IN THE HIGH COURT OF JUDICATURE AT PATNA
FIRST APPEAL No.44 of 2004

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1. Anil Kumar S/O Sri Devendra Thakur C/o Sri. Dharmesh Kumar, Advocate, Road No.23, Plot No.177, S.K. Nagar, Patna

2. M/S Associated Engineers through Anil Kumar, son of Devendra Thakur, Abhishek Bhawan Raja Market, Ext. Road

... ... Appellant/s

Versus

1. State Of Bihar through the Collector, Patna Collectoriat, Patna
2. The Commissioner, Water Resources, Dept.Govt.of Bihar, Patna
3. The Director (Purchase and Transport) Water Resource Department, Bihar Barrak No.5, Harding Road, Patna.
4. Executive Engineer (Mech.Div)
5. Executive Engineer (Mech. Div) Gandak Proj. Valmiki Nagar, West Champaran
6. Executive Engineer, (Mech.Div) Banaso Hazaribagh.

... ... Respondent/s

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Appearance :
For the Appellant/s : Mr.Ashok Kumar, Advocate
For the State : Mr. Kameshwar Pd. Gupta, GP-10
Mr. Virendra Kuar AC to GP-10

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CORAM: HONOURABLE MR. JUSTICE RAMESH CHAND MALVIYA
CAV JUDGMENT

Date : 10-04-2026

Heard learned counsel for the appellants as well as learned counsel for the respondents.

2. The present First Appeal has been preferred by the appellants under Section 96 of the Code of Civil Procedure, 1908 (hereinafter referred to as ‘CPC’) assailing the judgment and decree dated 19.11.2003 passed by the learned Sub Judge-VI, Patna (hereinafter referred to as ‘Trial Court’) in Money Suit No. 134 of 1999, whereby and whereunder the suit instituted by the plaintiffs (appellants) for recovery of Rs. 5,00,009/- was dismissed with contest but without cost with liberty to the plaintiff to re-agitate his claim before the higher authority of the defendants i.e., the department concerned by placing relevant papers to this context, if the plaintiff so desires.

3. For the sake of convenience, the parties where required shall be referred to in terms of their status before the learned Trial Court.

4. The case of the plaintiff, in brief, is that they were engaged in the business of supply of electrical and mechanical materials and, in pursuant to purchase orders issued by the defendants-authorities of the Water Resources Department, Government of Bihar, supplied the required materials as per the terms and specifications of the agreement. The plaintiffs asserted that the materials so supplied were duly received by the concerned divisions and utilized in departmental works without any immediate objection. According to them, despite completion of supply and fulfillment of contractual obligations on their part, the defendants failed to release payment of the outstanding dues. It is asserted that the entire suit amount which is to be realised by the plaintiff against the defendants are duly mentioned in Schedule-I of the plaint having explained as the principal amount for the goods supplies to the defendants amounting to Rs 204922/- and the interest @24% *per annum* since supply upto filing of the suit amounting to Rs 295087/-. However, even the repeated requests and representations by the plaintiff, did not yield them any result, compelling the plaintiff to institute Money Suit No. 134 of 1999 for recovery of Rs. 5,00,009/- *in toto* including the interest accrued, in addition to the other consequential reliefs.

5. The defendants appeared and filed their written statement contesting the suit, denying the material allegations made in the plaint by the plaintiff. It was stated, *inter alia*, that the plaintiff had not supplied the materials strictly in accordance with the prescribed specifications and contractual terms. It was further stated that upon inspection and examination by the departmental authorities, the materials were found to be sub-standard and not conforming to the required technical standards. It was stated that a liability committee was constituted to examine the matter and, on the basis of its report, the claim of the plaintiff was not found admissible. The defendants asserted that in absence of proper certification and approval by the competent authority, no liability could be fastened upon the department for payment of the claimed amount. Therefore, the

Money Suit was liable to be dismissed.

6. On the basis of pleadings as well as after hearing the parties, the learned Trial Court framed the following issues:

> ***(I)*** *Whether the present suit is barred by any provision of law?*
> ***(II)*** *Whether the plaintiff is entitled for a decree of Rs 5,00,009/- only and interest @24% per annum till realization against the defendants?*
> ***(III)*** *Whether the plaintiff has supplied the said material as per terms and conditions of the supply order and whether the findings hold by the concerned Liabilities Committee are valid and genuine ?*
> ***(IV)*** *Whether the plaintiff is entitled for cost of the suit or any other relief or reliefs as prayed for?*

7. In support of their cases, both the parties have adduced oral as well as documentary evidence. The plaintiff has examined altogether four witnesses namely, PW-1 Anil Kumar (Plaintiff/Appellant), PW-2 Ram Nagina Rai, PW-3 Awadh Bihari Singh, and PW-4 Deep Narain Singh. PW-2 is the advocate clerk who proved Ext.-5, and PWs-3 and 4 are formal witnesses who proved Exts.- 6, 7 and 7/A. Moreover, the plaintiff exhibited altogether ten documentary in support of his case.

> *Ext.-1 is certified copy of the order dated 03.05.1999 passed in M.J.C. No. 1699 of*

1996;
Ext.-1/A is certified copy of the order dated 18.12.1995 passed in CWJC No. 1262 of 1995; Ext.-2 is the letter dated 02.09.1986;
Ext.-3 is the letter dated 09.01.1990;
Ext.-4 is the letter dated 21.03.1990;
Ext.-5 is the challan dated 20.03.1990;
Ext.-6 is the signature on Inspection Report dated 12.09.1986;
Ext.-7 is the signature on letter dated 06.11.1992;
Ext.-7/A is the signature on letter dated 15.02.1993; and
Ext.-8 is the certified of counter affidavit filed by the respondent no.5 in CWJC No.1262 of 1995.

8. On behalf of the defendants, only one oral witness was examined namely, DW-1 Mahabir Tripathy who is engineer in the concerned department. Moreover, documentary evidence were adduced namely,

Ext.A and A/1 which is the Inspection Report and
Ext.B is the report and photo copy of the Enquiry Report marked as X for identification.

9. The learned Trial Court, after considering the pleadings, oral testimonies and documentary evidence adduced by the parties, proceeded to examine the issues relating to supply of materials, their conformity with prescribed specifications, and the entitlement of the plaintiffs to the claimed amount. The learned Trial Court observed that although the plaintiff had brought on record purchase orders and bills to show supply of materials, mere production of such documents was not sufficient to establish that the materials supplied were in strict compliance with the contractual and technical specifications. The learned Trial Court placed considerable reliance upon the report of the Departmental Liability Committee, which had examined the materials and recorded that the same were not in conformity with the required standards. The learned Trial Court further held that the plaintiff failed to effectively rebut the findings of the said committee through cogent technical evidence and there was no satisfactory material on record to demonstrate that the competent authority had formally accepted the supplies after inspection and quality verification in terms of the contract. The learned Trial Court also noted that in contractual matters involving technical specifications, the burden lies upon the supplier to establish due performance of contractual obligations and observed that the plaintiff could not discharge this burden to the satisfaction of the Court. Consequently, it was held that the plaintiff were not entitled to recovery of the claimed sum. Based on the aforesaid findings, the learned Trial Court dismissed the Money Suit vide impugned judgment and decree dated 19.11.2003.

10. Aggrieved by the impugned judgment and decree the plaintiff challenged the same in this First Appeal.

11. Learned counsel appearing on behalf of the appellant/plaintiff has assailed the impugned judgment and decree on the ground that the learned Trial Court failed to properly appreciate the pleadings and the documentary evidence brought on record by the appellant/plaintiff. It is submitted that the supply of materials was made strictly pursuant to valid purchase orders issued by the competent departmental authorities and that the same were duly received and entered in the departmental records. Learned counsel submitted that once the materials were received and utilized without any immediate objection, a presumption of due acceptance arises, and the respondents/defendants cannot subsequently withhold payment on vague and unilateral allegations regarding quality.

11.i. Learned counsel for appellant/plaintiff further submitted that the report of the Departmental Liability Committee, heavily relied upon by the learned Trial Court, was neither prepared in accordance with the contractual terms nor proved in accordance with law. Learned counsel submitted that the said report was an internal departmental document prepared behind the back of the appellant/plaintiff, without affording him any opportunity of participation or explanation, and therefore cannot override the documentary evidence demonstrating supply and receipt of goods. It is submitted that the learned Trial Court erred in placing undue reliance on such a report without examining whether the contractual procedure for inspection and rejection had been followed. Learned counsel also submitted that onus to prove the liability committee report lies upon the respondent and they have failed to discharge their onus thereby making the liability committee report inadmissible as an evidence.

11.ii. Learned counsel further submitted that the burden of proving sub-standard supply, once receipt and utilization were admitted, shifted upon the respondents/defendants, which they failed to discharge through cogent and reliable evidence. It is submitted that the learned Trial Court adopted an erroneous approach by insisting upon technical evidence from the plaintiffs while ignoring the admitted fact of supply and departmental use. It is, therefore, submitted that the findings recorded by the learned Trial Court are perverse, contrary to the evidence on record, and liable to be set aside, and that the appellant/plaintiff is entitled to decree for the claimed amount along with appropriate interest.

11.iii. Learned counsel for the appellant further put reliance on various cases including ***Ramesh Chandra Agrawal v. Regency Hospital Limited and Ors***., reported in ***(2009) 9 SCC 709*** and submitted that without examining an expert as a witness, no reliance can be put on his opinion alone. Learned counsel further relied on ***Uttam Singh Duggal & Co. Ltd. v. United Bank of India and Ors.***, reported in ***(2000) 7 SCC 120*** and submitted that where a claim is admitted, the court has jurisdiction to enter a judgment for the plaintiff and to pass a decree on admitted claim. Furthermore, reliance was put on the judgment of the Hon'ble Apex Court in ***R.V.E. Venkatachala Gounder v. Arulmigu Viswesaraswami & V.P. Temple and Anr.***, reported in ***(2003) 8 SCC 752*** and asserted that merely because a document has been marked as an 'Exhibit', an objection to it is not excluded and the same is available to be raised even at later stage in Appeal or Revision. Based on the authorities relied on by the learned counsel, it is submitted that the impugned judgment is liable to be set aside.

12. *Per contra*, learned counsel for the respondent nos. 1 to 3 submitted that the impugned judgment and decree passed by the learned Trial Court suffer from no illegality, perversity, or infirmity warranting interference by this Court. It is submitted that the learned Trial Court has meticulously considered the pleadings, evidence, and materials on record and has rightly dismissed the money suit on merits. Learned counsel further submitted that the findings recorded by the learned Trial Court are based on proper appreciation of evidence and settled principles of law, and therefore, the same deserve to be affirmed.

12.i. Learned counsel for the respondent nos. 1 to 3 further submitted that the entire claim of the appellant is misconceived and devoid of merit inasmuch as the materials supplied by them were not in conformity with the specifications and terms stipulated in the purchase order. It is submitted that in compliance with the earlier directions of this Court, the respondents constituted a competent Liabilities Committee, which, upon due scrutiny and verification, found that the materials were sub-standard and not as per agreed specifications. It is submitted that in furtherance to the recommendations of the Liability Committee only the admitted amount was paid to the appellant, and no further liability subsists against the respondents.

12.ii. Learned counsel further submitted that the appellants themselves violated the terms and conditions of the contract by dispatching materials without prior inspection and approval by the competent authority. It is submitted that the reports of the concerned engineers and the findings of the expert committee clearly establish that the supplied materials were below the required standard, and therefore, the withholding of payment was justified. It is also submitted that there was no contractual stipulation for payment of interest, and hence, no such claim is legally sustainable.

12.iii. Lastly, it is submitted by the learned counsel for the respondent nos. 1 to 3 that the present appeal is nothing but an attempt to re-agitate issues already settled by the competent authority and duly adjudicated by the learned Trial Court. It is submitted that the appeal is based on unfounded assertions and is barred by limitation as well as devoid of substance. Learned counsel thus, submitted that the present First Appeal be dismissed at the admission stage itself, as it discloses no arguable case for interference by this Court.

13. Having heard the learned counsel for the parties and upon perusal of the materials available on record, the primary point of determination in the present First Appeal that arises before this Court is *"whether the impugned judgment and decree passed by the learned Trial Court in Money Suit No.134 of 1999 is sustainable in the eyes of law?"*

14. At this stage, it is significant to mention that in a First Appeal, the scope of interference by the High Court is wide and co-extensive with that of the learned Trial Court. The Appellate Court is empowered to re-appreciate, re-assess and re-analyse the entire evidence on record, both on facts as well as on law, and may arrive at its own independent conclusions. However, it is equally well settled that where the findings recorded by the learned Trial Court are based on proper appreciation of evidence and are neither perverse nor contrary to the material on record, the Appellate Court ought not to interfere lightly. Therefore, the interference is warranted only when the findings of the learned Trial Court suffer from manifest illegality, misreading of evidence, or where material evidence has been ignored, resulting in miscarriage of justice.

15. The Hon'ble Supreme Court ***in Malluru Mallappa (D) Thr. LRs. v. Kuruvathappa and Ors.***, reported in ***(2020) 4 SCC 313*** has extensively observed the scope of First Appeal, which is reproduced as under:

> "***13.*** *It is a settled position of law that an appeal is a continuation of the proceedings*

of the original court. Ordinarily, the appellate jurisdiction involves a rehearing on law as well as on fact and is invoked by an aggrieved person. The first appeal is a valuable right of the appellant and therein all questions of fact and law decided by the trial court are open for reconsideration. Therefore, the first appellate court is required to address itself to all the issues and decide the case by giving reasons. The court of first appeal must record its findings only after dealing with all issues of law as well as fact and with the evidence, oral as well as documentary, led by the parties. The judgment of the first appellate court must display conscious application of mind and record findings supported by reasons on all issues and contentions [see: Santosh Hazari v. Purushottam Tiwari [Santosh Hazari v. Purushottam Tiwari, (2001) 3 SCC 179] ,Madhukar v. Sangram [Madhukar v. Sangram, (2001) 4 SCC 756], B.M. Narayana Gowda v. Shanthamma [B.M. Narayana Gowda v. Shanthamma, (2011) 15 SCC 476: (2014) 2 SCC (Civ) 619] ,H.K.N. Swami v. Irshad Basith [H.K.N. Swami v. Irshad Basith, (2005) 10 SCC 243] and Sri Raja Lakshmi Dyeing Works v. Rangaswamy Chettiar [Sri Raja Lakshmi Dyeing Works v. Rangaswamy Chettiar, (1980) 4 SCC 259]].”

16. Before analysis of the facts of the present case and the law settled therewith, it shall be significant to re-appreciate some of the relevant evidence produced by the parties in support of their respective case. In the present case, the respondents/defendants have examined only one witness in support of their case, namely, Mahabir Tripathy (DW-1), who is an engineer in the concerned department. He has deposed that the Liability Committee was constituted of members, namely, Chief Engineer Mechanical Shri H.N. Sinha, Executive Engineer Mechanical Krishna Kumar Singh and Mechanical Advisor Arvind Kumar Sinha, who enquired and scrutinized the matter in detail and submitted their report accordingly. He further deposed that on physical verification of the goods supplied and proper enquiry thereon, the entire dues amount has already been paid to the plaintiff/appellant. It is however, deposed that the payment of the sub-standard goods were not accepted by the Liability Committee. He has also deposed about the investigation report by BIT Sindri. In his cross-examination, D.W.-1 stated that plaintiff has not supplied the said articles as per the order placed by the defendants/respondents.

17. On the other hand, PW-1 Anil Kumar (appellant/plaintiff) has deposed about his claims made in the plaint and the other three witnesses on behalf of the plaintiff are formal witnesses who have proved the Exhibits as mentioned above.

18. Now, in the present case, it transpires from the record that the factum of issuance of purchase orders and supply of materials by the plaintiff/appellant is not in serious dispute. The documentary evidence brought on record, including the letters and *challans* marked as exhibits, *prima facie* indicate that the materials were dispatched and received by the concerned departmental authorities. However, the crucial question that arises is not merely of supply, but whether such supply was in conformity with the contractual specifications and duly accepted by the competent authority in terms of the agreement. Mere proof of supply or receipt, in absence of proof of due inspection and acceptance as per contractual stipulations, cannot *ipso facto* fasten liability upon the defendants for payment of the claimed amount.

19. At this juncture, it would be apposite to examine the settled legal position governing contractual obligations in cases of supply of goods. It is well settled that once the supplier establishes that goods were supplied pursuant to a valid contract and the same were received and utilized by the purchaser without any contemporaneous objection, a presumption of due acceptance arises in favour of the supplier. In such circumstances, the burden shifts upon the purchaser to prove that the goods were either rejected in accordance with the contractual procedure or were not in conformity with the agreed specifications. The Indian Contract Act, 1872 recognizes that a party who has enjoyed the benefit of a contract cannot evade its corresponding obligation unless it establishes breach on the part of the other side. It is equally well settled that rejection of goods must be in strict adherence to the contractual terms, including inspection and certification, and any unilateral or belated rejection, not supported by cogent evidence, cannot defeat a legitimate claim for payment. Therefore, in a case where supply, receipt, and utilization stand proved, the law leans in favour of the supplier, unless the purchaser discharges its burden by establishing lawful and valid rejection in accordance with the agreed terms.

20. The principle which have articulated in the aforementioned is not confined to a single provision, but flows from a combined reading of multiple provisions of the Indian Contract Act, 1872 which read as follow:

> ***37. Obligation of parties to contracts-*** *The parties to a contract must either perform, or offer to perform, their respective promises, unless such performance is dispensed with or excused under the provisions of this Act, or of any other law.*
>
> *Promises bind the representatives of the promisors in case of the death of such*

promisors before performance, unless a contrary intention appears from the contract.

70. Obligation of person enjoying benefit of non-gratuitous act- *Where a person lawfully does anything for another person, or delivers anything to him, not intending to do so gratuitously, and such other person enjoys the benefit thereof, the latter is bound to make compensation to the former in respect of, or to restore, the thing so done or delivered.*

73.Compensation for loss or damage caused by breach of contract- *When a contract has been broken, the party who suffers by such breach is entitled to receive, from the party who has broken the contract, compensation for any loss or damage caused to him thereby, which naturally arose in the usual course of things from such breach, or which the parties knew, when they made the contract, to be likely to result from the breach of it.*

Such compensation is not to be given for any remote and indirect loss or damage sustained by reason of the breach.

21. Moreover, parties must perform their respective promises unless excused. Once the supplier performs the purchaser is bound to fulfill the reciprocal obligation i.e., payment. Further party enjoying the benefit must perform its obligation. If a person lawfully does something for another (not intending it to be gratuitous), and when the one person enjoys the benefit, then the latter is bound to compensate. If the purchaser wrongfully refuses payment despite valid supply, the supplier is entitled to compensation for breach.

22. In this context, the reliance placed by the learned Trial Court upon the report of the Liability Committee assumes significance. It appears from the record that the said report formed the principal basis for disbelieving the claim of the plaintiff/appellant on the ground that the materials supplied were sub-standard and not in conformity with the prescribed specifications. However, a careful scrutiny is required as to whether such report was duly proved in accordance with law and whether it can be treated as substantive evidence. Admittedly, the members of the said committee or any technical expert associated with the preparation of the report were not examined before the learned Trial Court to substantiate the findings recorded therein. In absence of such examination, the report remains an unproved document and its evidentiary value becomes doubtful. It is well settled that opinion evidence, particularly in technical matters, must be supported by examination of the expert, and mere production of such report, without substantiated by the concerned member of the Liability Committee, cannot be made the sole basis for non-suiting the plaintiff.

23. As rightly relied on by the learned counsel for the appellant, in the case of ***Ramesh Chandra Agrawal (supra)***, the Hon'ble Supreme Court has observed with respect to the evidentiary value of opinion without examination, as under:

> "***20.*** *An expert is not a witness of fact and his evidence is really of an advisory character. The duty of an expert witness is to furnish the Judge with the necessary scientific criteria for testing the accuracy of the conclusions so as to enable the Judge to form his independent judgment by the application of these criteria to the facts proved by the evidence of the case. The scientific opinion evidence, if intelligible, convincing and tested becomes a factor and often an important factor for consideration along with other evidence of the case. The credibility of such a witness depends on the reasons stated in support of his conclusions and the data and material furnished which form the basis of his conclusions. (See Malay Kumar Ganguly v. Dr. Sukumar Mukherjee [(2009) 9 SCC 221: (2009) 10 Scale 675], SCC p. 249, para 34.)*
>
> ***21.*** *In State of Maharashtra v. Damu [(2000) 6 SCC 269 : 2000 SCC (Cri) 1088 : AIR 2000 SC 1691] , it has been laid down that without examining the expert as a witness in court, no reliance can be placed on an opinion alone. In this regard, it has been observed in State (Delhi Admn.) v. Pali Ram [(1979) 2 SCC 158: 1979 SCC (Cri) 389: AIR 1979 SC 14] that "no expert would claim today that he could be*

> *absolutely sure that his opinion was correct, expert depends to a great extent upon the materials put before him and the nature of question put to him."*

24. Further, this Court finds substance in the submission advanced on behalf of the appellant that once the respondents admit receipt and utilization of the materials, the burden shifts upon them to establish that the same were defective or not in accordance with the contractual specifications. In the present case, apart from placing reliance on the unproved report of the Liability Committee and the testimony of DW-1, no cogent and substantial evidence has been adduced by the respondents to conclusively demonstrate that the materials supplied were sub-standard and not in accordance with the terms of the contract. It is also pertinent to note that the evidence on record does not disclose any contemporaneous objection being raised at the time of receipt or that the procedure prescribed under the contract for rejection of goods was duly followed. In such circumstances, the withholding of payment appears to lack adequate legal justification.

25. That apart, it is also evident from the record that the learned Trial Court has placed the entire burden upon the appellant/plaintiff to prove strict compliance of technical specifications, while failing to appreciate that in contractual transactions of this nature, where supply, receipt and utilization are either admitted or duly established, a corresponding obligation is cast upon the purchaser to demonstrate lawful rejection in accordance with the agreed procedure. The approach adopted by the learned Trial Court, therefore, appears to be one-sided and not in consonance with the settled principles relating to burden of proof. The failure to consider this vital aspect has resulted in misappreciation of evidence, thereby vitiating the findings recorded on the core issue of entitlement of the plaintiff.

26. Learned counsel for the appellant has rightly relied upon ***Rajesh Jain v. Ajay Singh (supra)*** wherein the Hon'ble Supreme Court observed as under:

> "***28.*** *There are two senses in which the phrase "burden of proof" is used in the Evidence Act, 1872 ("the Evidence Act" hereinafter). One is the burden of proof arising as a matter of pleading and the other is the one which deals with the question as to who has first to prove a particular fact. The former is called the "legal burden" and it never shifts, the latter is called the "evidential burden" and it shifts from one side to the other. [See Kundan Lal Rallaram v. Custodian (Evacuee Property) [Kundan Lal Rallaram v. Custodian (Evacuee Property), 1961 SCC*

OnLine SC 10 : AIR 1961 SC 1316].

***29.** The legal burden is the burden of proof which remains constant throughout a trial. It is the burden of establishing the facts and contentions which will support a party's case. If, at the conclusion of the trial a party has failed to establish these to the appropriate standards, he would lose to stand. The incidence of the burden is usually clear from the pleadings and usually, it is incumbent on the plaintiff or complainant to prove what he pleaded or contends. On the other hand, the evidential burden may shift from one party to another as the trial progresses according to the balance of evidence given at any particular stage; the burden rests upon the party who would fail if no evidence at all, or no further evidence, as the case may be is adduced by either side (see Halsbury's Laws of England, 4th Edn. para 13). While the former, the legal burden arising on the pleadings is mentioned in Section 101 of the Evidence Act, the latter, the evidential burden, is referred to in Section 102 thereof. [G. Vasu v. Syed Yaseen Sifuddin Quadri [G. Vasu v. Syed Yaseen Sifuddin Quadri, 1986 SCC OnLine AP 147: AIR 1987 AP 139] affirmed in Bharat Barrel & Drum Mfg. Co. v. Amin Chand Payrelal [Bharat Barrel & Drum Mfg. Co. v. Amin Chand Payrelal, (1999) 3 SCC 35] .]"*

27. In view of the aforesaid discussions and upon re-appreciation of the entire evidence available on record, this Court is of the considered opinion that the findings recorded by the learned Trial Court suffer from material irregularity and misappreciation of evidence. The learned Trial Court has erred in placing decisive reliance upon an unproved report of the Liability Committee, without examining its authors or establishing its evidentiary value in accordance with law. Further, the learned Trial Court failed to properly consider the admitted or established facts relating to supply and utilization of materials and incorrectly placed the entire burden upon the plaintiff to prove strict compliance, without requiring the defendants to substantiate their plea of sub-standard supply through cogent evidence. Such an approach has resulted in a perverse finding on the core issue of entitlement, thereby warranting interference by this Court in exercise of its appellate jurisdiction.

28. Accordingly, the impugned judgment and decree dated 19.11.2003 passed by the learned Trial Court in Money Suit No. 134 of 1999 is hereby set aside. The suit filed by the plaintiff/appellant is decreed. The plaintiff/appellant is held entitled to recover the principal amount of Rs. 2,04,922/- from the defendants/respondents after deducting the amount already paid by the defendants/respondents on recommendation of the Liability Committee.

29. So far as the claim of interest @24% *per annum* is concerned, this Court finds that there is no clear contractual stipulation on record justifying such a high rate of interest. However, considering the nature of the transaction, the delay in payment, and the fact that the amount remained unpaid for a considerable period, the ends of justice would be met if the plaintiff/appellant is awarded reasonable interest. Accordingly, the plaintiff/appellant shall be entitled to interest @6% *per annum* on the decretal amount from the date of institution of the suit till realization within 6 months from the date of passing of this judgment. However, in default thereof, the appellant shall be entitled to interest @9% *per annum* from the date of filing of the suit till its realisation.

30. Accordingly, this appeal is allowed with cost.

31. Let the Trial Court records be sent back to the concerned Court forthwith.

(Ramesh Chand Malviya, J)

Harshita/-

AFR/NAFR	AFR
CAV DATE	03.02.2026
Uploading Date	10.04.2026
Transmission Date	NA