UNION OF INDIA & ORS. A

v.

M/S. IND-SWIFT LABORATORIES LTD.

(Civil Appeal No. 1976 of 2011)

FEBRUARY 21, 2011 B

[DR. MUKUNDAKAM SHARMA AND ANIL R. DAVE, JJ.]

CENVAT CREDIT RULES, 2004: C

Rule.14- Interest on CENVAT credit wrongly availed – Held: Interest would be payable from the date of availment of CENVAT credit and not from the date of utilization – High Court wrongly proceeded by reading down the provisions of Rule 14 to mean that where CENVAT credit has been taken 'and' utilized wrongly, interest should be payable from the date the credit has been utilized wrongly – If the provision is read as a whole, there is no reason to read the word "or" in between the expressions 'taken' or 'utilized wrongly' or 'has been erroneously refunded' as the word "and" – On the happening of any of the three events, CENVAT credit becomes recoverable with interest – Interpretation of Statutes –Rule of reading down – Central Excise Act,1944—s. 11-AB. D E

Central Excise Act, 1944: F

s.32-M read with s.32-F(7) – Order passed by Settlement Commission- Finality of—Held:- An order passed by the Settlement Commission could be interfered with only if the said order is found to be contrary to any provisions of the Act—So far as findings of fact recorded by the Commission or questions of fact are concerned, the same is not open for examination either by High Court or by Supreme Court—Judgments/orders. G

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A ***INTERPRETATION OF STATUTES :***

Tax statutes – Held: Must be interpreted in the light of what is clearly expressed – It is not permissible to import provisions in a tax statute so as to supply any assumed deficiency – Rule of reading down – Explained.

B

The Revenue filed the instant appeal challenging the order of the High Court whereby it interfered with the order dated 31-05-2007 passed by the Settlement Commission on an application for clarification of its final C **order dated 19-01-2007 directing the assessee to pay interest on the CENVAT credit availed by it wrongly, from the date of availment of CENVAT credit and not from the date of utilization of a part of balance of such credit, and held that provisions of Rule 14 of the CENVAT Credit** D **Rules, 2004 would be read down to mean that where CENVAT credit was taken and/or utilized wrongly, interest would be payable on CENVAT credit from the date the said credit had been utilized wrongly. The High Court further held that on a conjoint reading of s.11-AB of the** E **Central Excise Tariff Act, 1944 and Rules 3 and 4 of the Credit Rules, interest could not be claimed from the date of wrong availment of CENVAT credit but would be payable from the date CENVAT credit was wrongly utilized.**

F **Allowing the appeal, the Court**

HELD:

1.1 A bare perusal of the order of the Settlement G **Commission would indicate that it imposed the liability of payment of simple interest only @ 10 per cent per annum on CENVAT credit wrongly availed, from the date the duty became payable. Incidentally, imposition of such simple interest at 10 per cent per annum was the minimum,** H **whereas levy of interest at 36 per annum was the highest**

in terms of the s.11-AB of the Central Excise Act,1944. Besides, the allegations made in the show cause notice were admitted by the respondent which, therefore, establishes that the respondent had taken wrongful CENVAT credit from the year 2001 to 31.03.2006 and the payment was made only on 22.02.2006 and on five different dates in March, 2006 and on 20.11.2006, which indicates that the respondents had the benefit of availing the large amount of CENVAT credit to which they were otherwise not entitled. [Para 12] [1098-B-D]

1.2 The order of the Settlement Commission also indicates that full immunities were granted to the respondent from penalty and prosecution. The order was not challenged by the respondent in any forum and, therefore, it became final and conclusive in terms of s.32M of the Act, which states that every order of settlement passed under sub-s. (7) of s.32F would be conclusive as to the matters stated therein subject to the condition that when a settlement order is obtained by fraud or misrepresentation of fact, such an order would be void. According to the said provisions, no matter covered by such order could be reopened in any proceeding under the Central Excise Act or under any other law for the time being in force. [Para 13] [1098-E-G]

1.3 A bare reading of Rule 14 of the CENVAT Credit Rules, 2004 would indicate that the manufacturer or the provider of the output service becomes liable to pay interest along with the duty where CENVAT credit has been taken 'or' utilized wrongly 'or' has been erroneously refunded and that in the case of such a nature the provision of s.11-AB would apply for effecting such recovery. The High Court proceeded by reading it down to mean that where CENVAT credit has been taken 'and' utilized wrongly, interest should be payable from the date the CENVAT credit has been utilized wrongly for,

A according to the High Court, interest cannot be claimed simply for the reason that the CENVAT credit has been wrongly taken as such availment by itself does not create any liability of payment of excise duty. [Para 16-17] [1099-F-H; 1100-A-B]

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1.4 The High Court misread and misinterpreted Rule 14 and wrongly read it down without properly appreciating the scope and limitation thereof. A statutory provision is generally read down in order to save the said provision from being declared unconstitutional or illegal.
C Rule 14 specifically provides that where CENVAT credit has been taken or utilized wrongly or has been erroneously refunded, the same along with interest would be recovered from the manufacturer or the provider of the output service. If Rule 14 is read as a whole there is
D no reason to read the word "or" in between the expressions 'taken' or 'utilized wrongly' or 'has been erroneously refunded' as the word "and". On the happening of any of the three aforesaid circumstances such credit becomes recoverable along with interest. No
E other harmonious construction is required to be given to the aforesaid expression/provision which is clear and unambiguous as it exists all by itself. [Para 17-18] [1100-B-F]

F 1.5 So far as s.11-AB is concerned, the same becomes relevant and applicable for the purpose of making recovery of the amount due and payable. Therefore, the High Court erroneously held that interest cannot be claimed from the date of wrong availment of
G CENVAT credit and that it should only be payable from the date when CENVAT credit is wrongly utilized. [Para 18] [1100-F-G]

2.1 Besides, the rule of reading down is in itself a rule of harmonious construction in a different name. It is
H generally utilized to straighten the crudities or ironing out

the creases to make a statute workable. This Court has repeatedly laid down that in the garb of reading down a provision it is not open to read words and expressions not found in the provision/statute and, thus, venture into a kind of judicial legislation. It is also held by this Court that the rule of reading down is to be used for the limited purpose of making a particular provision workable and to bring it in harmony with other provisions of the statute. Therefore, the attempt of the High Court to read down the provision by way of substituting the word "or" by an "and" so as to give relief to the assessee is found to be erroneous. Once the credit is taken the beneficiary is at liberty to utilize the same, immediately thereafter, subject to the Credit rules. [Para 18 and 20] [1100-G-H; 1101-A-B; 1102-H; 1103-A]

Calcutta Gujarati Education Society and Another v. Calcutta Municipal Corporation and Others **2003 (2) Suppl. SCR 915 = (2003) 10 SCC 533 *and* *B.R. Enterprises v. State of U.P. and Others* 1999 (2) SCR 1111 = (1999) 9 SCC 700 - relied on.**

2.2 A taxing statute must be interpreted in the light of what is clearly expressed. It is not permissible to import provisions in a taxing statute so as to supply any assumed deficiency. [Para 19] [1102-D]

Commissioner of Sales Tax, U.P. v. Modi Sugar Mills Ltd. **(1961) 2 SCR 189 - relied on.**

3.1 An order passed by the Settlement Commission could be interfered with only if the said order is found to be contrary to any provisions of the Act. So far as findings of fact recorded by the Commission or questions of fact are concerned, the same is not open for examination either by the High Court or by the Supreme Court. In the instant case, the order of the Settlement Commission clearly indicates that its order, particularly,

A **with regard to the imposition of simple interest @ 10 per cent per annum was passed in accordance with the provisions of Rule 14 but the High Court wrongly interpreted the said Rule and thereby arrived at an erroneous finding. The order passed by the High Court**
B **is set aside and the order of the Settlement Commission restored. [Para 21 and 23] [1103-B-D, F]**

Case Law Reference:

2003 (2) Suppl. SCR 915	**relied on**	**para 18**
1999 (2) SCR 1111	**relied on**	**para 18**
(1961) 2 SCR 189	**relied on**	**para 19**

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 1976 of 2011.

D

From the Judgment & Order dated 03.07.2009 of the High Court of Punjab and Haryana at Chandigarh in Writ Petition No. 13860 of 2007.

Biswajeet Bhattacharya, ASG, Shipra Ghose, B. Krishna
E Prasad for the Appellants.

Balbir Singh, Rupendra Sinhmar, Abhishek Singh Beghel, Rajesh Kumar for the Respondent.

The Judgment of the Court was delivered by

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DR. MUKUNDAKAM SHARMA, J. 1. Leave granted.

2. The present appeal is directed against the judgment and order dated 03.07.2009 in Civil Writ Petition No. 13860 of 2007 passed by the Punjab & Haryana High Court, whereby the High
G Court while interfering with the order of the Settlement Commission regarding payment of interest on the CENVAT credit, has held that the appellants herein have wrongly claimed interest on the CENVAT credit, from the date when such credit was wrongly availed instead of the date when such credit was
H actually utilized. The High Court has further held that the

appellants are not entitled to claim interest on the amount of Rs. 50 lacs up to 31.01.2007 as the said amount already stood deposited on 08.03.2006. A

3. The respondent herein, viz., M/s. Ind-Swift Laboratories Ltd., is a manufacturer of bulk drugs, falling under Chapter 30 of the First Schedule to the Central Excise Tariff Act, 1985. The company received inputs and capital goods from various manufacturers / dealers and availed CENVAT credit on the duty paid on such materials. On the basis of intelligence report, the factory premises of the respondent as also its group companies at different places were searched on 08.03.2006. Searches were also conducted at the offices of large number of firms in Ghaziabad and Noida which had allegedly issued invoices without any accompanying goods to the respondent and its group companies. At the same time the residential premises of Mr. R.P. Jain and Mr. J.P. Singh, the Brokers, were also searched and particularly during the course of search of the residence of Mr. R.P. Jain *kachha* ledgers / notebooks / files and cheques issued by the Swift group to the parties from whom invoices without material were being received, were recovered. It also appears that the appellant conducted investigations which indicated that the respondent had taken CENVAT credit on fake invoices. Consequently, a show cause notice dated 08.12.2006 was issued to the respondent, to which a reply was also submitted by the respondent. The respondent company also filed applications for settlement of the proceedings and consequently the entire matter was placed before the Settlement Commission. B C D E F

4. Before the Settlement Commission, it was an admitted position that the case pertained to the period from 27.10.2001 to 31.03.2006. The respondent company also admitted all the allegations and duty liability as per the show cause notice dated 08.12.2006. The respondent also deposited the entire duty of Rs. 5,71,47,148/-. Since conditions/parameters for the admission of a case prescribed under Section 32E(1) of the F H

A Central Excise Act, 1944 [for short "the Act"] were fulfilled and complied with, the application of the respondent for settlement was entertained and the same was proceeded with in terms of Section 32F(1) of the Act. After considering the records and hearing the parties the Commission came to the findings that
B while the wrongful CENVAT credit was taken from the year 2001 to 31.03.2006, the payments refunds have been made on 22.02.2006 and on five different dates in March, 2006 and on 20.11.2006 and, therefore, the respondent had the benefit of availing the large amount of CENVAT credit to which they
C were not entitled. Considering the said fact, the Commission felt and was of the view that the appropriate interest liability has to be borne by the respondent on such wrongful availment of CENVAT credit. Accordingly, the applications of the respondent were settled under Section 32F(7) of the Act
D subject to the following terms and conditions: -

"(a) The amount of duty relating to wrongful availment of CENVAT credit is settled at Rs. 5,71,47,148/-. As the entire amount has already been paid by the applicant, no further duty remains payable. The Bench directs that the
E said amount of deposit by the applicant shall be appropriated against the amount of duty settled in this Order. Besides the above, the inadmissible CENVAT credit of Rs. 78,97,255/-, as mentioned in para 23(a)(ii) of the show cause notice is disallowed.

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(b) Immunity from interest in excess of 10% simple interest per annum is granted. Accordingly, the applicant shall pay simple interest @ 10 % per annum on CENVAT credit wrongly availed (i.e., Rs. 5,71,47,148/-) from the dates the
G duty became payable as per Section 11AB of the Act, till the dates of payment. Revenue is directed to calculate the amount of interest as per this order and intimate the same to the applicant within 15 days of the receipt of this order. Thereafter, the applicant shall pay the amount of interest within 15 days of the receipt of the said intimation and

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report compliance both to the Bench and to Revenue." A

5. The said order also specifically recorded that full immunity be granted to the respondent from penalty and prosecution. Subsequent to the passing of the said order, the respondent herein filed a miscellaneous application seeking for clarification contending *inter alia* that the respondent had deposited whole amount of duty during investigation without protest and that, following the final order, the Revenue has calculated interest liability of the respondent at Rs. 1,47,90,065/- and that the Revenue has calculated the said interest up to the date of the appropriation of the deposited amount and not up to the date of payment. It was further contended that the interest has to be calculated from the date of actual utilization and not from the date of availment. Consequently, it was prayed in the said application that the Settlement Commission may clarify the actual amount of interest liability of the respondent and extend the period of payment of interest in the interest of justice and equity. B C D

6. The said application was taken up for consideration and after hearing the parties the application was dismissed. While rejecting the said application the Bench noted that the final order sets out in very clear terms that the respondent shall pay simple interest @ 10 per cent per annum on CENVAT credit wrongfully availed from the date the duty became payable as per Section 11AB of the Act, till the date of payment and that the application is misconceived and that no case of any clarification is made out because interest has to be calculated till the date of the payment of the duty. It was also held that the interest is also payable with reference to the date of availment of CENVAT credit and not from the date of utilization of a part of the balance of such credit. The Commission held that such an issue was never raised before the Settlement Commission at any earlier stage. The Commission while rejecting the application held as follows: - E F G

"The said show cause notice vide Para 23 thereof H

A proposes to demand the CENVAT credit availed fraudulently by the applicant and not the amount of CENVAT utilized by the applicant. As such, it naturally follows that the interest is also payable with reference to the date of availment of CENVAT credit and not from the B date of utilization of a part of balance of such credit. In any case, this issue was not raised in the application of settlement or at the time of settlement. In a query from the Bench, ld. Advocate also not raising this issue during settlement proceedings. As such, the Bench finds no C justification to go into the practice adopted by the Revenue in this regard. In any case, it is a new point that did not arise for decision in the Final Order and on which the applicant is not seeking a decision in the garb of seeking a clarification. The Commission has already decided the issues which were brought before it through the Settlement D Application. Section 32M of the Central Excise Act, 1944 bars the Commission from re-opening its final order. Hence, the final order already passed in the matter was conclusive as to the matters stated therein and the same cannot be re-opened for the purpose of deciding the said E point raised subsequently."

7. The respondent, however, did not pay the entire amount in terms of the liability fixed. Consequently, a letter was issued on 16.08.2007 from the office of the appellant directing the F appellant to pay the balance amount in terms of the order dated 19.01.2007.

8. The records disclose that immediately on receipt of the aforesaid letter the respondent filed a Writ Petition in the High Court of Punjab & Haryana which was registered as Civil Writ G Petition No. 13860 of 2007, praying for quashing the order dated 31.05.2007 which was passed by the Settlement Commission on the applications seeking clarifications and the letter dated 16.08.2007 by which the office of the appellant

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requested the respondent to deposit the balance amount in terms of the order dated 19.01.2007. A

9. The High Court issued notice and heard the parties on the said Writ Petition. By its judgment and order dated 03.07.2009 the said Writ Petition was allowed by the High Court holding that Rule 14 of the CENVAT Credit Rules, 2004 [for short "Credit Rules"] has to be read down to mean that where CENVAT credit has been taken and/or utilized wrongly, interest should be payable on the CENVAT credit from the date the said credit had been utilized wrongly and that interest cannot be claimed simply for the reason that the CENVAT credit has been wrongly taken, as such availment by itself does not create any liability of payment of excise duty. The High Court further held that on a conjoint reading of Section 11AB of the Tariff Act and that of Rules 3 & 4 of the Credit Rules, interest cannot be claimed from the date of wrong availment of CENVAT credit and that the interest would be payable from the date CENVAT credit was wrongfully utilized. B C D

10. Being aggrieved by the aforesaid judgment and order passed by the High Court the present appeal was filed by the appellant, which was entertained and notice was issued to the respondent, on receipt of which, they have entered appearance. Counsel appearing for the parties were heard at length when the matter was listed for final arguments. By the present judgment and order we now proceed to dispose the said appeal by recording our reasons. E F

11. The facts delineated hereinabove make it crystal clear that the respondent accepted all the allegations raised in the show cause notice and also the duty liability under the said show cause notice dated 08.12.2006. They also deposited the entire duty of Rs. 5,71,47,148/- prior to the issuance of the show cause notice and, therefore, they requested for settlement of the proceedings in terms of Section 32E read with Section 32F of the Act. The said settlement proceedings were conducted in accordance with law and was finalized by the order dated G H

A 19.01.2007 on the terms and conditions which have already been extracted hereinbefore.

12. A bare perusal of the said order would indicate that the Settlement commission has imposed the liability of payment of simple interest only @ 10 per cent per annum on CENVAT credit wrongly availed, that is, Rs. 5,71,47,148/- from the date the duty became payable. Incidentally, imposition of such simple interest at 10 per cent per annum was the minimum, whereas levy of interest at 36 per cent per annum was the highest in terms of the Section11 AB of the Act. Besides, the allegations made in the show cause notice were admitted by the respondent which, therefore, establishes that the respondent had taken wrongful CENVAT credit from the year 2001 to 31.03.2006 and the payment has been made only on 22.02.2006 and on five different dates in March, 2006 and on 20.11.2006, which indicates that the respondent had the benefit of availing the large amount of CENVAT credit to which they were otherwise not entitled to.

13. The order of the Settlement Commission also indicates that full immunities were granted to the respondent from penalty and prosecution. The aforesaid order was not challenged by the respondent in any forum and, therefore, it became final and conclusive in terms of Section 32M of the Act, which states that every order of settlement passed under sub-Section 7 of Section 32F would be conclusive as to the matters stated therein subject to the condition that when a settlement order is obtained by fraud or misrepresentation of fact, such an order would be void. According to the said provisions, no matter covered by such order could be reopened in any proceeding under the Central Excise Act or under any other law for the time being in force.

14. Although, subsequently, an application by way of clarification was filed by the respondent, the said application was, however, not entertained. It was held that the said application is misconceived, particularly, in view of the fact that

no such issue was raised before the Commission. Since, however, a Writ Petition was filed by the respondent challenging only the second order of the Settlement Commission and the subsequent letter issued from the office of the appellant, on the basis of which, High Court even proceeded to interfere with the first order passed by the Settlement Commission, we heard the counsel appearing for the parties on the issue decided by the High Court also.

15. In order to appreciate the findings recorded by the High Court by way of reading down the provision of Rule 14, we deem it appropriate to extract the said Rule at this stage which is as follows:

> "Rule 14. Recovery of CENVAT credit wrongly taken or erroneously refunded: - Where the CENVAT credit has been taken or utilized wrongly or has been erroneously refunded, the same along with interest shall be recovered from the manufacturer or the provider of the output service and the provisions of Sections 11A and 11AB of the Excise Act or Sections 73 and 75 of the Finance Act, shall apply mutatis mutandis for effecting such recoveries."

16. A bare reading of the said Rule would indicate that the manufacturer or the provider of the output service becomes liable to pay interest along with the duty where CENVAT credit has been taken or utilized wrongly or has been erroneously refunded and that in the case of the aforesaid nature the provision of Section 11AB would apply for effecting such recovery.

17. We have very carefully read the impugned judgment and order of the High Court. The High Court proceeded by reading it down to mean that where CENVAT credit has been taken and utilized wrongly, interest should be payable from the date the CENVAT credit has been utilized wrongly for according to the High Court interest cannot be claimed simply for the reason that the CENVAT credit has been wrongly taken as such

availment by itself does not create any liability of payment of excise duty. Therefore, High Court on a conjoint reading of Section 11AB of the Act and Rules 3 & 4 of the Credit Rules proceeded to hold that interest cannot be claimed from the date of wrong availment of CENVAT credit and that the interest would be payable from the date CENVAT credit is wrongly utilized. In our considered opinion, the High Court misread and misinterpreted the aforesaid Rule 14 and wrongly read it down without properly appreciating the scope and limitation thereof. A statutory provision is generally read down in order to save the said provision from being declared unconstitutional or illegal. Rule 14 specifically provides that where CENVAT credit has been taken or utilized wrongly or has been erroneously refunded, the same along with interest would be recovered from the manufacturer or the provider of the output service. The issue is as to whether the aforesaid word "OR" appearing in Rule 14, twice, could be read as "AND" by way of reading it down as has been done by the High Court. If the aforesaid provision is read as a whole we find no reason to read the word "OR" in between the expressions 'taken' or 'utilized wrongly' or 'has been erroneously refunded' as the word "AND". On the happening of any of the three aforesaid circumstances such credit becomes recoverable along with interest.

18. We do not feel that any other harmonious construction is required to be given to the aforesaid expression/provision which is clear and unambiguous as it exists all by itself. So far as Section 11AB is concerned, the same becomes relevant and applicable for the purpose of making recovery of the amount due and payable. Therefore, the High Court erroneously held that interest cannot be claimed from the date of wrong availment of CENVAT credit and that it should only be payable from the date when CENVAT credit is wrongly utilized. Besides, the rule of reading down is in itself a rule of harmonious construction in a different name. It is generally utilized to straighten the crudities or ironing out the creases to make a statute workable. This Court has repeatedly laid down that in the garb of reading down

a provision it is not open to read words and expressions not found in the provision/statute and thus venture into a kind of judicial legislation. It is also held by this Court that the Rule of reading down is to be used for the limited purpose of making a particular provision workable and to bring it in harmony with other provisions of the statute. In this connection we may appropriately refer to the decision of this Court in *Calcutta Gujarati Education Society and Another v. Calcutta Municipal Corporation and Others* reported in (2003) 10 SCC 533 in which reference was made at Para 35 to the following observations of this Court in the case of *B.R. Enterprises v. State of U.P. and Others* reported in (1999) 9 SCC 700: -

> *"81. ..... It is also well settled that first attempt should be made by the courts to uphold the charged provision and not to invalidate it merely because one of the possible interpretations leads to such a result, howsoever attractive it may be. Thus, where there are two possible interpretations, one invalidating the law and the other upholding, the latter should be adopted. For this, the courts have been endeavouring, sometimes to give restrictive or expansive meaning keeping in view the nature of legislation, maybe beneficial, penal or fiscal etc. Cumulatively it is to subserve the object of the legislation. Old golden rule is of respecting the wisdom of legislature that they are aware of the law and would never have intended for an invalid legislation. This also keeps courts within their track and checks individual zeal of going wayward. Yet in spite of this, if the impugned legislation cannot be saved the courts shall not hesitate to strike it down. Similarly, for upholding any provision, if it could be saved by reading it down, it should be done, unless plain words are so clear to be in defiance of the Constitution. These interpretations spring out because of concern of the courts to salvage a legislation to achieve its objective and not to let it fall merely because of a possible ingenious interpretation. The words are not static but*

A *dynamic. This infuses fertility in the field of interpretation. This equally helps to save an Act but also the cause of attack on the Act. Here the courts have to play a cautious role of weeding out the wild from the crop, of course, without infringing the Constitution. For doing this, the*
B *courts have taken help from the preamble, Objects, the scheme of the Act, its historical background, the purpose for enacting such a provision, the mischief, if any which existed, which is sought to be eliminated ... ...*

C *.....*

This principle of reading down, however, will not be available where the plain and literal meaning from a bare reading of any impugned provisions clearly shows that it confers arbitrary, uncanalised or unbridled power." (emphasis supplied)"
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19. A taxing statute must be interpreted in the light of what is clearly expressed. It is not permissible to import provisions in a taxing statute so as to supply any assumed deficiency. In support of the same we may refer to the decision of this Court
E in *Commissioner of Sales Tax, U.P. v. Modi Sugar Mills Ltd.* reported in (1961) 2 SCR 189 wherein this Court at Para 10 has observed as follows: -

"10..... In interpreting a taxing statute, equitable
F considerations are entirely out of place. Nor can taxing statutes be interpreted on any presumptions or assumptions. The court must look squarely at the words of the statute and interpret them. It must interpret a taxing statute in the light of what is clearly expressed: it cannot
G imply anything which is not expressed; it cannot import provisions in the statutes so as to supply any assumed deficiency."

20. Therefore, the attempt of the High Court to read down the provision by way of substituting the word "OR" by an "AND"
H so as to give relief to the assessee is found to be erroneous.

In that regard the submission of the counsel for the appellant is well-founded that once the said credit is taken the beneficiary is at liberty to utilize the same, immediately thereafter, subject to the Credit rules. A

21. An order passed by the Settlement Commission could be interfered with only if the said order is found to be contrary to any provisions of the Act. So far findings of the fact recorded by Commission or question of facts are concerned, the same is not open for examination either by the High Court or by the Supreme Court. In the present case the order of the Settlement Commission clearly indicates that the said order, particularly, with regard to the imposition of simple interest @ 10 per cent per annum was passed in accordance with the provisions of Rule 14 but the High Court wrongly interpreted the said Rule and thereby arrived at an erroneous finding. B C D

22. So far as the second issue with respect to interest on Rs. 50 lacs is concerned, the same being a factual issue should not have been gone into by the High Court exercising the writ jurisdiction and the High Court should not have substituted its own opinion against the opinion of the Settlement Commission when the same was not challenged on merits. E

23. In that view of the matter, we set aside the order passed by the Punjab & Haryana High Court by the impugned judgment and order and restore the order of the Settlement Commission leaving the parties to bear their own costs. F

R.P. Appeal allowed.