

PETITIONER:
CENTRAL BANK OF INDIA

Vs.

RESPONDENT:
RAVINDRA & ORS.

DATE OF JUDGMENT 07/05/1995

BENCH:
K. RAMASWAMY, FAIZAN UDDIN, G.B. PATTANAIK WITH SPECIAL LEAVE PETITION (C) NOS. 3954/94, 9082 AND 9088/1995 AND CIVIL APPEAL NOS. 3964, 3967 OF 1992

ACT:

HEADNOTE:

JUDGMENT:

O R D E R

After hearing learned Attorney General and amicus curiae S/shri A. Subba Rao, Ranjit Kumar and K.M.K. Nair on (the interpretation of the provisions of Section 34, CPC on "the principal sum adjudged" the matter is required to be considered by a Constitution Bench. The learned Attorney General has drawn our attention to the judgments of this Court in Corporation Bank vs. D.S. Gouda & Ors. [(1994) SCC 213] and Bank of Baroda vs. Jagannath [C.A. No.2785/87] decided on September 21, 1994 wherein he sought to draw the deduction that the principal sum adjudged and the principal sum mentioned later would be the same. He seeks to take support from the word "such" in support of his contention. Preceding Amendment Act 66 of 1956, the words were "aggregate sum so adjudged" and after Amendment, were substituted with the words "the principal sum adjudged", from the date of the suit to the date of the decree, in addition to any interest adjudged on such "principal sum" for any period prior to the institution of the suit (with further interest on such date as the court deems reasonable on the "principal sum"). The distinction, therefore, was not drawn to the attention of this Court in the aforesaid two judgments in particular later one. As a fact no argument in this behalf appears to have been canvassed. Interpretation of the liability of the borrower to pay interest on the principal sum to include interest that became merged with the principal sum adjudged or principal sum as lent, is required to be authoritatively laid down by a Bench of five Judges.

The Registry is directed to place the matter before Hon'ble Chief Justice for constituting the Constitution Bench.