IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP NO. 18047 of 2012 (O&M)
DATE OF DECISION: - 23.4.2015

Kamla Bhardwaj ...Petitioner

versus

Chandigarh Administration and ors ...Respondents

CORAM: - HON'BLE MR. JUSTICE AJAY TEWARI

Present: - Mr. Sameer Sachdeva, Advocate for the petitioner.

Ms. Alka Chatrath, Advocate for respondents.

Ms. Amarjeet Kaur Khurana, Addl.AG, Punjab

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1. Whether Reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporters or not?
3. Whether the judgment should be reported in the Digest?

AJAY TEWARI, J (ORAL)

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By this petition, the petitioner had challenged the imposition of penal rent. When the case came up for preliminary hearing on 13.9.2012, the following orders were passed: -

> **"Learned counsel for the petitioner states that he is willing to abide by the order Annexure P-12 which has been passed against her provided the retiral dues are released to the petitioner along with interest forthwith.**
>
> **Notice of motion for 21.9.2012. Dasti also.**
>
> **Since the petitioner contends that the house has been**

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> **vacated on 31.7.2012, the respondents shall not recover any dues beyond this period prima facie considering this contention."**

The admitted facts are that the petitioner retired on 31.10.2010. At that time, she was owed salary arrears of Rs. 60,255/-, leave encashment of Rs. 3,14,510/- out of which were released on 16.5.2013. Commutation of pension of 20% amounting to Rs. 2,13,274/- was paid on 30.12.2013. The arrears of pension from 1.10.2011 to 31.10.2013 amounting to Rs. 6,59,807/- were released on 30.1.2014 and the balance 20% of the commuted pension amounting to Rs. 2,13,274/- was released on 8.4.2014 and gratuity amount of Rs. 4,40,000/- after the recovery of penal rent of Rs. 80,000/- was released in January 2014.

The short argument of learned counsel for petitioner is that the petitioner is entitled to interest on these amounts, if for no other reason, than for the reason that amount which was ultimately owed to the petitioner was retained by respondents and used by them. Learned counsel for respondents No. 1 to 6 states that the only amount payable by them were the salary arrears and since they did not get any interest on the penal rent which was owed to them, the petitioner would not be entitled to claim any interest from them on account of delayed payment of salary arrears.

I find merit in this argument. As regards the remaining amount, learned Additional Advocate General, Punjab has argued that the entire pension case had to be sent by respondent No. 6 and it was sent only in March 2013 and therafter the payments were made without any delay.

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Be that as it may, the fact remains that the money which was owed to the petitioner were used by respondents No. 7 and 8. Normally a period of six months may be considered reasonable for the respondents to release amounts due on superannuation. Interest is essentially rent paid for the use of money. In some cases, it may also include a component of damages (where for instance monies owed are wrongfully retained) but even if there is no wrongful delay the component of payment for use of money survives. This has also been observed by this Court in *CWP No. 6291 of 2000*, *S.K. Punchhi (Surinder Kumar Punchhi) vs. The State of Haryana and another* decided on 24.9.2013 and many other judgments.

Consequently, the petitioner would be entitled to interest from 1.5.2011 @ 6% per annum on the amount of leave encashment, commutation of pension arrears and gratuity till the date(s) on which these amounts were released to the petitioner. The respondents No. 7 and 8 are directed to calculate these amounts and release it to the petitioner within a period of three months from the date of receipt of certified copy of this order, failing which the petitioner would be entitled to interest @ 8% per annum instead of 6%.

Allowed in the above terms.

[AJAY TEWARI]
JUDGE

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