

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

Date of decision: 03.05.2016

CWP No.12369 of 2012

Om Parkash Kandara

...Petitioner

Vs.

State of Punjab & others

...Respondents

CORAM: HON'BLE MR. JUSTICE RAJIV NARAIN RAINA

Present: Mr. Surinder Garg, Advocate, for the petitioner.

Mr. Inqulab Nagpal, AAG, Punjab.

None for respondents No.4 to 6.

1. *To be referred to the Reporters or not?*
2. *Whether the judgment should be reported in the Digest?*

RAJIV NARAIN RAINA, J. (ORAL)

No one appears for the contesting respondents 4 to 6 i.e. the Municipal Council, Gidderbaha; Municipal Council, Malout and Municipal Council, Lehragaga, Punjab respectively despite service and notice of the proceedings in the cause list. The Court is not bound to await appearance of the counsel when pleadings are complete and the stand is known. They are ordered to be proceeded against ex parte.

Heard learned counsel for the petitioner and the respondents present through Law Officer appearing for the State of Punjab.

The petitioner retired while serving lastly Municipal Council, Gidderbaha, District Sri Muktsar Sahib. The limited prayer calling attention of court in this petition is for payment of interest on delayed payments of retiral

benefits. The petitioner retired from service on 30.04.2003 and the payments due on retirement benefits were released on different dates after considerable delay, as per the description in para.6 of the petition. Para.6 reads as follows:

“6. That although the petitioner has retired on 30.04.2003, whereas, his retiral benefits were paid to him in installments ranging from 30.04.2003 to 20.02.2006. The total amount of Rs.2,96,562/- was paid to the petitioner in installments. Rs.1,00,000/- was paid to him on 30.04.2003, Rs.30,000/- on 25.11.2003, Rs.80,000/- on 11.02.2004, Rs.36,562/- on 08.03.2004, Rs.15,000/- on 17.03.2005, Rs.15,000/- on 01.12.2005 and Rs.20,000/- on 20.02.2006. The above said facts show that different amounts were paid to the petitioner at different time, so, the petitioner is entitled for interest @ 18% per annum on the delayed payments proportionately.”

Learned counsel for the petitioner relies on the Full Bench decision of this Court in A.S. Randhawa Supdg. Engineer (Retd.) Vs. State of Punjab, 1997(4) SLR 617, to contend that writ is maintainable to claim interest on delayed payments of pension and pensionary benefits even after the principal amounts stand discharged and debt satisfied.

In reply to Para.6, there is no specific denial. The respondents have explained that the petitioner was transferred from one to the other Council in the exigencies of administration and that is how the delay has been occasioned, the record lying scattered in three councils.

Since the basic facts necessary for relief prayed have not been disputed and the dates of actual payments are known to both the parties, then the claim of the petitioner for interest is justified from the date of maturity of each of the benefits till the same were paid. It is well settled that delayed payments of terminal benefits on retirement of an employee without valid

reason or legal justification invite compensatory measures including award of interest, damages, costs etc.

However, the claim for interest at the rate of 18% per annum on delayed payments proportionate to the period of delay is on the higher side, as the interest regime in the changing economic scenario over the years has undergone reduction in rates of interest offered on investments. Therefore, the prayer for interest at the rate of 18% per annum is declined. Instead this Court is of the considered opinion that interest at the current rates on long term fixed deposits in Nationalized Banks would serve the ends of justice.

Consequently, the present writ petition is partially allowed. The interest element is directed to be paid to the petitioner on the amounts disbursed late after being computed in terms of this order and in terms of the averments made in Para.6 of the writ petition which have gone un-rebutted. The same be calculated and paid to the petitioner by respondent No.4 - Municipal Council, Gidderbaha, Punjab [from where he superannuated] within a period of six weeks from the date of receipt of certified copy of this order.

Order dasti on payment.

03.05.2016
Vimal

[RAJIV NARAIN RAINA]
JUDGE