IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-12806-2016 (O&M)
Date of decision:- 18.07.2017

Adarshdeep Singh

...Petitioner

Versus

U.T., Chandigarh through Home Secretary, Chandigarh Administration, U.T. Secretariat, 4th Floor, Sector 9, Chandigarh and others.

...Respondents

CORAM: HON'BLE MR. JUSTICE S.J. VAZIFDAR, CHIEF JUSTICE
HON'BLE MR. JUSTICE HARINDER SINGH SIDHU

Present:- Mr. Vivek Goyal, Advocate,
for the petitioner.

Ms. Deepali Puri, Advocate,
for the respondents.

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S.J. VAZIFDAR, C.J. (ORAL)

The petitioner has challenged the levy of interest by the respondents. The matter is in fact extremely simple. The respondents appear to have calculated interest on the wrong basis and on the wrong amounts.

2. The third and the last installment of ₹ 19,07,960/- was payable by the petitioner on 17.05.2013. It is true that an amount of ₹ 3,24,500/- and ₹ 3,00,000/- had been paid on 11.06.2015 and 15.03.2016. However, what the respondents appear to have forgotten and not taken into consideration is the fact that against the first and the second installments, the petitioner had paid amounts far in excess of what he was required to. Qua the first installment of ₹ 19,07,960/- payable on 17.05.2012, the petitioner had paid ₹ 43,00,000/-. Against the second installment of the same amount, the petitioner was, therefore, not required to pay any amount at all. However, on 01.08.2012 and 18.08.2012, the petitioner paid an amount of

₹6,00,000/- and ₹2,00,000/- respectively. Thus, even as per the respondents as on 17.05.2013 i.e. the due date for the third installment, the petitioner had already paid an amount in excess of ₹ 12,84,080/-. The petitioner was entitled to credit for this amount. The fact that an amount of ₹ 3,24,500/- and ₹ 3,00,000/- was paid against the third installment on 11.06.2015 and 15.03.2016 makes no difference to the petitioner's entitlement to the credit of the excess amount paid upto that date. Interest cannot be charged on the excess amount paid by the petitioner against the earlier installments. The respondents would only be entitled to levy interest on the shortfall i.e. the reducing balance. Thus, for instance, for the period 17.05.2012 till 11.06.2015 on which date ₹3,24,500/- was paid, the respondents would be entitled to interest only on the difference between ₹ 19,07,960/- and ₹ 12,84,080/-. Thereafter, the respondents would be entitled to levy interest for the period 11.06.2015 to 15.03.2016 i.e. the date on which ₹3,00,000/- was paid only on the amount of ₹19,07,960/- less the amounts of ₹12,84,080/- and ₹3,24,500/-.

3. The respondents shall calculate the amounts due, if any, accordingly and inform the petitioner. In the event of any excess amount having been paid, the same shall be refunded to the petitioner within four weeks of the computation failing which the same shall carry interest at 15% per annum.

The writ petition is accordingly disposed of.

(S.J. VAZIFDAR)
CHIEF JUSTICE

(HARINDER SINGH SIDHU)
JUDGE

18.07.2017
Amodh

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