IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

CIVIL WRIT PETITION NO. 11008 OF 2024

M/s. Safety Carriers (India) & Ors. ..Petitioners
Versus
Liquidator Rupee Co-Op. Bank Ltd. & Anr. ..Respondents

Mr. Manoj A. Patil for Petitioners.

CORAM : AMIT BORKAR, J.
DATE : 25 NOVEMBER 2025

PC :

1. The petitioners, who were the original disputants, approached the Co-operative Court. They sought a declaration that their liability towards the loan in question stood closed after 22 February 2019. They further prayed that the sum of Rs.1,11,36,000 paid by them and the amount of Rs.18,35,421 represented by fixed deposit receipts be adjusted towards their outstanding liability.

2. The case of the petitioners is that they had operated the cash credit facility up to 22 February 2013. They state that after that date the bank did not permit them to operate the account. They submit that the debit balance as on 22 February 2013 stood at Rs.1,32,73,824. They contend that the amounts mentioned earlier ought to be set off against this debit balance. They assert

that after such adjustment no further amount remains payable by them.

3. The Courts below recorded a clear finding on the basis of the evidence. They noted that on 22 February 2013 the Reserve Bank of India imposed restrictions on the bank. They also noted that on that date the petitioners were carrying a debit balance of Rs.1,32,73,824. They held that under the agreement placed on record at Exhibit 32 the petitioners were liable to repay the said sum along with interest at the rate of 18 percent. They concluded that interest from 22 February 2013 till the date of filing of the dispute or till realization could not be waived.

4. The petitioners have not shown any contractual term or statutory provision that permits waiver of interest. The liability of Rs.1,32,73,824 represents the debit balance in their account. The record shows that the petitioners had availed and utilized this amount in the regular course of their cash credit account. Once the amount has been utilized, the obligation to pay interest flows directly from the agreement executed between the parties. The law of contracts requires the Court to enforce the bargain between the parties unless a clear legal provision or equitable ground is established to the contrary. No such ground has been demonstrated. The plea for waiver of interest is unsupported by the contract and is inconsistent with settled principles governing financial liabilities. In these circumstances, the claim for waiver

cannot be accepted.

5. The Courts below have, therefore, taken a correct and lawful view. They examined the contractual terms, the conduct of the parties, and the date on which the debit balance stood crystallized. They found that interest at the rate of 16 percent per annum was payable from 22 February 2013 on the sum of Rs.1,32,73,824. This finding rests on the written agreement and on established banking practice. There is no perversity or legal infirmity in the conclusion. The determination of the Courts below is consistent with the evidence and with the governing principles of contract law.

6. Therefore, in my opinion, there is no error in the impugned Judgment and order. The petition, therefore, stands dismissed.

(AMIT BORKAR, J.)