudicated and the Recovery Certificate clearly stipulates that the amount to be recovered is*



Rs.148.08 crores plus pendentelite and future interest @16.50% simple. Accordingly, the Recovery Officer cannot go beyond the Recovery Certificate. Consequently, the Application filed by the CD vide Diary No. 5146 dated 18.09.2021 seeking directions against the CHFI to provide a statement of account from the date of first disbursal of the loan amount appeared to have become infructuous by the CHFI filing the statement of account. Accordingly, the same was dismissed. This order of the Recovery Officer was not challenged by the Certificate Debtor before the Appellate forum or any other forum. Hence, attained finality. This order was passed in compliance of the judgment of Hon'ble Apex Court in Central Bank of India versus Ravindra (supra) wherein in Para No. 39 and 44, Hon'ble Apex Court has laid down the law on the subject which is quoted in the earlier part of this judgment. Accordingly, the order of the Recovery Officer dated 27.04.2022 attained finality. means that the Certificate amount till the date of filing of O.A. was quantified by the Learned DRT at Rs.148.08 crores and thereafter pendentelite and future interest was granted by the Learned DRT considering the provisions of Section 34 of Code of Civil Procedure, 1908 @ 16.50% simple pendentelite and future. This finding was upheld by the Appellate Tribunal in the Appellate judgment dated 06.10.2010. Recasted statement was directed to be filed in view of the law laid down in Central Bank of India versus Ravindra (supra). As far as recasted statement is concerned, Hon'ble High Court passed an order on 09.10.2024 for filing of recasted statement with reference to the representation dated 14.08.2018 which was already disposed of by the secured creditor. Recasted statement as far as the date of filing of the O.A. is concerned, was already on record and the amount was crystallised by the DRT as well as in the Appeal by the DRAT. Pendentelite and future interest @ 16.50% simple was granted which has to be calculated by the Recovery Officer for passing an effective order. Recovery Officer has no right or jurisdiction to keep the Recovery proceedings pending for a future date. Recovery Officer is under an obligation to proceed with the recovery proceedings in accordance with the Recovery Certificate issued by the DRT in accordance with law. It appears that the Recovery Officer has passed an erroneous order to keep the proceedings pending till any further orders.

39. The DRT also failed to exercise its jurisdiction effectively while the Appeal filed by the secured Certificate Holder was dismissed. There was no occasion for issuing fresh directions to the parties, Rather, the DRT should have confined itself to the legality of the impugned order. The directions issued by the DRT after disposing of the Appeal rather impliedly nullified its own findings which is not permissible under the law.



40. On the basis of discussion made above, I am of the considered opinion that both the appeals have to be disposed of with a direction to the Recovery Officer. Since the debt has already been determined in the O.A. proceedings and the pendentelite and future interest was also granted @16.5% simple on the crystalized amount. Accordingly, the Recovery Officer should proceed to recover the amount in accordance with law. However, he may call for the statements from the parties as far as interest amount as awarded is concerned and thereafter after calculating interest amount and deducting payment, if any, made by the CDs should proceed to recover the amount in accordance with law. With these observations, both the appeals are liable to be disposed of.

### **ORDER**

Both the appeals, i.e. Appeal No. 139 of 2025 and Appeal No. 140 of 2025, are disposed of with the observations made in the body of the judgment with direction to the Recovery Officer to proceed to recover the amount in accordance with law expeditiously. The Recovery Officer may call for the statements from the parties as far as interest amount, as awarded, is concerned and thereafter, after calculating interest amount and deducting payment, if any, made by the CDs should proceed to recover the amount in accordance with law. Recovery Officer should make all the efforts to complete the recovery proceedings as expeditiously as possible, as it is a very old matter.

*No Order as to costs.*

*File be consigned to Record Room.*

*Let a copy of this Order be placed in the Record of Appeal No. 140 of 2025.*

*Copy of the Judgment/ Final Order be uploaded in the Tribunal's Website.*

*Order signed and pronounced by me in the open Court on this the day of 18<sup>th</sup> September, 2025.”*

### **CONTENTIONS OF THE PARTIES**

16. Learned counsel for the Petitioners contended that penal interest and service charges could not be capitalized and that therefore there has been non-compliance of the directions issued by the five Judge Bench in the case of **Ravindra** (supra). While referring to the order dated 06.10.2010 passed by DRAT, learned counsel submitted that



compliance of directions issued in *Ravindra* (supra) is mandatory and that the recasted statements filed by HUDCO do not conform to that mandatory prescription.

17. Learned counsel for the Petitioners further submitted that several recasted statements filed by HUDCO are contradictory and that material discrepancies undermine the credibility of the calculations and statements of account filed by HUDCO. It was submitted that the Recovery Officer, as author of the Recovery Certificate, is empowered to ensure that calculations strictly adhere to the principles laid down in *Ravindra* (supra) and that the Presiding Officer's direction to HUDCO to recast the statements was aimed at preventing miscarriage of justice.

18. *Per contra*, learned counsel for the Respondent submitted that HUDCO has supplied as many as six recasted Statements of Account and that the Petitioners have not placed on record the orders of the Supreme Court dated 08.05.2017 and the order passed on 14.02.2011 by the Presiding Officer, DRT-II, Delhi. It was further submitted that an application filed by the Petitioner before DRAT in 2011 recorded the Petitioner's intention to pay loan liability and that therefore the Petitioners cannot be permitted at this late stage to claim recasted statement of account from the date of disbursement of the loan.

Paragraph No.4 of the said application reads as under:

*4. That the Applicant – MET intends to pay loan liability of Hudco and therefore, to avoid any technical objection due to pendency of Misc. Application No. 775/2010 & 776/2010, the Applicant – MET is seeking permission to withdraw the said Application without prejudice to all other legal rights and remedies of both the parties.”*



19. Learned counsel for the Respondent urged that the Recovery Officer is bound by the Recovery Certificate and that the Recovery Officer cannot go behind the adjudication on principal and the rate of interest crystallized by the DRT/DRAT; that the recasted statement as far as the date of filing of the OA is concerned was already on record; and that the Recovery Officer should proceed with recovery in accordance with the Recovery Certificate and the law.

### **ANALYSIS & FINDINGS**

20. This Court has considered the submissions advanced by learned counsel for the parties and with their able assistance, perused the paper book. The matter presents overlapping issues of finality of adjudication, scope of recasted statements under the direction in *Ravindra* (supra), the jurisdiction of the Recovery Officer in execution of a Recovery Certificate, and the extent to which earlier withdrawals and orders operate to preclude re-agitation.

21. It is evident that the Recovery Certificate issued on 22.03.2011, following the judgment of DRAT passed on 06.10.2010, became final and is not a subject matter of challenge before any competent Court in these proceedings. It is also evident that the Respondent HUDCO has supplied as many as six statements of account including the last one on 09.01.2024. Additionally, in 2011, the Petitioner No.1 withdrew its miscellaneous application while representing that it wanted to pay the borrowed loan amount.

22. In these circumstances DRAT has correctly held that the Recovery Officer cannot go beyond the revised Recovery Certificate



issued on 22.03.2011. DRAT while passing judgment on 06.10.2010 had already modified the rate of interest from 9% with quarterly rests to 16.5% simple interest per annum and had directed HUDCO to submit recasted statements as per the law laid down in *Ravindra* (supra). That direction for recasting was complied with by HUDCO through the recasted statements which are on record.

23. The Recovery Officer on 27.04.2022 correctly held that it is beyond the jurisdiction of the Recovery Officer to enter into calculation of the amount prior to filing of the Original Application, the liabilities having been adjudicated and the revised Recovery Certificate has already been issued in the year 2011. The Recovery Officer's order in that regard was not challenged and consequently attained finality.

24. As regards the Petitioners' objection to the capitalisation of penal interest and certain charges, the recourse available to the Petitioners in the execution proceedings is to press for ledger-based certified statements and to have the Recovery Officer examine and account for payments and appropriate adjustments. The Impugned Order allows the Recovery Officer to call for statements from the parties to compute the interest amount as awarded and to deduct payments, if any, before proceeding with recovery

25. The concerns recorded by the DRT in M.A. No.13/2015 about the absence of a single consolidated and certified ledger-based statement explaining all receipts, charges and accruals are part of the record, and those concerns remain relevant to the execution stage.



However, they do not supplant the finality of the Recovery Certificate; they underscore the need for ledger-based documentation at the execution stage which the Recovery Officer is empowered to require.

26. In view of the foregoing and on the basis of material on record, this Court does not find it appropriate to interfere with the Impugned Order passed by DRAT dated 18.09.2025 which directs the Recovery Officer to proceed to recover the amount in accordance with law expeditiously and to call for statements from the parties for calculation of interest and adjustment of payments.

### **CONCLUSION**

27. For the reasons recorded above, this Court does not find it appropriate to interfere with the Impugned Order dated 18.09.2025 passed by the DRAT. Liberty is granted to the Recovery Officer to call for ledger-based certified statements from the parties as far as the interest amount, as awarded, is concerned, and thereafter, after calculating the interest amount and deducting payments, if any, made by the Certificate Debtors, to proceed to recover the balance amount in accordance with law.

28. With these observations, the present Petition, along with pending applications, stands dismissed.

**ANIL KSHETARPAL, J.**

**HARISH VAIDYANATHAN SHANKAR, J.**

**OCTOBER 30, 2025**

s.godara/pal