

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CR No.3286 of 2014 (O&M)
Date of Decision : 12.10.2015

M/s Manohar Lal and Sons

..... Petitioners

Versus

Union of India and others

.... Respondents

CORAM: HON'BLE MR. JUSTICE K. KANNAN

Present: Mr. Nitish K. Vasudeva, Advocate
for the petitioners.

Mr. Mohit Malik, Advocate for
Dr. Ashwinie Kumar Bansal, Advocate
for the respondents.

K. KANNAN, J.

An amount claimed by the contractor after an award was modified in an appeal and this Court passed an order on 3.8.10 and observed as follows:

"Learned counsel for the petitioner submitted that the petitioner has received the payment of such amount including the interest thereon. Therefore, the petitioner is granted three months time to deposit the amount disbursed to him but in the event of the petitioner failing to deposit the amount, the

respondents shall be entitled to seek restitution of the amount disbursed including interest thereon in accordance with law."

The petitioner would claim that the order passed by this Court allowed for the refund of the amount by way of restitution with reference to the amount received by the petitioner that including interest thereon. The principal amount was ₹ 3 lacs and the interest component was ₹ 1,17,712/. The petitioner claims that he has refunded the principal amount and interest within three months as directed by this Court. The respondent, however, was claiming interest for the entire period when the proceedings were pending, is after for the period when the amount was received by the petitioner till the date, when a modification was done by the High Court. The Court below through the impugned order has allowed for the State to claim interest also for the period commencing from the date when the amount was received by the petitioner till he returned the same, pursuant to the order given by the Court on 03.08.2010.

The contention is that the provision for interest made by the Court purporting to accept the plea of restitution conflict with the express statement of the Court below. I accede to the plea that under a normal situation of restitution, the person who has obtained a benefit under order which is set aside will be

liable for refund in the restitution with interest as awarded by the Court.

In this case, the Court's order dated 03.08.2010 contemplates only the return of the principal amount including the interest which the petitioner received. It does not contemplate a further calculation of interest from the date of the amount received till the amount was refunded, except in one situation where the refund was not made within a period of three months. That is the only way that the order passed by this Court to be understood.

Admittedly, the petitioner has refunded the entire amount of principal and interest as received by him within the period granted in the order and, therefore, there could not be no further liability for interest, as the latter contingency in the order provided for.

The order already passed is set aside and the revision petition is allowed on the above terms.

**(K. KANNAN)
JUDGE**

12.10.2015
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