

2025:PHHC:057460



RSA-4384-2019 (O&M)

[203] IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

RSA-4384-2019 (O&M)
Date of Decision : 30.04.2025

New India Assurance Company Limited ...Appellant

versus

M/s Seth Steels, E-198, Phase-IV,
Focal Point, Ludhiana and others ...Respondents

Coram : **HON'BLE MR. JUSTICE PANKAJ JAIN**

Present: Mr. Paul S. Saini, Advocate
for the appellant.

Mr. Akshay Rawal, Advocate
for respondent No.1.

PANKAJ JAIN, J. (ORAL)

[1] Counsel for the appellant has drawn attention of this Court to para No.2 of the judgment passed by the Lower Appellate Court, which reads as under:-

| | |
|--|---------------------------------|
| 2. <i>Plaintiff/appellant filed suit for recovery of</i> | |
| <i>Rs.14,93,592.15/- as principal and interest detailed as below:-</i> | |
| a) <i>Principal Amount</i> | <i>Rs.11,24,862.75/-</i> |
| <i>(less Rs.3,11,650/- out of</i> | |
| <i>Rs.14,36,512.75/-</i> | |
| b) <i>Interest @ 18% p.a.</i> | <i>Rs.1,68,729.40/-</i> |
| <i>(From the date of pilferage till</i> | |
| <i>the filing of suit).</i> | |
| c) <i>Damages</i> | <i>Rs.2,00,000/-</i> |
| <i>(On account of mental torture</i> | |
| <i>and loss in business).</i> | |
| <i>Total</i> | <i>Rs.14,93,592.15/-</i> |



[2] He has further drawn attention of this Court to para No.44 i.e. the concluding part of the judgment, which reads as under:-

“44. Accordingly, the appeal in hand is allowed and impugned judgment and decree dated 20.4.2017 is hereby set aside and suit of the plaintiff /appellant is decreed with costs and plaintiff/appellant is entitled for a recovery of amount of Rs.14,93,592.15 Paise as prayed for alongwith interest at the rate of 9% per annum from the date of filing of the suit till its realisation from the respondents No.1 and 2 jointly and severally. Decree sheet be prepared accordingly.”

[3] Counsel for the appellant submits that the Lower Appellate Court erred in awarding interest on interest.

[4] Counsel for respondent No.1 however submits that it being a commercial transaction, Lower Appellate Court has rightly granted interest @ 18% per annum for the period prior to the filing of the suit. However, he is not in a position to dispute that even if the whole of the claim of the plaintiff is taken on its face value, he will not be entitled for interest on interest.

[5] In view thereof, the impugned judgment and decree passed by the Lower Appellate Court is *modified* to the following extent:-

The plaintiff-respondent is held entitled to the following amounts:-

- (i) Principal amount of Rs.11,24,862.75/-.
- (ii) The aforesaid principal amount shall carry interest @ 9% per annum from the date it fell due i.e. 10.04.2007 till the

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date of actual realization. The plaintiff shall also be entitled for damages of Rs.2,00,000/- along with interest @ 6% per annum.

[6] With the aforesaid modification, the appeal is **disposed off**.

[7] Needless to say, any amount already paid shall be adjusted.

[8] All pending miscellaneous application(s), if any, stands *disposed off*.

(PANKAJ JAIN)
JUDGE

30.04.2025.
'R. Sharma'

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