



**111 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**CM-12347-C-2019 in
RSA-2501-2008 (O&M)
Date of decision : 05.03.2025**

M/S AMBER ENTERPRISES PVT. LTD.

....Appellant

Versus

RAJINDER PAL JIND & ANR

....Respondents

CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN

**Present : Mr. Rakesh Chopra, Advocate and
Mr. Jashan Chopra, Advocate for the appellant.**

**Mr. Avnish Mittal, Advocate
Mr. Gorav Kashyap, Advocate for the respondents.**

PANKAJ JAIN, J. (ORAL)

With the consent of counsel for the parties, the main appeal is taken on Board today itself.

RSA-2501-2008 (O&M)

Defendant is in second appeal.

2. For convenience, parties hereinafter are referred to by their original position in the suit i.e. the appellant as the defendant and the respondents as the plaintiffs.

3. Plaintiffs filed suit seeking recovery of an amount of Rs.1,98,087/- which includes principal amount of Rs. 1,19,665/- and Rs.78,422/- as interest calculated @ 36% per annum for the period



commencing from 29th of December, 2000 till the date of the filing of the suit i.e. 2nd of February, 2002.

4. Plaintiff claimed that the material was supplied to defendant against invoice. The same remained unpaid. Thus plaintiff was entitled to recover the amount.

5. Suit was contested by the defendant claiming that he paid the amount against invoice. It was found that though the amount was paid but the same was paid to M/s Eastern Steel Industries. Defendant claimed that the same was sister concern of plaintiff No.2 and was under control of plaintiff No.1. However, defendant failed to prove unity of management. Resultantly, the suit filed by the plaintiffs was decreed with costs and they were held entitled to recover amount of Rs.1,98,087/- along with interest @ 12% per annum from the date of filing of the suit till the date of decree and further interest @ 6% per annum from the date of decree till realization.

6. Dissatisfied, defendant filed appeal.

7. Lower Appellate Court affirmed the findings recorded by the Trial Court upholding the judgment and decree passed by the Trial Court and dismissed the appeal.

8. Mr. Chopra has assailed the findings recorded by the Trial Court and submits that plaintiff No.1 was in control of plaintiff No.2 as well as M/s Eastern Steel Enterprises. The defendant paid amount against invoice through cheque on the asking of plaintiff No.1 in the account of M/s Eastern Steel Enterprises. However, he is not in position to dispute that the pure



findings of fact have been recorded by the Courts below and defendant despite having afforded and availed opportunity, was not able to prove unity of management between plaintiff No.2 and M/s Eastern Steel Enterprises. Apart therefrom, right was granted to the defendant to recover the amount from the M/s Eastern Steel Enterprises by the Courts below.

9. Faced with the situation, Mr. Chopra has drawn attention of this Court to the interest charged by the plaintiff @ 36% per annum for the time period prior to the filing of the suit i.e. 29th of December, 2000 to 2nd of February, 2002. He submits that there being no contract between the parties for payment of interest @ 36% per annum, the interest amount awarded by the Trial Court for the period prior to the filing of the suit, cannot be sustained. He further submits that even the interest *pendente lite* granted @ 12% per annum is exorbitant and cannot be sustained.

10. Per contra, Mr. Mittal however submits that the transaction between the parties was purely commercial and the Trial Court has thus rightly awarded the interest to the plaintiff(s).

11. I have heard counsel for the parties and have carefully gone through records of the case.

12. Finding no fault with the pure findings of fact recorded by the Courts below, this Court finds that the same needs no interference. However, interest granted by Courts @ 36% and 12% is unsustainable. Admittedly, there is no written contract between the parties for payment of interest



@ 36% per annum. At the same time, it also cannot be denied that the transaction being for supply of goods and material, was indeed commercial.

13. In order to balance the equities, this Court finds that the judgments and decrees passed by the Courts below need to be modified to the extent that the plaintiffs are entitled for decree for recovery of principal amount of Rs.1,19,665/- along with interest @ 9% per annum for the period commencing from 29th of December, 2000 till the date of actual realization.

14. With the aforesaid modification in the impugned judgments and decrees passed by the Courts below, the instant appeal is partly allowed

15. Pending application, if any, shall also stand disposed off.

March 05, 2025

(Pankaj Jain)
Judge

Dpr

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No