

HIGH COURT OF ANDHRA PRADESH :: AMARAVATI

MAIN CASE No: APPEALSUIT No.549 of 2024

PROCEEDING SHEET

Sl. No.	DATE	ORDER	OFFICE NOTE
1.	18.10.2024	<u>NJS, J & JS, J</u> <u>A.S. No.549 of 2024</u> Issue notice to the respondents. The learned counsel for the appellant is permitted to take out personal notice on the respondents by registered post with acknowledgment due and file proof of service in the Registry, by the date of next adjournment. List the appeal on 15.11.2024. <u>I.A. No.1 of 2024</u> Heard the learned counsel for the petitioner/appellant, who inter alia contends that the respondents filed a suit i.e., O.S. No.8 of 2022 on the file of the Court of the Principal District Judge, Visakhapatnam for recovery of an amount of Rs.68,08,338.35 paise (Rupees sixty eight lakhs eight thousand three hundred and thirty eight and paise thirty five only), wherein the principal amount was Rs.4,00,000/- (Rupees four lakhs only) and on that compounding interest was levied. He submits that the rate of interest as claimed by the respondents is without any valid basis and it is highly exorbitant. He further contends that though a specific plea is raised in	

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		the written statement in this regard, the learned Trial Court, merely on the basis of the averments in the plaint, went wrong in granting preliminary decree for the above mentioned amount, without considering the issue that the agreement does not contemplate levy/payment of compounding interest. He also contends that a Civil Court is not empowered to grant compounding interest ordinarily, and in the absence of any clause in the agreement for payment of interest on interest, the same cannot be granted. The learned counsel placed reliance on the decision of the Hon'ble Supreme Court of India in D.Khosla and Company vs. Union of India reported in 2024 SCC OnLine SC 1898. Considering the submissions made, there shall be interim stay, as prayed for. _____ NJS, J _____ JS, J <i>vasu</i>	