

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO. 3196 OF 2020

Shri. Veershiv Nagari Bigarsheti Sahakari
Patsanstha Maryadit, Mangalwedha

...Petitioner

Versus

Shri. Ramesh Bapurav Patil & Ors.

...Respondents

Mr. Suhas S. Inamdar, for Petitioner.

...

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**CORAM : SANDEEP V. MARNE, J.
DATE : OCTOBER 12, 2023.**

P.C.:

1. The challenge in the Petition is to the order dated 30 August 2019 passed by the Maharashtra State Co-operative Appellate Court which has granted some solace to the borrower. While not disturbing the principal amount of Rs.15,000/- payable as well as without reducing the rate of interest of 19% p.a., the only relief granted by the Cooperative Appellate Court is by directing that interest would be calculated “without rest”. Thus, the bank will be in a position to charge interest at the rate of 19% p.a. from the date of disbursement i.e. 26 May 1998 till realization. The Co-operative Appellate

Court has held that though the bank interest rate was substantially reduced by the time the Petition was heard, the contractual rate of interest of 19% p.a. has been maintained. Only limited relief is granted in directing that a calculation of simple interest would be 'without any rest'. Mr. Inamdar, the learned counsel appearing for Petitioner-Society would contend that direction to levy interest 'without rest' would put the Society to losses as it pays interest to its depositors at quarterly/yearly rests.

2. While Mr. Inamdar may not be entirely wrong in his contention, what he ignores is the fact that the Co-operative Appellate Court has not disturbed the rate of interest of 19% which is exponentially high in current times. The loss to the society by removing the 'rest' would be compensated on account of high rate of interest which is not disturbed.

3. Considering the nature of directions issued by the Cooperative Appellate Court, it cannot be said that the directions suffer from any patent illegality for this Court to interfere in exercise of jurisdiction under Article 227 of the Constitution of India. Writ Petition is devoid of merits and is rejected without any order as to costs.

4. However, it is clarified that the arrangement made by the

Cooperative Appellate Court in the peculiar facts and circumstances of the case shall not be treated as a precedent.

(SANDEEP V. MARNE, J.)