2024:PHHC:144771

IN THE PUNJAB AND HARYANA HIGH COURT AT CHANDIGARH.

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CWP-13595-2021 (O&M).
Date of Decision: 06.11.2024.

GIC HOUSING FINANCE LTD. AND ANOTHER

... Petitioner(s)

Versus

BHUPINDER SINGH AND ANOTHER

... Respondent(s)

CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ.

Present: Mr. Abhinav Punj, Advocate, for
Mr. Sorabh Sharma, Advocate,
for the petitioner.

Ms. Gurneet Sagoo, Advocate, for
Ms. Swati Batra, Advocate,
for respondent No.1.

VINOD S. BHARDWAJ, J. (ORAL)

Challenge in the present petition was to the award dated 10.03.2021 (Annexure P-1) passed by respondent no.2-the Permanent Lok Adalat (Public Utility Services), Faridkot, Punjab, in application No.163 dated 21.12.2017 to the extent whereby a penalty of Rs.1500/- per day has been levied in the event of failure of the petitioner-Finance Company to issue the 'No Dues Certificate' and to release the title deeds in favour of respondent No.1-applicant.

2 Learned counsel appearing for the petitioner-Finance Company contends that notwithstanding an outstanding amount of Rs.68,000/-, the Permanent Lok Adalat (Public Utility Services), directed settlement of the loan account on payment of Rs.20,000/- by respondent No.1-applicant. A period of two months was granted to respondent No.1-applicant to clear the outstanding liability of Rs.20,000/- but the petitioner-Finance Company was directed to release the title deeds/issue no due certificate within a period of 05 days of passing of the award failing which the liability of Rs.1500/- for per day delay was fastened. He contends that the said penalty clause of Rs.1500/- per day against the total amount of Rs.20,000/- is unreasonably harsh and more-so when a period of two months had already been granted to respondent No.1-applicant to clear the outstanding loan amount, there was no occasion as to why the petitioner-Finance Company ought to have issued a no due certificate and release the title deeds even without the respondent-applicant clearing the entire outstanding amount in terms of the award passed by the Permanent Lok Adalat (Public Utility Services).

3 On a pointed query, counsel appearing for the respondent does not dispute that no due certificate has already been released and the title deeds have also been released by the petitioner-Finance Company. She however contends that there was a delay on the part of the petitioner-Insurance Company in releasing the title deeds and a contempt petition had

to be filed by the respondent No.1-applicant for seeking enforcement of the award.

4 Having heard the learned counsel for the parties, I find that the award to the extent it levies a penalty of Rs.1500/- per day for failure on the part of the petitioner to issue the no due certificate and release the title deeds despite respondent No.1-applicant having been granted a period of two months to clear the outstanding loan amount is excessively harsh. Merely because respondent No.1-applicant had to take recourse to the means of execution/enforcement of the said award would not ipso facto be deemed as an unnecessary harassment. The petitioner-Insurance Company having taken recourse to the remedies in accordance with law is entitled to pursue the same.

5 Taking into consideration the subsequent developments in the form of deposit of Rs.20,000/- and issuance of no dues certificates and title deeds having been released by the petitioner-Insurance Company, I am of the opinion that the interests of justice would be well served in case the penalty as imposed by the Permanent Lok Adalat (Public Utility Services), Faridkot to the tune of Rs.1500/- per day after expiry of a period of 05 days from the date of passing of the award is set aside.

6 The present writ petition is accordingly disposed of as partly allowed.

November 06, 2024. **(VINOD S. BHARDWAJ)**
raj arora **JUDGE**

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