

Civil Writ Petition No. 18431 of 2016

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

Civil Writ Petition No. 18431 of 2016

Date of Decision: 5.12.2016

Haryana Urban Development Authority and another

.....Petitioner

Vs.

Permanent Lok Adalat, Public Utility Services, Panipat, Camp Court at
Sonipat and others

.....Respondents

CORAM : HON'BLE MR. JUSTICE RAMESHWAR SINGH MALIK

Present : Mr. Rishab Gupta, Advocate
for the petitioners.

RAMESHWAR SINGH MALIK J. (ORAL)

Feeling aggrieved against the impugned award dated 15.12.2015 (Annexure P-8) passed by the Permanent Lok Adalat, Public Utility Services, Panipat, Camp Court at Sonipat, accepting the application of respondents No. 2 and 3 under Section 22-C of the Legal Services Authority Act, 1987 and directing the petitioners to pay the amount on account of interest @ 9% per annum on the money which remained with them for more than four years, petitioners have approached this Court by way of present writ petition under Section 226/227 of the Constitution of India, seeking a writ in the nature of Certiorari, for quashing the impugned award.

Heard learned counsel for the petitioners.

Civil Writ Petition No. 18431 of 2016

It has gone undisputed before this Court that an amount of ₹5 lacs deposited by respondent No.3 and an amount of ₹4,99,500/- deposited by respondent No.2 remained with the petitioners w.e.f. 19.2.2011 to 05.1.2015. It also goes without saying that since the abovesaid amounts deposited by respondents No. 2 and 3 remained with the petitioners for the abovesaid period for more than three years, petitioners were using the said amount in the manner it could have been used. It is also not in dispute that petitioners refunded the abovesaid amount, however, without interest.

In the abovesaid background of the case, the short issue that falls for consideration of this Court is, as to whether allottees-respondents No. 2 and 3 were entitled for refund of the amount alongwith interest or not.

In the circumstances of the case, learned counsel for the petitioners could not raise any meaningful argument, except technical and super-technical issues. Once no prejudice of any kind, whatsoever, has been caused to the petitioners by passing of the impugned award, technical issues would be of no consequence. The undisputed fact is that the petitioners used the amounts in question, deposited by respondents No. 2 and 3, for a period of more than three years and illegally rejected the claim of private respondents for interest on the said amounts. Once the plots were not allotted in favour of respondents No. 2 and 3 for one or the other reasons, including the reason that issue remained pending in litigation between the parties, allottees, who had deposited the abovesaid amount with the petitioners, would certainly be entitled for refund thereof alongwith interest @ 9% per annum. Rate of interest at 9% was a very genuine rate of interest and granting any lesser rate of interest would have been totally unjustified.

Civil Writ Petition No. 18431 of 2016

The abovesaid view taken by this Court also finds support from the judgment of this Court in **Ajay Khurana Vs. Haryana Urban Development Authority 1996 (2) RRR 521**. The relevant observations made by this Court in para 3 of the judgment, which can be gainfully followed in the present case, read as under:-

“Admittedly, the respondents refunded the earnest money of Rs. 5468/- to the petitioner during the pendency of this writ petition. The only point to be decided is whether the petitioner is entitled to interest on the amount of earnest money deposited by him with the respondents. There is no dispute of the fact that the terms and conditions of allotment do not provide any payment of interest on the amount of earnest money deposited in case the applicant does not get the plot allotted. Therefore, it is clear that agreement does not provide any interest on the amount deposited. There cannot be any dispute that when once the plot could not be allotted to the petitioner, the amount deposited by him with the respondents becomes a debt payable by the respondents to the petitioner. Under Section 3 of the Interest Act, 1978, "The Court may allow interest to the person entitled to the debt:-

(a) if the proceedings relate to a debt payable by virtue of a written instrument at a certain time, then, from the date when the debt is payable to the date of institution of the proceedings;

(b) if the proceedings do not relate to any such debt, then, from the date mentioned in this regard in a written notice given by the person entitled or the person making the claim to the person liable that interest will be claimed, to the date of institution of the proceedings."

During the course of hearing, learned counsel for the petitioners

Civil Writ Petition No. 18431 of 2016

fairly conceded that his arguments were technical in nature. In fact, learned counsel for the petitioners could not raise any substantive argument on merits of the case and rightly so, it being a matter of record. Neither learned Permanent Lok Adalat exceeded its jurisdiction, nor committed any error of law, while passing the impugned award and the same deserves to be upheld, for this reason also. Further, no prejudice of any kind, whatsoever, has been shown which might have been caused to the petitioners by passing the impugned award, warranting interference at the hands of this Court, while exercising its writ jurisdiction under Articles 226/227 of the Constitution of India.

No other argument was raised.

Considering the peculiar facts and circumstances of the case noted above, coupled with the reasons aforementioned, this Court is of the considered view that instant writ petition is wholly misconceived, bereft of merit and without any substance, thus, it must fail. No case for interference has been made out.

Resultantly, with the abovesaid observations made, present writ petition stands dismissed, however, with no order as to costs.

5.12.2016
Ak Sharma

(RAMESHWAR SINGH MALIK)
JUDGE

Whether speaking/reasoned Yes/No
Whether reportable: Yes/No