

Art. 37 & Sec. 18—Default in payment of loan The period for the purposes of limitation for institution for the suit for an amount payable under a bond by way of instalments, in an event of commission of a default, would be three years as provided in column 2 of the Schedule of the Limitation Act, which here would be the date of admission of liability, which is the acknowledgement of 31.03.2001, which would be treated to be default admitted by the defendants/appellants. Since the suit was filed on 21.03.2004, the bar of Section 18 to be read with Article 37 of the Schedule to the Limitation Act will not be attracted, hence I hold the suit for recovery as filed on 21.03.2004, was well within 3 years from the date of acknowledgement of liability i.e. 31.03.2001.

In such an eventuality, if Section 18; is read with Article 37 ; in that eventuality the acknowledgement of the liability of dues in writing once it fails to be with effect from 31.03.2001 and the suit itself since having been instituted on 21.03.2004, it will fall to be well within the prescribed period of three years of limitation as provided under Article 37 of the schedule contained to the Limitation Act and hence the inference drawn by the court below with regards to the aforesaid provision, that the suit was not barred by limitation is decided against the defendants/appellants holding thereof that the suit was filed well within time. Thus, the findings recorded on issue numbers 3 and 5 suffers from no apparent judicial error.

[Govindi Devi v. Naninital Almora Kshetriya Gramin Bank, 2021 AIR CC 2050 (UTR)]