

(1880) 03 AHC CK 0007

Allahabad High Court

Case No: None

Sardar Mal

APPELLANT

Vs

Mazhar Ali Khan and
Another

RESPONDENT

Date of Decision: March 8, 1880

Citation: (1880) ILR (All) 769

Hon'ble Judges: Spankie, J; Pearson, J

Bench: Division Bench

Judgement

Pearson, J.

The amount of the bond consisted of two items, viz., Rs. 1,650, principal, and Rs. 350, interest in advance at the rate of two per cent, per mensem for the period between the date of the bond and the 16th February 1870, the date on which it was stipulated that the whole amount of Rs. 2,000 should be paid. The provision that, in default of payment on the date stipulated, interest on the whole amount of Rs. 2,000 should be paid at the rate of two per cent. per mensem from the date of the execution of the bond was so far penal that in effect it more than doubled the rate of interest for the period above mentioned. That penalty ought not, in our opinion, to be enforced. The rate of two per cent. per mensem is not so unusual as to be unreasonable. (The judgment then proceeded to determine what sum was due to the plaintiff).