

CWP No. 23334 of 2011
Date of decision: 3.11.2015

Dr. Inderjit Singh

.....Petitioner

versus

State of Punjab and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE RAJIV NARAIN RAINA

Present: Mr. V.K.Sandhir, Advocate
for the petitioner.

Mr. Inqulab Nagpal, A.A.G., Punjab.

RAJIV NARAIN RAINA, J.(ORAL)

The petitioner retired from service on 31.08.2006. Some of his pensionary benefits were withheld for no fault of his and only on account of procedural delays.

Having failed to secure his financial dues, he approached this Court by way of this petition in the year 2011. He was a Medical Officer serving in the Punjab Civil Medical Services (PCMS). During the pendency of this petition, the remaining amounts of pension and pensionary dues/benefits have been paid to the petitioner but after delay, for which he claims interest.

Mr. Sandhir, learned counsel for the petitioner cites the Full Bench judgment of this Court in *A.J.Randhawa, Supdt. Engineer(Retd.) vs. State of Punjab, 1998(1) SCT 343* to submit that a writ petition is maintainable to claim interest on amounts which have not been paid by the Government on time. This Court in A.J.Randhawa laid down the principle that where there is unreasonable delay, interest can be directed to be paid at

rates ranging between 12% to 18% depending on the aggravated form of reasons for withholding of pension and pensionary benefits when there are no impediments on the way.

Learned State counsel has filed an additional affidavit of the Assistant Civil Surgeon, Gurdaspur dated 09.12.2013 on behalf of the respondents in which the amounts paid and the dates of payment have been mentioned in tabulated form. The table is in paragraph No. 2 of the affidavit.

Mr. Sandhir submits that there is no delay in the first three items. The delay is present in items No. 4 to 7. The table is reproduced as follows:-

Sr. No.	Name of item	Amount	Date/Mode of payment
1	G.P.Fund	Rs. 11,82,802/-	Cheque No. 917245 Dated: 14.12.2006
2	G.I.S.	Rs. 39,477/-	Cheque No. 917245 Dated: 14.12.2006
3	Leave encashment	Rs. 4,67,330/-	Cheque No. 916923 Dated: 10-11-2006
4	Revised Leave encashment	Rs. 18,850/-	Bank A/c No. 12580100007345 Dated: 2-4-2009
5	Revised Leave encashment	Rs. 2,49,870/-	Bank A/c No. 12580100007345 Dated: 4-4-2012
6	Arrear of Pay 1-1-06 to 31-08-06	Rs. 60,062/-	Bank A/c No. 12580100007345 Dated: 20-5-2013
7	D.C.R.G.	Rs.10,00,000/-	Bank A/c No. 06411930006393 Dated: 20-5-2013

The matter has come up for final hearing today and the

pleadings are complete.

Heard Mr. Sandhir and Mr. Nagpal for the respective parties.

There is no doubt that there had been delay in payment of dues in items No. 4 to 7 and the delay is culpable and unreasonable. Mr. Sandhir is correct in his submission that this is a fit case in which the State should be directed to pay interest on the amounts from the date they fell due till the date they were paid. In the face of the Full Bench decision Mr. Nagpal can offer no resistance except to submit that in view of the fact that interest regimes have changed since the days when A.J.Randhawa ruling was rendered, therefore, in the light of the decision of the Supreme Court in **Krishna Bhagya Jala Nigam Limited v. G.Harishchandra**; (2007) 2 SCC 720 the appropriate rate of interest deserves to be fixed at the rates of Bank interest admissible on fixed deposits. This submission is accepted as a valid argument to scale down the interest component. The Supreme Court have guided, though in an arbitration matter, that after economic reforms in our country, the interest regime is changed and the rates have substantially reduced and, therefore, the interest awarded by the arbitrator @ 18% per annum for the pre-arbitration period and for the pendente lite and future interest, deserves to be reduced to 9% per annum.

The interest regime has indeed changed and therefore, it is not possible to strictly apply the rate of interest in the A.J.Randhawa's case of anything upward of 12% and the rate should be restricted, depending upon the case and the aggravation element, between 6% as in Code of Civil Procedure, 1908 and 12% which is minimum rate of interest thought just in 1998 by the Full Bench.

In these circumstances, I deem it appropriate to partially allow this petition and direct the State to calculate the amounts which were delayed and pay them at the rate of interest @9% p.a., after furnishing a calculation sheet to the petitioner within one month from the date of receipt of a certified copy of this order and on acceptance of the figures as accepted as correct by the petitioner or as settled, payment be made to the petitioner within a month thereof.

Petition is partially allowed in the above terms.

3RD NOVEMBER, 2015
Shivani Kaushik

[RAJIV NARAIN RAINA]
JUDGE