

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO. 8 of 2020

M/s.Mehta Engineering Works thru
its Prop.Shri Kishor Himatlal Mehta .. Petitioner
Versus
GP Parsik Bank, Gopinath Patil
Parsik Janata Sahakari Bank Ltd. .. Respondent

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Mr. Suresh A. Malkani for the petitioner.
Mr.Kishor Patil I/b Mr.Amol P. Mhatre for respondent no.1.

CORAM: PRADEEP NANDRAJOG, C.J.
AND BHARATI DANGRE, J.

DATED : 3rd JANUARY, 2020.

P.C:-

1 We find no merit in the Writ Petition.

2 The singular point urged in the Writ Petition is that the amount claimed by the Bank includes penal interest; which cannot be charged. The contention is contrary to the terms of the loan sanctioned in sum of ₹ 11 crores. The sanction letter has been exhibited as Annexure A. The same shows that the loan was at a floating rate of interest which was 10.5% p.a. It was to be returned in 120 equated monthly instalments of ₹ 14,84,285/-.

Clause 30 of the term of sanction clearly envisages that if monthly instalment was not paid on or before the due date penal interest @ 2% p.a. plus applicable tax shall be charged for the period of default on compounding basis. Additionally, the Bank was entitled to charge penal interest @ 4% p.a in addition to applicable rate on interest on outstanding loan amount if overdue amount was more than three months.

3 Petition is dismissed.

SMT. BHARATI DANGRE, J

CHIEF JUSTICE