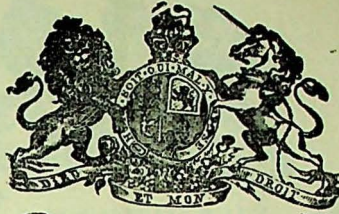


## THE



# Bombay Government Gazette.

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Separate paging is given to this Part, in order that it may be filed as a separate compilation.

## PART VI.

### BILLS OF THE GOVERNMENT OF INDIA.

#### LEGISLATIVE DEPARTMENT.

The following Bill was introduced in the Council of the Governor General of India for the purpose of making Laws and Regulations on the 7<sup>th</sup> March 1895 :—

#### Bill No. 7 of 1895.

*A Bill to regulate the award of interest in suits for simple money-debts and mortgage-debts.*

WHEREAS it is expedient to regulate the award of interest in suits for simple money-

debts and mortgage-debts; It is hereby enacted as follows :—

No Civil Court shall, in any suit for a simple money-debt or a mortgage-debt instituted after the commencement of this Act, decree or award interest exceeding in amount the original principal, or, where there has been payment in reduction of the principal, exceeding in amount the reduced principal.

*Explanation.*—The word "interest" means the amount of interest due or payable at the date of the suit, exclusive of payments previously made.

#### STATEMENT OF OBJECTS AND REASONS.

At present there is an anomaly of practice in our Courts in the matter of awarding interest, and there is no limit to the amount up to which interest may be awarded. In a recent case decided by the Calcutta High Court compound interest at 33 per cent. amounted in ten years to 17½ times the principal, or, in other words, the interest was on an average 175 per cent. of the principal per annum. The High Court held that the defendant was bound by "the bargain which he had entered into," and stated in its judgment that the rate of interest was not higher than had been allowed in other cases.

The object of this Bill is to remove the existing anomaly of practice and to place a limit upon the award of interest.

*The 4th March 1895.*

(Signed) MOHINI MOHUN ROY,

J. M. MACPHERSON,  
Offg. Secretary to the Government of India.