IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP-23633-2016

Date of decision: 16.11.2016

Umed Singh

..... Petitioner

Versus

Sarva Haryana Gramin Bank, Rawalwas Khurd, Tehsil and District Hisar

..... Respondent

CORAM: HON'BLE MR. JUSTICE AJAY KUMAR MITTAL
HON'BLE MR. JUSTICE RAMENDRA JAIN

PRESENT: Mr. Vijay Singh Kajla, Advocate for the petitioner.

RAMENDRA JAIN, J.

1. In this writ petition filed under Articles 226/227 of the Constitution of India, the petitioner has, *inter alia*, prayed for issuance of a writ of Certiorari for setting aside the impugned order dated 21.06.2016 (Annexure P-4) passed by the learned Sub Divisional Officer (Civil)-cum-Prescribed Authority, Hisar. Further a writ of mandamus has been sought directing respondent-Bank not to charge the interest more than 6% on the balance amount of debt after 30.10.2012.

2. Put pithily, the petitioner had obtained agricultural loan of ₹ 1,50,000/- under the Kisan Credit Card Scheme from the respondent-Bank, by mortgaging his agricultural land measuring 40 kanals. The mortgage deed was executed on 29.12.2009 in favour of respondent-Bank and Hypothecation Agreement dated 07.01.2010 (Annexure P-1) was also

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2016.12.20 12:20
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executed between the petitioner and the respondent-Bank. Since, the petitioner failed to repay the said loan amount in due time, therefore, the respondent-Bank filed an application Annexure P-2 under Section 8(1) of the Haryana Agricultural Credit Operations and Miscellaneous Provisions (Banks) Act, 1973 read with Rule 7 framed thereunder before the Sub Divisional Officer (Civil)-cum-Prescribed Authority, Hisar, for recovery of debt amount along with interest @ 13.50% per annum plus 2% penal interest with half yearly rests. The petitioner filed his written statement Annexure P-3 to the above application wherein he raised objection that the respondent-Bank is not entitled to charge interest @ 13.50% per annum, because there was no written contract in between him and respondent-Bank to pay interest at such rate. He further contended that since it was an agricultural loan, therefore, the respondent-Bank cannot charge interest at the rate more than 6% per annum under Section 34 CPC. The bank had obtained the signatures of the petitioner on blank papers. However, the Prescribed Authority vide order dated 21.06.2016 (Annexure P-4) awarded interest @ 6% per annum up to 31.10.2012 i.e. up to the date of Balance and Security Confirmation Letter dated 30.10.2012 and thereafter, from 30.10.2012 as per the conditions in the said Balance and Security Confirmation Letter which was never issued to the petitioner.

3. Learned counsel for the petitioner contended that since there was no agreed rate of interest, therefore, in view of Section 34 CPC, the Prescribed Authority has wrongly and illegally passed the impugned order awarding interest @ 13.50% per annum to the respondent-Bank from 30.1.2012 till realization.

4. After giving our thoughtful consideration to the submissions

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made by learned counsel petitioner, we find no merit in the instant petition. Though, in the loan documents and the Hypothecation Agreement, the columns of interest were left blank by the respondent-Bank, but the perusal of impugned order shows that in the Balance and Security Confirmation Letter the rate of interest as 13.50% per annum was confirmed by the petitioner. Thus, the petitioner cannot be permitted to wriggle out of the same. There is no illegality or perversity in the impugned order.

5. Consequently, finding no merit in the writ petition, the same is hereby dismissed.

6. Registry is directed to send a copy of this order to the respondent to avoid its concealment by the petitioner.

(RAMENDRA JAIN)
JUDGE

November 16, 2016 **(AJAY KUMAR MITTAL)**
rishu **JUDGE**

Whether speaking/reasoned Yes/No
Whether Reportable Yes/No

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