

**(1998) 03 P&H CK 0031**

**High Court Of Punjab And Haryana At Chandigarh**

**Case No:** Civil Revision No. 3551 of 1997

Joginder Singh

APPELLANT

Vs

State Bank of India and Others

RESPONDENT

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**Date of Decision:** March 4, 1998

**Acts Referred:**

- Civil Procedure Code, 1908 (CPC) - Section 115, 34

**Citation:** (1998) 119 PLR 472 : (1998) 2 RCR(Civil) 547

**Hon'ble Judges:** Sat Pal, J

**Bench:** Single Bench

**Advocate:** Pritam Saini, for the Appellant;

**Final Decision:** Dismissed

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**Judgement**

@JUDGMENTTAG-ORDER

Sat Pal, J.

This petition has been directed against the order dated 24th May, 1997, passed by the Additional Civil Judge Senior Division, Kurukshetra. By this order, the learned Civil Judge has dismissed the objections filed by the JDs. Notice of the petition was issued to the respondents.

2. Mr. Saini, learned counsel appearing on behalf of the petitioner-JDS vehemently argued that u/s 34, CPC, the learned trial court in its discretion can award interest at a lower rate than the contractual rate. In support of his submission, he has placed reliance on a recent judgment of the Supreme Court in [N.M. Veerappa Vs. Canara Bank and Others](#),

3. The learned counsel further argued that the learned trial court could award interest on the principal amount and not on the amount of principal and interest. In support of this submission, the learned counsel placed reliance on the following judgments of this Court in

1) [Jagdish Chander Vs. Punjab National Bank](#) ;

2) [Devinder Kumar and Another Vs. Syndicate Bank and Others](#) ;

3) Mehar Chand v. Tulsi Ram (1996 2)113 P.L.R. 398,

4. After hearing the learned counsel for the parties and having perused the impugned order, I do not find any infirmity or illegality in the well reasoned order passed by the learned trial court. It cannot be disputed that u/s 34 CPC the learned trial court may award interest at a rate lower than the contractual rate. But in the present case, the judgment dated 12th May, 1989, by which the suit was decreed, has been produced before me and from the judgment, I find that the learned trial court in the facts and circumstances of the case, awarded compound interest as well as future interest at the rate of 12.5% on the decretal amount. Once the learned trial court keeping in view the facts and circumstances of the case has awarded particular amount of interest which is not more than the contractual rate of interest, it cannot be said that there is any illegality in the order passed by the learned trial court. I also do not find any merit in the second contention raised by the learned counsel for the petitioner that the interest could be charged only on the principal amount and not on the amount of principal plus interest. The learned trial court has given a clear finding that in the present case the transaction is a commercial one and as such the interest could be awarded on the principal amount and interest upto the date of filing of (he suit. In the case of Mehar Chand (supra) learned Single Judge of this Court after referring to a large number of judgments of the Supreme Court and the High Courts held that on commercial loans, the Bank was entitled to claim compound interest and the Bank may charge interest with quarterly or longer rests. Since in the present case, the loan was commercial one, the judgment relied upon by the learned counsel for the respondents are of no assistance to the learned counsel for the petitioners.

5. Another contention raised by the learned counsel of the petitioner is that the matter with regard to awarding of compound interest in the bank case has already been referred to a larger Bench of the Supreme Court in the case of [Central Bank of India Vs. Ravindra and Others](#) . Be that at it may, simply because the point has been referred to a larger Bench, the petitioner cannot contend that the law laid down by the Supreme Court in the earlier cases, shall not apply to his case. In terms of the law which holds the filed today, the Bank can charge compound interest.

6. In view of the above discussion, I do not find any merit in this petition and the same is dismissed.