

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

Civil Writ Petition No.19496 of 2012

Date of decision: 2.2.2016

Beant Singh

... Petitioner

Versus

State of Punjab and others

... Respondents

CORAM: HON'BLE MR. JUSTICE RAJIV NARAIN RAINA

Present: Mr.B.S.Jaswal, Advocate,
for the petitioner.

Mr.Inqulab Nagpal, AAG, Punjab.

Mr.Nitin Kaushal, Advocate,
for respondents No.2 and 3.

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

RAJIV NARAIN RAINA, J. (Oral)

The petitioner retired from service of the PUNSUP on 30.11.2011 on superannuation. The Managing Director passed an order on 29.11.2011 on the eve of retirement withholding retiral benefits of the petitioner on the plea that the departmental action was pending against him.

This was factually incorrect. No charge sheet has been served upon the petitioner while in service. He was served a charge sheet on 22.2.2013 which has led to a minor punishment of censure. The charge involved is dereliction of duty in maintaining stocks of food grains. The PUNSUP

launched arbitration proceedings against the Miller in which the liability has

been fastened on the Miller. The arbitration award was pronounced before the petitioner superannuated from service. In the departmental proceedings, a finding was returned that the substantial loss caused has been recovered by PUNSUP and, therefore, the minor punishment was selected from the range of punishments.

Be that as it may, award of censure is not enough to withhold terminal benefits. In any case, the act of withholding gratuity etc. was an improper thing to do since on the date of superannuation, the disciplinary proceedings were not pending against the petitioner. The order of censure was passed on 19.1.2015. The gratuity and leave encashment had become due and payable on retirement. When money is legally due and is illegally withheld, then the question of payment of interest arises. In view of the Full Bench Decision of this Court in **A.S.Randhawa, Supdg. Engineer (retd.) v. State of Punjab**, 1998 (1) SCT 343, the range of rate of interest would be from 12% to 18%. However, in the new economic regime, the interest rates have been slashed which may justify charging of low rate of interest. This is the view expressed by the Supreme Court in **Krishna Bhagya Jala Nigam Limited v. G.Harishchandra Reddy**; AIR 2007 SC 817 : (2007) 2 SCC 720 though declared in a commercial arbitration where rights may be of a different nature but the broad principle applies.

Learned counsel for the PUNSUP submits that the sanction order has been issued and the payment of money will be made within the next week. He has produced the sanction order dated 21.1.2016 which is taken on record as Mark 'A'.

Therefore, the pending dues be paid within 10 days from the

date of receipt of a certified copy of this order. Simultaneously, interest at the bank rates on fixed deposit receipts will also be payable and be calculated and paid on the principal amount computed from the date of superannuation. The interest component be paid within the next two weeks after furnishing calculation sheet to the petitioner.

In view of the above, the writ petition is allowed.

(RAJIV NARAIN RAINA)
JUDGE

February 2, 2016

Paritosh Kumar