

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20.02.2019

Coram

The Hon'ble Mr. Justice M.M.SUNDRESH
and
The Hon'ble Mr. Justice C.SARAVANAN

A.S.No.1010 of 2008

The Purusawalkam Santhatha
Sanga Nidhi Ltd., rep. by its
Trustee
Registered Office:
No.49/47 Vellala Street,
Purasavakka, Chennai - 84. ..

Appellant/Plaintiff

Vs

1.S.Damodaran
2.D.Vijayakumar
3.D.Balaji ..
(R2 and R3 are given up)

Respondents/Defendants

Appeal preferred under Section 96 C.P.C. against the portion of judgment and decree dated 30.09.2005 in O.S.No.465 of 2004 on the file of the Principal District Judge, Chingleput. Relating to reduction of interest amount.

For Appellant .. Mr.V.Raghupathi

For Respondents.. Mr.C.Jagdish

JUDGMENT

(Judgment of the Court was delivered by M.M.SUNDRESH, J.)

The appellant is the plaintiff in the suit. The appellant is a financial institution registered under the Companies Act, 1956. The appellant is doing business in financing and security of immovable properties.

2.The respondents got the loan sanctioned from the appellant followed by execution of mortgage deed. Accordingly, a sum of Rs.4 lakhs was availed as loan. As per the terms of the agreement, the amount will have to be paid with interest at the rate of 21.6 % per annum in 78 monthly instalments. It is also applicable for the default as well. Since the respondents

defaulted in making the payment, the suit for recovery of the amount after foreclosing the loan was filed. On such failure, the sale of mortgaged property was also sought for. In the suit, the appellant has sought for payment of interest at 21.6% per annum as per the perms of the agreement from the date of the plaint by quantifying the amount payable at Rs.6,96,110.40 till the date of the decree.

3.The Court below decreed the suit with respect to the principal amount quantified at Rs.6,96,110.40 but fixed the payment of interest at 6% per annum from the date of the plaint till the date of realisation. Aggrieved over this portion, the present appeal has been filed.

4.It is not in dispute that the decree has been satisfied by the respondents.

5.Learned counsel appearing for the appellant would submit that the parties are governed by the terms of the contract. The terms are very specific that not only during the instalment but even after foreclosure, the interest rate as fixed would continue. When this Court made a suggestion, the learned counsel appearing for the appellant would fairly submit that on instructions, the interest rate can be reduced from 21.6% per annum to 12% per annum, simple interest. Learned counsel appearing for the respondents is also agreeable for the aforesaid terms.

6.Therefore, an understanding has been arrived at between the parties that there shall be 12% interest payable for the amount of Rs.6,96,110.40 from the date of the plaint till the date of decree. Hence there is no difficulty in holding that from the date of decree and thereafter, the judgment and decree rendered by the Court below regarding interest would stand as it is at 6% per annum. Accordingly, there shall be a decree for the amount of Rs.6,96,110.40 with 12% interest from the date of the plaint till the date of the decree.

7.In the result, the appeal is allowed to the extent indicated above. No costs.

Sd/-

Assistant Registrar (CS-VI)

//True Copy//

Sub Assistant Registrar

To

1.The Principal District Judge,
Chengalpet.

2.The Section Officer,
VR Section, High Court,
Madras 104.

+1cc to Mr.C.Jagadish, Advocate, S.R.No. 15913

A.S.No.1010 of 2008

RR(CO)
GN(26/02/2020)