

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH.

Case No. : R. S. A. No.1507 of 2009

Date of Decision : September 30, 2010

State of Punjab and others	Appellants
Vs.		
Harmail Singh	Respondent

CORAM : HON'BLE MR. JUSTICE L. N. MITTAL

* * *

Present : Mr. Vivek Chauhan, AAG, Punjab
for the appellants.

Mr. J. S. Sidhu, Advocate
for the respondent.

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L. N. MITTAL, J. (Oral) :

This is second appeal by defendants – State of Punjab and its officers.

Suit filed by plaintiff-respondent Harmail Singh was decreed by the trial court vide judgment and decree dated 12.04.2007 for recovery of Rs.10,25,720.21 paise with interest @ 10.5% per annum from the date of institution of the suit till recovery. However, in first appeal preferred by the defendants, learned District Judge, Bathinda, vide judgment and decree dated 30.10.2008, modified the judgment and decree of the trial court and decreed the suit for recovery of Rs.7,48,701/- with interest @ 9% per annum

from the date of filing of suit till date of decree of the trial court and 6% per annum from the date of decree of the trial court till recovery. Feeling aggrieved, defendants have preferred the instant second appeal.

Notice of motion in the instant appeal was issued only regarding interest component.

On the preceding date of hearing, the appellants were directed to pay the decretal amount by calculating flat interest @ 6% per annum from the date of suit till payment, with stipulation that controversy regarding entitlement of plaintiff to interest @ 9% per annum would be adjudicated upon.

Learned counsel for the appellants states that pursuant to order of the preceding date, decretal amount has been paid to the plaintiff-respondent with interest @ 6% per annum since the date of filing the suit till payment. The dispute now remains regarding rate of interest since the date of filing of suit till decree of the trial court because future interest has already been awarded @ 6% per annum by the lower appellate court and the same is not under challenge.

I have heard learned counsel for the parties and perused the case file.

Learned counsel for the appellants contended that interest from the date of filing of suit till decree of the trial court should also be awarded @ 6% per annum. On the other hand, learned counsel for the respondent

contended that interest for the said period @ 9% per annum, as awarded by the lower appellate court, is not excessive, and therefore, should not be modified or reduced.

I have carefully considered the rival contentions.

Amount in Public Provident Fund (PPF) carries interest @ 8% per annum. Therefore, in my considered opinion, ends of justice would be met if plaintiff-respondent is granted interest @ 8% per annum since the date of filing of suit till decree of the trial court. Substantial question of law arises for determination as to *whether the rate of interest granted by the lower appellate court for the period from date of filing of suit till decree of trial court is excessive.*

In view of the aforesaid, the said question is answered to the effect that the plaintiff should be granted interest @ 8% per annum for the aforesaid period.

For the reasons aforesaid, the instant second appeal is allowed partly and judgment and decree of the lower appellate court are modified to the extent that plaintiff shall be entitled to interest on the decretal amount of Rs.7,48,701/- @ 8% per annum since the date of filing of suit till date of decree of the trial court and @ 6% per annum from the date of decree of the trial court till payment.

September 30, 2010

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**(L. N. MITTAL)
JUDGE**