

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

(252)

RSA-3379-2018 (O&M)
Date of Decision : 29.05.2023

Punjab State and others

...Appellants

Versus

Mohinder Singh Gill

...Respondent

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Gurpreet Singh, Additional Advocate General, Punjab
for the appellants.

Mr. Veneet Sharma, Advocate for the respondent.

Harsimran Singh Sethi J. (Oral)

CM-3205-C-2020

Present application has been filed for impleading legal representatives of respondent-Mohinder Singh Gill, who unfortunately died on 27.08.2019, during the pendency of the appeal.

Notice of the application to learned counsel for the appellants.

Mr. Gurpreet Singh, learned Additional Advocate General, Punjab, who is present in Court, accepts notice on behalf of the appellants-State and raises no objection for the grant of prayer as made in the present application.

Keeping in view the averments made in the application, which are duly supported by an affidavit, present application is allowed. Legal heirs of respondent-Mohinder Singh Gill, the details of whom are given in para 2 of the application, are allowed to be impleaded in the present appeal.

CM stands allowed.

RSA-3379-2018

1. The present regular second appeal has been filed by the appellant-State of Punjab challenging the judgments and decrees of the courts below by which the interest @ 12% per annum has been granted on the retiral benefits.
2. Learned counsel for the appellants, on instructions from Simrandeep Singh, SDO, Aliwal submits that only ground being pressed in the present appeal is qua the quantum of interest granted by the lower appellate court by which the interest granted by the trial court @ 6% per annum has been enhanced to 12% per annum. Learned State counsel submits that the grant of 12% interest by the lower appellate court has not been supported by any fact and the same is also contrary to Section 34 of the CPC, according to which provision, the interest rate is to be granted on the basis of the bank rate applicable subject to the maximum of 6% per annum. Learned counsel for the appellants further submits that keeping in view the said provision of law, the grant of interest @ 12% per

annum be modified to the original of 6% per annum as granted by the trial court.

3. Learned counsel appearing on behalf of the respondents submits that keeping in view the facts and circumstances of the present case, the interest has rightly been granted by the lower appellate court, which may kindly be upheld.

4. I have heard learned counsel for the parties and have gone through the record with their able assistance.

5. Though, in order to compensate an employee for the prejudice caused, the Courts are perfectly within its jurisdiction to grant the interest but while granting the interest at a particular rate, the same has to be supported by the reasons. In the present case, no reason has come forward for enhancing the interest rate from 6% per annum to 12% per annum by the lower appellate court. In the absence of any valid justification given to support the decision, enhancement of interest from 6% per annum to 12% per annum, the decision of the lower appellate court cannot be accepted.

6. Even otherwise, as per Section 34 of the CPC, the interest can be granted on the bank rate not exceeding 6% per annum. Learned counsel for the respondent has not been able to controvert that keeping in view the Section 34 of the CPC, the interest cannot be granted beyond 6% per annum, hence, the judgment of the lower appellate court is modified to the extent that though, the same is upheld qua the grant of

interest but the respondent-plaintiff will be entitled for interest @ 6% per annum instead of 12% per annum.

7. The present regular second appeal is allowed in above terms.
Decree sheet be prepared accordingly.

CM-8959-C-2018

As the main appeal is allowed, the present application stands disposed of.

May 29, 2023
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(HARSIMRAN SINGH SETHI)
JUDGE

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No