IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(116) **CWP-22344-2023**
Date of Decision : October 05, 2023

Sudesh Kumar **.. Petitioner**

Versus

State of Haryana and another **.. Respondents**

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Hardeep Singh Dhillon, Advocate, for the petitioner.

HARSIMRAN SINGH SETHI J. (ORAL)

1. In the present writ petition, the only grievance raised by the petitioner is that the petitioner should have been granted interest on the delayed release of retiral benefits at the rate between 12% to 18% per annum instead of the interest as awarded by the respondents which ranges from 7% to 8% per annum.

2. Learned counsel for the petitioner argues that once the retiral benefits of the petitioner were withheld by the respondents, the respondents are under obligation to grant interest @ 18% per annum instead of 7% to 8% as granted, hence, the respondents are liable to be directed to grant the interest on the delayed payment of retiral benefits @ 18% per annum.

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

4. It is a settled principle of law that even while granting interest in favour of the litigant, valid reasons are to be given as to why a particular rate of interest is being extended. Even otherwise, as per Section 34 of CPC, interest can be granted on bank rate. Section 34 of CPC is reproduced as under:-

> *"When a court passes a decree, the court may grant interest on the amount to which the decree-holder is found to be entitled, and Section 34 provides for relevant provisions relating to the granting of such interest. The Section clarifies the sum on which the interest is granted, which is termed the "principal sum adjudged." It includes the principal sum of money to which the decree-holder is entitled, along with the interest charged on such a sum for the period preceding the institution of the suit. As a result, in general, it is the entire amount claimed by the litigant in court to which he becomes entitled prior to the filing of the suit.*
>
> *Further, Subsection (1) of Section 34 can be divided into two parts as it provides for interest being granted on two kinds of periods which are as follows:-*
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> *1. From the date of suit to the date of the decree: The interest on the principal sum adjudged is from the date of suit to the date of the decree. The interest rate should be at the discretion of the court and there is no upper limit to such kind of interest.*
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> *2. From the date of the decree to the date of payment of money to the decree-holder: Herein, the court can grant interest on the principal sum adjudged at its discretion. However, an upper limit on such interest rate has been cast by the Section which is six percent per annum; such kind of interest has been referred to as "further interest". Proviso to this subsection provides that in case of commercial transactions the further interest can exceed the rate of six percent per annum and the upper limit in such cases will be the contractual rate of interest. The proviso further explains, that where there is no contractual rate of interest provided the upper limit will be the rate at which money*

is lent or advanced by the nationalised banks in relation to the commercial transaction."

5. A bare perusal of Section 34 of the CPC would show that the Court is competent to grant the interest at the bank rate. Nothing has been brought to the notice of this Court that at the relevant time, the bank rate was more than the interest rate extended to the petitioner. Rather learned counsel for the petitioner conceded that rate of interest being granted by the bank was never 12% to 18% as being claimed.

6. In the absence of any such material brought to the notice of this Court to prove that rate of interest by the bank was 12% to 18% per annum during the period in question, keeping in view the Section 34 of the CPC, the grant of interest as awarded by the respondents needs no interference by this Court.

7. Dismissed.

October 05, 2023 **(HARSIMRAN SINGH SETHI)**
harsha **JUDGE**

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