



**THE MALAWI JUDICIARY
IN THE HIGH COURT OF MALAWI
(COMMERCIAL DIVISION)
BLANTYRE REGISTRY
COMMERCIAL CAUSE NUMBER 116 OF 2020
(Before Honourable Justice Dr. Mtambo)**

BETWEEN

BLANTYRE WATER BOARD.....CLAIMANT

AND

STANSFIELD MOTORS LIMITED.....DEFENDANT

Coram:	Mvula-Zidule	:	Assistant Registrar
	Mndolo	:	Counsel for the Claimant
	Minjale	:	Counsel for the Defendant
	Ntonya	:	Court Clerk

RULING ON ASSESSMENT OF INTEREST

Background

On 27th April, 2020 Claimant commenced proceedings, by way of specially endorsed summons, against the Defendant claiming the sum of MK9,900,250.00 being a refund of the money that Claimant paid for the purchase of two Yamaha DT 125 motorcycles, interest on the principal sum at the rate of 1% above National Bank's prevailing lending rates from 29th July, 2019 to the date of actual payment, collection costs on the principal sum and interest and costs of the action. The court entered a default judgment on 30th June, 2020 following Defendant's failure to file and serve a defence within the

period. On 22nd September, 2020 the parties filed an agreed judgment wherein, among others, Defendant was required to deliver the motorcycles within 60 days from 18th August, 2020. The agreed judgment also gave the Claimant the liberty to enforce the default judgment in case Defendant defaults to deliver the motorcycles.

On 1st April, 2021 the court heard proceedings for assessment of interest since Defendant has not yet delivered the motorcycles. However, there was an agreement, between the parties, that the ruling on assessment of interest should only be enforced by the Claimant after 14 days from today. This follows Defendant's prayer to be given 14 days within which to deliver the motorcycles since they are already in transit. Mention must be made that Claimant obtained a sale and seizure order on 15th March, 2021 in order to enforce payment of the principal sum.

Evidence

Evidence was heard from Claimant's sole witness, Mr. Henry Ngosi who works as an Assistant Accountant at Tembenu, Masumbu and Company. Basically, PW1 adopted his witness statement and stated that interest was calculated at 1% above National Bank of Malawi base lending rates since the default judgment directed that interest should be calculated as stated above. He also stated that he obtained interest rates from National Bank of Malawi, he added 1% and calculated the same.

Issues for determination

- i. Whether or not interest should be calculated at 1% above National Bank of Malawi base lending rates;
- ii. What is the appropriate quantum of interest to be payable by the Defendant?

Whether or not interest should be calculated at 1% above National Bank of Malawi base lending rates

The default judgment, which is the basis of the present assessment provides for payment of interest on the principal sum, MK9,900,250.00. However, the default judgment is silent on the percentage to be used when calculating interest. Nevertheless, the court draws its attention to the summons and finds that interest should be calculated as submitted by the

Claimant since the same was specifically pleaded. Interest has, therefore, been compounded from July, 2019 to August, 2020.

What is the appropriate quantum of interest in the present matter?

PW1's witness statement has pegged total interest payable at MK1,867,032.21. The court did its own calculations and found the calculations done by PW1 to be correct. Interest for the period of July, 2019 to August, 2020 has therefore been assessed at MK1,867,032.21.

Costs for assessment of interest have been awarded to the Claimant. The said costs shall be taxed if not agreed by the parties.

Delivered in Chambers this 7th day of April at High Court, Commercial Division, Blantyre Registry



Emelia Mvula Zidule
Assistant Registrar