

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH****207****RSA-3601-2014 (O&M)****Date of decision: 29.08.2025****Punjab State Civil Supplies Corporation
Limited and another****...Appellant(s)****Vs.****M/s. Dharam Rice and Oil Mills and others****...Respondent(s)****CORAM: HON'BLE MS. JUSTICE NIDHI GUPTA**

Present:- Mr. H.S.Randhawa, Advocate for the appellants.

Mr. Akhil Kashyap, Advocate for
Mr. P.K. Kataria, Advocate for respondents No. 7 to 9.

NIDHI GUPTA, J.**CM-8364-C-2014**

Prayer in this application filed under Section 5 of Limitation Act is for condonation of delay of 86 days in filing the accompanying appeal.

2. For the reasons mentioned in the application which is duly supported by an affidavit of Additional Managing Director of the applicant/appellant-Corporation, the same is allowed and delay of 86 days in filing the appeal is condoned.

RSA-3601-2014 (O&M)

Present Regular Second Appeal has been filed by the plaintiff against the judgment and decree dated 08.05.2013 passed by the learned



Additional District Judge, Amritsar; whereby suit filed by the appellant for recovery, has been partly decreed.

2. Brief facts of the case are that the appellant had filed a suit for recovery of Rs.7,29,702/- (Rs.4,23,905/- as principal amount and Rs. 3,05,797/- as interest) along with interest @ 21% p.a. It was the case of the appellant-Corporation that it is engaged in the activities of sale and purchase of wheat, paddy and other essential commodities. Defendants had entered into an oral agreement with the plaintiff-Corporation for milling of paddy. Defendants had stored 12970 bags weighing 8430.50 quintals of paddy for milling and had issued receipt dated 22.10.1999 Ex.P5 against the same and had deposited Rs.50,000/- as security with the plaintiff Corporation for custom milling. The defendants had milled the entire paddy of grade 'A' and delivered the resultant rice to the tune of 2465.72 quintals. However, the defendants did not initiate milling of any common variety of paddy and agreed to deposit the cost of resultant rice at the price fixed by the Govt. of India. It was alleged that defendants had agreed to make payment of differential cost on finalization of rates and had given an undertaking to this effect. The final rates of crop of 1999-2000 had been fixed by the Govt. of India vide letter dated 01.03.2002 Ex.P11, as per which, sum of Rs.56,55,861/- became recoverable from the defendant-firm. After adjusting amount payable to the defendants towards amount recoverable, a sum of Rs.4,23,905/- remained to be recovered from the defendants for a period of 01.09.2000 to 31.07.2003. It was further pleaded that defendants had deposited provisional cost late



after 31.08.2000 and interest of Rs.23,900/- on delayed payment of provisional cost was also recoverable. Accordingly, present suit was filed on 03.11.2003 for recovery of Rs.7,29,702/- as due on 31.07.2003.

3. Upon appraisal of the pleadings and the evidence led by the parties, learned trial Court had dismissed the suit of the plaintiffs on the ground that plaintiff could not prove regarding recovery of alleged amount due from the defendants. It was noticed that Ajit Lal PW1 had stated that provisional claim of paddy was settled between the plaintiff and the defendants @ Rs.927.46 as per Ex.P7 and defendants had deposited the complete amount as per Ex.P7. PW1 had further deposed that there was no documentary proof with him to show that provisional rate was discussed or explained to the defendants at the time of business. PW1 had further admitted that defendants had deposited Rs.51,85,755/- with the plaintiffs after which there was difference of only Rs.1,331/-. Even there was no document or any letter to show that rate of interest was settled between the parties. Keeping in view the above facts, ld. trial Court had dismissed the suit of the plaintiff vide judgment and decree dated 23.08.2010.

4. The plaintiffs had approached the Additional District Judge, Amritsar by way of Civil Appeal, which has been partly decreed by the learned Additional District Judge, Amritsar vide judgment and decree dated 08.05.2013 in the following manner: -

“The suit of the plaintiffs for recovery of Rs. 4,23,905/- is partly decreed with costs alongwith interest @ 9% per annum



from 1.9.2000 till realization. Counsel's fee is assessed as Rs. 1000/-. Decree sheet be prepared."

5. Hence, the present Second Appeal by the plaintiffs.
6. At the very outset, learned counsel for the plaintiffs very succinctly submits that challenge in the present Appeal is only to the rate of interest of 9% as awarded by the learned lower Appellate Court. It is submitted that the learned first appellate court had rightly proceeded in the matter and allowed the appeal holding the appellant entitled to recover the principal amount as if the agreement was written agreement but in award of interest @ 21% wrongly held that the same cannot be granted in absence of any agreement.
7. No other argument is raised on behalf of the appellant.
8. I have heard learned counsel for the plaintiff-appellants and perused the case file in great detail. Needless to say, the said argument/ground raised by the appellants does not warrant interference in the impugned judgment as, Learned Additional District Judge, Amritsar has awarded interest @ 9% p.a. It is not the case of the appellants that there was any agreement between the parties in respect of the rate of interest to be charged against the dues. As such, in the absence of any agreement to this effect, interest @ 9% is just and fair.
9. In view of the above, I find no ground is made out to interfere in the impugned judgment and decree dated 08.05.2013 passed by learned Additional District Judge, Amritsar.
10. The present Regular Second Appeal is hereby **dismissed**.



11. Pending applications, if any, stand disposed of.

29.08.2025

Divyanshi

(NIDHI GUPTA)

JUDGE

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