

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

**LPA No. 1000 of 2015 (O&M)
Date of Decision: 20.5.2016**

UCO Bank and another

.....Appellants.

v.

Mukandi Lal Singla

.....Respondent.

**CORAM: - Hon'ble Mr. Justice Rajesh Bindal.
Hon'ble Mr. Justice Harinder Singh Sidhu**

Present: Mr. Sanjiv Gupta KKR, Advocate for the appellants.

Mr. R.K.Malik, Sr. Advocate with
Mr. Bhupender Malik, Advocate for
respondent.

.....

Rajesh Bindal, J.

The only dispute in the present appeal is with regard to rate of interest payable to the respondent on account of belated payment of gratuity. Learned Single Judge granted interest on the delayed payment @ 9% per annum from the date of entitlement till the date of actual payment. As per the interim order passed by this Court on 10.7.2015, the appellants have already paid the amount of interest to the respondent @ 6% per annum.

Learned counsel for the appellants referred to the provisions of Section 8 of the Payment of Gratuity Act 1972 (for short 'the Act') which provides that the amount of interest payable on gratuity shall in no case exceed the amount of gratuity payable under the Act.

The learned Single Judge had granted interest @ 9% per annum on the gratuity which if calculated would be more than the amount of gratuity. The amount of interest granted vide interim order @ 6% per annum is less than gratuity whereas it can be equal to the amount of gratuity.

Considering the aforesaid aspect, the interest of justice will be met in case the appellants pay a sum of ₹ 3,50,000/- in total to the respondent, equivalent to the amount of gratuity as interest which will come out to about 7.5 % per annum.

With the aforesaid modifications in the order passed by the learned Single Judge, the present appeal is disposed of.

(Rajesh Bindal)
Judge

(Harinder Singh Sidhu)
Judge

20.5.2016
preeti