

Vs.

Ganapathy Hegde Bhairy & ors. Respondents

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Leave granted.

Notice was issued confined to the question whether the interest permitted should be limited to the original principal amount and the rate of interest.

We have noted from the copy of the preliminary decree that the amount has been worked out at Rs. 4.57 lakhs in respect of one count and Rs. 1.97 lakhs in respect of another count as the principal amount counted in the decree.

Learned counsel submits that even that amount is a result of adding interest on the original principal amount advanced by the Bank. Interest will have to be accrued on the decretal amount which is indicated earlier. For the purpose of easy accounting we make it as Rs. 6.50 lakhs to which interest has to be

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accrued. In other words, the liability of the appellant is limited to the amount paid by the subrogee together with interest at the rate of 12 per cent per annum from the date (31.7.89) when the the Memo was filed, on Rs.6.50 lakhs.

The appeal is disposed of accordingly.

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.....J
(K.T.THOMAS)

New Delhi,
December 11, 20000

.....J
(R.P.SETHI)