
(2010) 10 PAT CK 0042

In the Patna High Court

Case No : Civil Writ Jurisdiction Case No. 2959 of 1994

R.K. Industries

APPELLANT

Vs

State of Bihar

RESPONDENT

Date of Decision : 29-10-2010

Acts Referred:

Citation : (2010) 10 PAT CK 0042

Hon'ble Judges : Sudhir Kumar Katriar, J;Birendra Prasad Verma, J

Bench : Division Bench

Final Decision : Allowed

Judgement

Sudhir Kumar Katriar, J.—This writ petition has been preferred for payment of interest on the belated payment to the Petitioner.

2. A brief statement of facts essential for the disposal of this writ petition may be indicated. The Petitioner is a manufacturer and supplier of hume pipes. He has supplied various consignments of hume pipes to the State of Bihar through Respondent No. 4. Payment of two such consignments is in question here. The first one is the supply made on 12.4.1991, for which the Petitioner had submitted bill for a sum of Rs. 24,334/-. In spite of persistent efforts, payment was not made in time, and cheque dated 30.1.1993 for the like amount was ultimately issued which has been encashed. As to the second consignment, the bill was prepared in the office of Respondent No. 4 on 31.12.1993, but the cheque for a sum of Rs. 36,178/-, dated 17.8.1995, was issued and has been encashed. The Petitioner claims interest on the belated payments. Learned Counsel for the Petitioner submits that he is a businessman, and has to arrange liquidity on payment interest to banks and such other sources. If payments are made after such enormous delay, the Petitioner's profit would be completely eaten away by payment of interest. He relies on the following decisions of one of us (S.K. Katriar, J.), sitting singly:

(i) M/s. Bharat Agriculture and Mechanical Engineering Company Vs. State of

Bihar and Others, .

(ii) Ramdeo Singh Vs. State of Bihar and Others, .

3. The learned Additional Advocate General opposes the writ petition and submits that there was inconsequential delay in making payments, and the writ petition only for payment of interest may not be entertained.

4. We have perused the materials on record and considered the submissions of learned Counsel for the parties. Learned Counsel for the Petitioner is right in his submission that businessmen have often times to arrange liquidity after paying heavy interest to keep their industries going. The delay in payment of bills is evident from the narration of facts and is far more than reasonable.

5. We have today along with the present writ petition disposed of the analogous C.W.J.C. No. 2958 of 1994 (R.K. Industries v. The State of Bihar and Ors.), wherein identical claim of the Petitioner against Respondent No. 4 has been allowed, and payment of interest at the rate of 18% for the delay in payment of the bill has been upheld. The facts and circumstances of both the writ petitions are identical and are, therefore, being allowed on identical terms. The Petitioner shall be entitled to simple interest at the rate of 18% on the amount of Rs. 24,334/-, for the period 12.4.1991 to 30.1.1993. He shall similarly be entitled to simple interest at the rate of 18% on the amount of Rs. 26,178/-, from 31.12.1993 to 17.8.1995.

6. In the result, this writ petition is allowed. Respondent No. 4 is hereby directed to ensure payment of interest in the aforesaid manner within a period of four months from today, failing which the Petitioner shall be entitled to compound interest at the same rate for the period in question. In the circumstances of the case, there shall be no order as to costs.