IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-8327-2017
Date of decision: 21.01.2020

T.N.Saini ...Petitioner(s)

V/s.

State of Haryana and others ...Respondent(s)

CORAM: HON'BLE MS. JUSTICE RITU BAHRI.

Present: Mr. S.K.Malik, Advocate for
Mr. Manish Soni, Advocate
for the petitioner.

Mr. Harish Nain, AAG, Haryana.

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RITU BAHRI, J. (Oral).

By this petition, the petitioner is seeking direction to quash the letters dated 24.10.2006 and 20.08.2010 (Annexures P-5 and P-6 respectively) whereby he has been levied penal interest @ 10% per annum on the amount of Car Loan Advance.

The facts not in dispute between the parties are that the petitioner had been sanctioned car loan advance vide letter dated 17.12.1997 (Annexure P-1). The petitioner repaid the entire loan amount alongwith interest amounting Rs.1,77,604/- (Rs.1,25,000+Rs.52,604) to the respondents. A photocopy of the statement showing details of recovery of the principal amount as well as interest on car advance from the petitioner's salary is annexed as Annexure P-4. However vide letters dated 24.10.2006 (Annexure P-5) and 20.08.2010 (Annexure P-6) he was informed that the penal interest @ 10% is imposed which comes to Rs.52,604/-. Thereafter the petitioner approached the respondents for issuance of No Dues Certificate. He also made representation dated 18.07.2008 (Annexure P-7) requesting him to exempt from penal interest and thereafter made another representation on 17.12.2013 (Annexure P-8) in this regard. The petitioner is due to retire in the month of March, 2020.

On notice of this petition, reply on behalf of respondents No. 1 to 4 has been filed. Learned counsel for the State has referred instructions dated 23.08.1993 (Annexure R-1) issued by Financial Commissioner and Secretary to Govt. Haryana, Finance Department wherein it has been laid down that the penal interest @ 10% per annum over and above the normal rate of interest shall be charged from the house building, conveyance and marriage advances if the government employee uses the fund other than the purpose for which it is granted. He has further referred Annexure R-II which is the rejection letter for grant of loan to purchase second hand vehicle. He has also referred application form of the petitioner (Annexure R-III) wherein he had sought loan to purchase New Maruti 800 through authorized dealer, however the petitioner had purchased second hand car.

Heard learned counsel for the parties.

The instructions dated 23.08.1993 have already been considered by this Court in ***CWP No. 8865 of 2012 titled as Ram Pal V/s. State of Haryana and others,*** decided on December 3, 2013. The Court allowed the petition and the penal interest of 10% had been reduced to 2%. ***CWP No. 23321 of 2013 titled as A K Garg V/s. The State of Haryana and others*** was also allowed on 19.10.2016 in the same terms (Annexure P-9). The other ground taken is that the petitioner had approached the Court after long delay. The petitioner had made representations well in time which have not been decided so far.

With these observations, writ petition is being allowed in view of judgment passed in ***A K Garg's case (supra)*** (Annexure P-9). Letters dated 24.10.2006 (Annexure P-5) and 20.08.2010 (Annexure P-6) are quashed and the penal interest is reduced from 10% to 2% only which can be adjusted at the time of issuing No Dues Certificate.

(RITU BAHRI)
JUDGE

21.01.2020
Divyanshi

Whether speaking/reasoned	**:**	**Yes/No**
Whether reportable	**:**	**Yes/No**