IN THE HIGH COURT OF JUDICATURE AT PATNA

Civil Writ Jurisdiction Case No.717 of 2013

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Chandrawati Devi, Wife Of Late Laxmi Narayan Singh, Resident of Village - Karpi, Tola Gulharbag, P.O. & P.S. - Karpi, District - Arwal

.... Petitioner/s

Versus

1. The State of Bihar Through The Collector, District Jehanabad
2. The Collector, Arwal, District - Arwal
3. The Accountant General, Bihar, Patna, Birchand Patel Marg, Patna -01
4. The Director, Provident Fund, Pant Bhawan, Bailey Road, Patna
5. The District Provident Fund Officer, Jehanabad, District - Jehanabad
6. The Block Development Officer, Kurtha (Arwal)
7. The Treasury Officer, Arwal, District - Arwal

.... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Ghanashyam Prasad
For the State	:	Mr. Gyan Shankar, GP 2
For Respondent No.3	:	Mr. Binod Kumar Labh, SC, IA & ID

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CORAM: HONOURABLE MR. JUSTICE HEMANT GUPTA

ORAL JUDGMENT

Date: 20-08-2016

The challenge in the present writ petition is to the order dated 29th April, 2011 (Annexure -4) issued by the District Provident Fund Officer, Jehanabad, whereby the claim of the petitioner for interest on the delayed payment of General Provident Fund was declined.

The husband of the petitioner died in harness on 6th September, 1989. He was appointed on 05.12.1952 as Panchayat Sevak. The claim of the petitioner is of interest on account of delayed payment of General Provident Fund amount. The stand of the State as per the counter affidavit filed on behalf of respondent no. 5 is that statutory interest for the delayed period amounting to Rs. 23,649/- was authorized for payment on 09.12.2004 along with residual amount of Rs.1367/-. It is also pointed out that speaking order has been passed on 29th April, 2004 giving the reason as to why interest for the period April, 1990 to June, 2004, that is, before submission of final withdrawal application, cannot be made.

Learned counsel for the respondents refers to a Full Bench judgment of this Court reported as ***2015 (1) PLJR 568 (Ram Gulam vs. State of Bihar),*** wherein it has been held that in terms of Rule 14 of the Bihar General Provident Fund Rules, liability of the State Government for payment of interest at the statutory rate arises up to six months from the month in which the payment becomes due. If an application to claim such amount is not filed within six months, then no interest is payable. The Court held as follows:-

> **"14.** In our opinion, the law is clear. The view expressed by this court tin the matter of **Bidya Devi** (supra) is not sustainable. It is indeed the duty of the State Government to remit the amount of provident fund standing to the credit of a Government servant on the date of his retirement or soon thereafter but not without a formal application. It is trite that whether any application is received or not, the State Government must remit the amount of provident fund to the Government servant. Until the amount is remitted to the Government servant, the State Government is under obligation to credit interest at the statutory rate. The said obligation extends to six months from the month in which the payment becomes due. After the expiry of the said period of six months, if the State Government has not received the application for withdrawal of the provident

fund amount, the State Government is under no obligation to pay interest over the outstanding amount of the provident fund. However, if the State Government has received the application for withdrawal of the provident fund amount within the said six months, the State Government is obliged to pay interest over the amount of provident fund at statutory rate till the date the amount is paid."

Admittedly, the petitioner did not make an application for payment of the General Provident Fund amount within six months of his superannuation. In the absence of any application for payment of the amount within six months, the liability of the State Government to pay interest comes to an end on the expiry of the six months. In view thereof, the action of the State Government in not paying the interest can be said to be illegal in any manner.

The writ petition is accordingly dismissed.

(Hemant Gupta, J)

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AFR/NAFR	NAFR
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