(2013) 07 P&H CK 0119

In the Punjab And Haryana At Chandigarh

Case No : Regular Second Appeal No''s. 1419 and 2051 of 1990

Punjab and Sind Bank APPELLANT

Vs

M/s. Anant Ram Ajit Pal and Others
 M/s. Anant Ram Ajit Pal and Others Vs Punjab and Sind Bank and Another RESPONDENT

Date of Decision : 12-07-2013

Acts Referred:
Civil Procedure Code, 1908 (CPC) — Section 34

Citation : (2013) 07 P&H CK 0119

Hon'ble Judges : Hemant Gupta, J

Bench : Single Bench

Advocate : Kabir Sarin, for the Appellant; Kabir Sarin, for the Respondent

Final Decision : Dismissed

Judgement

Hemant Gupta, J.—This order shall dispose of RSA No. 1419 of 1990 filed by Bank against the judgment and decree passed by the learned first Appellate Court reducing the rate of interest from the date of the suit to 6% per annum from 16.5% per annum granted by the learned trial Court and also RSA No. 2051 of 1990 filed by the defendants challenging the decree granted by the Courts below. The plaintiff-Bank filed a suit for recovery of Rs. 20,062.15/- under Order 37 of the Code of Civil Procedure. The Bank also claimed interest at the rate of 7.5% per annum over and above the rate of interest fixed by the Reserve Bank of India. The learned trial Court declined the request made by the defendant for grant of leave to contest the suit and decreed the suit and granted future interest at the rate of 16.5% per annum as also additional interest at the rate of 2.5% per annum on account of the default in payment from the date of institution of suit till realisation. It is the said decree, which has been modified by the learned First Appellate Court so as to reduce the future interest to 6% per annum from the date of filing the suit.

2. The Hon''ble Supreme Court in Central Bank of India Vs. Ravindra and Others, , has held that the grant of future interest is discretion of the Court. It

was observed as under:

55. xxx

(8) Award of interest pendente lite and post-decree is discretionary with the court as it is essentially governed by Section 34 CPC dehors the contract between the parties. In a given case if the court finds that in the principal sum adjudged on the date of the suit the component of interest is disproportionate with the component of the principal sum actually advanced the court may exercise its discretion in awarding interest pendente lite and post-decree interest at a lower rate or may even decline awarding such interest. The discretion shall be exercised fairly, judiciously and for reasons and not in an arbitrary or fanciful manner.

3. Therefore, once the first Appellate Court has exercised its discretion in granting 6% as future rate of interest, I do not find that any substantial question of law arises for consideration in the appeal filed by the Bank.

4. In respect of the appeal filed by the defendants, suffice it to state that the leave to defend was declined for the reason that the claim of the Bank is based upon promissory note. The defendants have not disclosed any plausible defence, which would warrant contest of suit on merits. In view thereof, no substantial question of law arises for consideration in the appeal filed by the defendants. Consequently, both the appeals are dismissed.