



IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

228

RSA-1649-2020 (O&M)
Decided on :07.05.2024

STATE OF PUNJAB AND OTHERS . .APPELLANTS

Versus

SULTAN SINGH RANA AND OTHERS . . . Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

PRESENT: Mr. Rohit Ahuja, DAG, Punjab.

None for the respondents.

HARSIMRAN SINGH SETHI, J. (Oral)

CM-5479-C-2020

Keeping in view the averments made in the present application, the same is allowed and consequently, the delay of 08 days in filing the appeal is condoned.

Application stands disposed of.

RSA-1649-2020

1. The present regular second appeal has been filed by the appellants challenging the judgments and decree passed by the Courts below vide which the interest on the arrears has been granted @ 10% per annum.
2. Despite service, no one has appeared on behalf of the respondents.



3. Perusal of the file reveals that vide last order dated 24.04.2024, it was directed by this Court that in case respondent No. 1 do not appear, then appropriate order will be passed in the appeal.

4. The only argument raised by learned counsel for the appellant is that the rate of interest on the arrears of leave encashment and gratuity which has been granted to the respondent-plaintiff is exorbitant.

5. Learned counsel for the appellants submits that the interest can only be granted by the Court as per the Section 34 of the Code of Civil Procedure, 1908, according to which, the rate of interest should not be more than 6% per annum.

6. I have heard learned counsel for the appellant and have gone through the record with his able assistance.

7. Though, it is within the jurisdiction of the Court to grant the interest on the payments but, the same has to be granted keeping in view the provision of Section 34 of the Code of Civil Procedure, 1908. The Courts have to consider the evidence brought on record and what was the bank rate during the period in question and in case, the same is not in consonance with provisions of law, the same should not be granted beyond 6% per annum.

8. In the present case, not even a single evidence has come on record to support the grant of the interest @ 10% per annum. It is not a case that the interest rate of the banks at relevant time was 10 % per annum. In the absence of any evidence on record, grant of interest @ 10 % per annum is not made out. Accordingly, the judgments and decrees of the Courts below are hereby modified to the extent that the interest on the arrears will be granted @ 6% per annum instead of 10% per annum.

9. Hence, keeping in view the above facts and circumstances, the



present regular second appeal is **partly allowed** and judgment and decrees of the Courts below are modified to the extent that the interest on the arrears granted in favour of the respondent-plaintiff is reduced from 10 % per annum to @ 6% per annum.

10. Pending civil miscellaneous application, if any, stands disposed of.

(HARSIMRAN SINGH SETHI)
JUDGE

07.05.2024
Riya

Whether speaking/reasoned: *Yes/No*
Whether Reportable: *Yes/No*