IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

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2024:PHHC:155487

RSA-140-1993 (O&M)
Date of decision: 25.11.2024

M/S MOHAN LAL ..Appellant

Versus

STATE OF HARYANA ..Respondent

CORAM: HON'BLE MR. JUSTICE ANIL KSHETARPAL

Present: Mr. Rose Gupta, Advocate
and Ms. Yashika Walia, Advocate
for the appellant.

Mr. Naveen S. Bhardwaj, Addl. A.G., Haryana.

ANIL KSHETARPAL, J(Oral)

1. In this regular second appeal, the plaintiff assails the correctness of concurrent findings of fact arrived at by the Courts below while dismissing his suit for grant of decree of permanent injunction restraining the defendants from recovering the amount. It may be noted here that the principal amount stands paid pursuant to undertaking given by the appellant after filing of this appeal in the year 1993.

2. Now, the only dispute is with regard to liability of the appellant to pay interest. Both the Courts have found that as per the Punjab State Aid to Industries Act, 1935 (in short '1935 Act'), interest free loan in favour of the appellant was sanctioned in lieu of central sales tax paid by the appellant. Subsequently, it was found that the appellant was permitted to carry out inter-state sale but he was also found involved in consignment sale and branch transfer, which was not permissible. Thus, the amount was sought to be recovered along with interest as provided in the 1935 Act as well as agreement.

3. This Bench has heard the learned counsel representing the parties at length and with their able assistance perused the paperbook.

4. Learned counsel for the appellant submits that the principal amount has been paid, hence, the interest on the aforesaid amount should be waived or the rate of interest may be reduced. He submits that the appellant has bonafidely paid the amount.

5. This Court has considered the submissions of learned counsel representing the parties.

6. It is evident that both the Courts have recorded concurrent findings of fact that the appellant violated the provisions of the 1935 Act as well as agreement entered into between the parties. Thus, as per the agreement, the loan amount is refundable along with agreed rate of interest. Hence, it would not be appropriate for the Court to interfere with the rate of interest.

7. Consequently, finding no merit, the appeal is dismissed.

November 25th, 2024 **(ANIL KSHETARPAL)**
Ay **JUDGE**

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