IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

208/2

RSA-658-1991 (O&M)
Date of decision: 03.11.2023

State Bank of India

....Plaintiff-Appellant

Versus

Shri Saran Singh and another

...Defendant-Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present:- Mr. Ashok Gupta, Advocate, for the appellant

Mr. R.S. Chahal, Advocate and
Mr. Arjun Lakhanpal, Advocate, for respondent No.1
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AMAN CHAUDHARY. J.

1. Challenge in the present regular second appeal is to the concurrent findings recorded by the Courts below in a suit for recovery filed by the plaintiff-appellant.

2. Defendant-respondent No.1 raised a loan of Rs.1,40,000/- from the plaintiff-appellant in the year 1980, for purchasing a truck and defendant-respondent No.2 was made a guarantor for it. The installments of the said loan were deposited by him. However, in the year 1984, during the riots at Delhi, the Truck was destroyed. Respondent No.1, thereafter, stopped to make the installments. For recovery of the due amount of Rs.72605.16/- the present suit was filed by the appellant-Bank, which was contested by the respondents. The trial Court decreed the suit in favour of the appellant-bank and recovery of the aforesaid amount alongwith future interest @ 6% per annum was ordered. The appellant being dissatisfied, challenged in appeal to grant of *pendente lite* interest

and also for future interest on the decretal amount at the rate of 13 ½ % per annum, but finding no merit, learned District Judge, dismissed the same.

3. Hence, the appellant is before this Court.

4. Learned counsel for the appellant contends that the Courts below while decreeing the suit in its favour, have wrongly granted interest only @ 6 % per annum, instead of 13.5% which though was further enhanced by the Reserve Bank of India.

5. On the other hand, learned counsel for respondent No.1 submits that the said respondent had deposited the installments alongwith interest and only Rs.72605.16 remained pending, which could not be repaid, as the vehicle was destroyed in the riots. He however deposited the amount of Rs.22,000/- received in the compensation with the appellant-Bank. The interest has been correctly awarded considering the facts and circumstances of the case.

6. Heard learned counsel on either side and perused the record.

7. In order to proceed further, the reasons of the learned Appellate Court while affirming the judgment and decree of the trial Court would be apt to be referred, which read thus:

> "Adverting to the facts of the instant case, it is undisputed that the truck purchased with the loan raised from the bank was destroyed in the riots of 1984 and the vehicle was not insured for riots. Perhaps it was the responsibility of the bank to get it done. However, an amount of Rs.22000/- was sanctioned to the defendant-respondent No.1 by way of compensation by Delhi administration and the entire amount was deposited with the bank. All these circumstances would show that despite having suffered great hardships the defendant-respondent No.1 acted with good intention. He made all out efforts to return the loan. In such circumstances, if the ld. lower court awarded future interest at the rate of 6% per annum instead of contractual rate of 13½ % the court did not act in an arbitrary or perverse manner. I am, therefore, of this considered opinion that there is no merit in the argument advanced by the ld. counsel for the plaintiff-appellant."

8. The question which needs consideration is only regarding the grant of

rate of interest. It may be seen that Section 34 of the Civil Procedure Code permits interest upon the principal sum wherein the word used is 'may' and not 'shall'. The said rate of interest can be departed from in case the circumstances so warrant.

9. It is apparent that respondent No.1 had purchased a truck by loan from the plaintiff-bank to earn his livelihood and had been regularly paying the instalments till 1984, when concededly it was destroyed in the riots that took place in the said year. Since the truck was not insured against riots, his claim was also rejected by the Insurance Company. However, even the nominal amount that he received by way of compensation from the government for the loss suffered, was almost immediately deposited by him with the plaintiff-bank. Thus, it is just and equitable to maintain the rate of interest as awarded by the Courts below within the meaning of Section 34 of the Civil Procedure Code. A reference in this regard can be made to the judgment in **Punjab National Bank vs. Rakesh Kumar and another** (2002)1 RRL 822.

10. In the result, this Court finds no illegality or infirmity in the impugned judgments and decree of the Courts below. As such, the present appeal being sans merit, is hereby dismissed.

(AMAN CHAUDHARY)
JUDGE

03.11.2023
Ankur

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No