Estates Partition Act, 1897

Section 20 - Determination of amount due to creditor & maintenance -holder and the order or priority as between two or more

1) The Claims Officer shall, in accordancewith the rules prescribed, determine the principal amount legally and justly due to each creditorand the interest (if any) due at the date of such determination in respect of such principal amount. (2) In determining the principal amount and interest under sub-section (1), the ClaimsOfficer shall notwithstanding the provisions of any agreement or law to the contrary, proceed inthe following manner : (a) he shall ascertain the amount the principal originally advanced in each case, irrespective of the closing of accounts, execution of fresh bonds or decree or order of a Court; (b) he shall ascertain the amount of the interest already paid or realized and shall set off towards the amount of the principal any amount paid or realized as simple interest in excess of six per centum per annum or the stipulated rate of interest whichever is lower; (c) he shall separately specify the amount of the principal and the amount of the interest, if any, due to the creditor, such interest being calculated at the rate mentioned in clause (b) and being limited to the amount of the principal originally advanced;