

LPA-1905-2024 (O&M)

2025:PHHC:121216-DB



IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

LPA-1905-2024 (O&M)
Date of decision: 05.09.2025

A.K. SINGLA

..... Appellant(s)

Versus

STATE OF HARYANA AND OTHERS

..... Respondent(s)

CORAM:- HON'BLE MRS. JUSTICE LISA GILL
HON'BLE MRS. JUSTICE MEENAKSHI I. MEHTA

Present: Mr. Rishi Pal Singh, Advocate
for appellant.

Mr. Sukhdeep Parmar, Additional AG, Haryana with
Mr. Shivender Swaroop, Advocate.

LISA GILL, J.

1. This appeal has been filed by appellant-writ petitioner challenging order dated 10.07.2024, passed by learned Single Bench in CWP-29356-2017, limited to the extent of quantum of interest awarded on delayed payment and the period for which it has been granted.

2. Brief facts necessary for adjudication of the matter are that appellant-writ petitioner filed CWP-29356-2017 for release of amount of outstanding bills of ₹83,37,138/- alongwith interest @ 24% per annum on account of providing JCBs and Tractor-trolleys for demolition work and removal of *Malba*/Garbage. It was pleaded in the writ petition that appellant-writ petitioner's bid for the tender in question was accepted on 06.11.2003. Though, tender was for a short period, appellant continued to work for a number of years. In the year 2014, various welfare schemes were floated by

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State of Haryana with Swachh Bharat Mission being implemented as well. Immediate payments were not being made by respondents but nevertheless writ petitioner continued to work efficiently in good faith as he had been engaged since 2002. Vide communication dated 26.03.2015 from Executive Engineer, HUDA Division, Karnal to Estate Officer, HUDA Karnal, it was mentioned that in respect to bills submitted by petitioner, approval given on 14.03.2002 was only for removal of unauthorized encroachment whereas bills are for removal of *Malba*/Garbage which are covered under the chargeable head of conservancies. Bills were returned with a request to go through the matter again and release the payment under the requisite chargeable head. Admittedly, there was protracted communication between State Officer HUDA, Karnal and Executive Engineer, HUDA, Division Karnal in respect to original allotment letter dated 06.11.2003 and question of no approval being present from the competent authority in the subsequent years.

3. Ultimately CWP-29356-2024 was filed by writ petitioner seeking release of payment as despite his representation dated 20.06.2016, no steps were being taken. A short reply was filed on behalf of respondents no.2 to 5. During pendency of said writ petition, amount of ₹69,32,450/- was sanctioned on the basis of photocopies of bill and it was projected before learned Single Bench that balance amount would also be sanctioned for release after due verification.

4. When the matter came up for final disposal on 10.07.2024, it was noted that amount in question stood released to writ petitioner. Learned counsel for petitioner sought interest on delayed payment while submitting that there had been a delay of nearly 07 years in release of payment due to him. While referring to Section 34 CPC, interest @ 6% per annum on delayed payment from the date of filing of writ petition till actual disbursement was directed to be released in favour of writ petitioner within a period of two

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months of receipt of certified copy of order. Aggrieved of quantum of interest awarded and the period for which it has been granted, present appeal has been filed.

4. Learned counsel for appellant vehemently argued that quantum of interest awarded is too less and appellant is entitled to a much higher rate of interest. He had sought interest @ 24% per annum. Moreover, interest should have been released from the date, amount in question became due instead of the date of filing of writ petition. It was thus prayed that this appeal be allowed.

5. Learned counsel for State opposed the appeal while submitting that sufficient interest has been awarded by learned Single Bench, which does not call for any further enhancement and neither is the appellant entitled to interest for any other period in question because admittedly, appellant had been continuing with the work since the year 2003 without formal approvals having been granted. Complaint filed against appellant by one Vijay Kumar Sachdeva, before Chief Vigilance Officer, HSVP, Panchkula, was also being inquired into during the period. Thus appellant was not entitled to any interest as there was no deliberate delay on the part of respondents. Therefore, present appeal, it was submitted, should be dismissed.

6. We heard learned counsel for parties at length and have carefully perused the file with their able assistance.

7. Learned counsel for appellant was unable to point out any document on record, which entitles the appellant to a higher rate of interest. There are no such terms and conditions executed between the parties. Work Order dated 06.11.2003 had been relied upon for continuation of work till much later years. In our considered opinion, interest of 6% on the delayed payment from the date of filing of writ petition has been correctly awarded by learned Single Bench in the given factual matrix of the case. Gainful reference

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in this respect can be made to judgment of Hon'ble the Supreme Court in *I.K. Merchants Pvt. Ltd. and others Vs. The State of Rajasthan and others, 2025 AIR (SC) 1953*, wherein after reference to Section 34 CPC, it has been held as under:-

"13.1. The above provision empowers the court to grant interest at three different stages of a money decree viz., (i) the court may award interest on the principal sum claimed at a rate it deems reasonable, for the period before the suit was filed. Such interest is generally governed by agreements between the parties; (ii) The court may award interest on the principal amount from the date of filing the suit until the date of the decree, at a reasonable rate. Here, the court has full discretion to determine the interest rate based on fairness, commercial usage and equity; and (iii) the court may grant interest on the total decretal amount (principal + interest before decree) from the date of the decree until payment, at a rate not exceeding 6% per annum unless otherwise specified in contractual agreements or statutory provisions. However, if the claim arises from a commercial transaction, courts may allow interest at a higher rate based on agreements between the parties."

8. Learned counsel for appellant was unable to point out any ground whatsoever, which calls for a dispensation other than as in order dated 10.07.2024, in respect to rate of interest or the period in question.

9. Learned counsel for appellant was unable to point out any infirmity, irregularity or perversity in the impugned order dated 10.07.2024, passed by learned Single Bench, in this regard. Same is accordingly upheld.

10. No other argument was addressed.

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11. Keeping in view the facts and circumstances as above, this appeal is dismissed with no order as to cost.

12. Pending miscellaneous application(s), if any, stand(s) disposed of accordingly.

(LISA GILL)
JUDGE

(MEENAKSHI I. MEHTA)
JUDGE

05.09.2025

Sunil

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