A.NO.5308 of 2025
in
EP.No.34 of 2025

Dr.R.N.MANJULA, J.

This application has been filed to set aside the order dated 08.10.2025 directing attachment under Order XXI Rules 54 and 64 CPC in E.P. No. 34 of 2025 and to stay operation of the above order. So the dispute is only with regard to the calculation of interest in view of the delayed payment made by the defendant.

2. The learned counsel for the respondent submitted that as per the terms of compromise, if the applicant makes delayed payments, then he is liable to pay the interest at the rate of 12% per annum. Now the problem is that the amount which has been paid by the defendant on various occasions, in the terms of compromise, has been appropriated towards the interest first and later against the principal. Such calculations have resulted in the outstanding amount shown as Rs.55,12,095.85.

3. The learned counsel for the applicant submitted that the payments made by the defendants on various dates ought to have been adjusted only against the principal and the interest ought to have been calculated separately. Even though the terms of compromise are clear about the modus of payment, i.e., Rs.30,00,000/- is in one go on 20.05.2023 and the remaining Rs. 2,72,00,000/- on 31.10.2023, the split payments have been made on several occasions.

4. The plaintiff also did not have any objection to receive the above payments. The terms of compromise as to the interest would only state that the plaintiff is entitled to recover 12% interest on delayed payment of Rs.3 Crores. There is no clarity as to the money if paid in installments and whether the money so paid has to be adjusted towards the principal or towards the interest first. In such a case there should be some fairness on the part of both sides, in the spirit of the compromise already arrived between them.

5. Neither the defendant had chosen to make any payments in time in order to reap the fullest benefit of the compromise. Nor did the plaintiff refuse to receive payments in installments. It is understandable that the interest clause is applicable when the defendant makes delayed payments however for the manner of payment suggested in the terms of compromise. But the defendants had chosen to make payments in installments and that has been accepted by the plaintiff also.

6. Let the both side file calculation memo with regard to interest in order to enable this court to pass further orders. List the matter on 04.11.2025.

30.10.2025

jrs