IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

1. CWP No.14543 of 2015

Desraj ... Petitioner

Versus

State of Punjab and others ... Respondents

2**. CWP No.14657 of 2015**

Paras Ram ... Petitioner

Versus

State of Punjab and others ... Respondents

Date of Decision: 11.04.2016

CORAM:- HON'BLE MR. JUSTICE RAJIV NARAIN RAINA

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

Mr. Vaibhav Sharma, DAG, Punjab.

Mr. Aman Sharma, Advocate,
for respondent No.4.

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

RAJIV NARAIN RAINA, J.

1. This order will dispose of CWP No.14543 of 2015 titled *Desraj v. State of Punjab and others* & CWP No.14657 of 2015 titled *Paras Ram v. State of Punjab and others* as common questions are involved.

2. Counsel representing 4th respondent states that an amount of Rs.7,20,572/- has been paid to the petitioner by cheque No.434956 dated

April 08, 2016 representing his outstanding retiral benefits.

3. Learned counsel for the petitioner acknowledges receipt of money but submits that the petitioner would be entitled to interest as well on delayed payments and a writ would lie for such a direction where it is justified in view of the Full Bench decision of this Court in **A.S. Randhawa** v. **State of Punjab and others,** 1997(3) SCT 468.

4. The petitioner in CWP No.14543 of 2015 superannuated on August 31, 2014 while the other in CWP No.14657 of 2015 on December 31, 2014. The principle of award of interest is compensatory in nature. It compensates a person for the lack of use of money withheld wrongly which was his right under Article 300-A of the Constitution of India and not a bounty or largesse distributed by State. The other principle to be applied by the Court is to examine whether withholding of the amount was supported by just cause or legal justification. If there was none whatsoever the interest would flow whether you call it interest per se, costs or compensatory damages. The amount of interest can be either restricted to the principles in section 35 of the CPC i.e. 6% but going by the range approved in Full Bench in *Randhawa* case (supra) the element of interest would lie somewhere between 12% to 18% depending on how aggravated the denial is. The more suitable principle is to apply the rate of interest admissible in long term fixed deposits secured in Nationalized Banks. However, in the present case, the delay in payment has not been justified till the date of payment on April 08, 2016 which by itself would justify award of interest @12% per annum somewhat higher than interest on FDRs.

5. Consequently, to the extent payment has been made the writ

has been rendered infructuous. However, to the extent of claim for interest in concerned, it is allowed with liberty to the 4th respondent to pay interest @12% per annum on the principal amount due calculated from the date of retirement till realization. The amount be paid within 30 days from the date of receipt of certified copy of this order failing which the principal amount will earn interest @15% till realization.

(RAJIV NARAIN RAINA)
JUDGE

11.04.2016
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