

Vasudev Mehta

Issue Whether penal interest or delayed payment charges in case of late payment of EMI or delay in payment of periodical instalments of loan/advance repayments or bouncing charges i.e., charges recovered for bouncing of repayment instruments such as dishonour of cheque/ECS or any other electronic or clearing mandate given by the customers/borrowers falls under Section 66E(e) of the Finance Act 1994 i.e. agreeing to tolerating an act ? Held : No Brief Facts of the Case The appellants herein are a Non-Banking Financial Company(NBFC) engaged in the business of providing various types of finance such as auto loans, personal loans, consumer durable loans, loan against property etc. to various customers/borrowers. The appellants have entered into agreements with their customers/borrowers for providing loans to them and collect va.....