

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

**R.S.A. No. 2256 of 2016 (O&M)**  
**Date of Decision: December 13, 2016**

*Municipal Council Giddarbaha*

*... Appellant*

*Versus*

*Hardev Singh and others*

*... Respondents*

**CORAM: HON'BLE MR. JUSTICE P.B. BAJANTHRI**

Present: Mr. B.S. Sidhu, Advocate,  
for the appellant.

Mr. Peeush Gagneja, Advocate,  
for respondent No.1.

Mr. Arvind Rajotia, Advocate,  
for respondent No.7.

**P.B. Bajanthri, J. (Oral)**

1. In the instant appeal, Municipal Council-appellant has questioned the validity of the orders passed by the Trial as well as Appellate Court dated 19.09.2014 and 28.09.2015.

2. Hardev Singh - respondent no.1 while serving was subjected to disciplinary proceedings. In one of the disciplinary proceedings, he was exonerated on 23.05.2011 and in another proceedings, he was penalized by imposing the penalty of 5% cut in pension on 16.11.2009. Respondent has attained the age of superannuation on 31.12.2007. The appellant has not disbursed the retiral benefits to the respondent apparently for the reasons that he was facing disciplinary proceedings. The disciplinary proceedings

were concluded only on 23.05.2011. Thus, the respondent is entitled to retiral benefits along with interest due to belated settlement of retiral benefits. The trial Court partly decreed the suit on 19.09.2014. Still aggrieved by the order of the trial Court, the respondent preferred an appeal before the appellate Court. The appellate Court disposed of the appeal on 28.09.2015 with direction to the appellant herein to disburse the retiral benefits along with 12% interest per annum. The appellant is aggrieved by the direction to pay 12% interest which is stated to be on higher side. It was also submitted by the appellant that some of the retiral benefits are to be settled which would be settled at the earliest.

3. On the other hand, learned counsel for the respondent submitted that there is no infirmity in the order passed by the appellate Court in granting 12% interest on belated settlement of payment. It was further contended that Supreme Court and other Courts have granted 18% interest, whereas the appellate Court in the present litigation had ordered only 12% interest, therefore, no inference is called for.

4. Heard learned counsel for the parties.

5. Short question for consideration is relating to payment of interest on the belated settlement on retiral benefits.

6. Admittedly, the respondent was facing disciplinary proceedings. The date of retirement of the respondent is 31.12.2007 and the disciplinary proceedings were concluded on 16.11.2009 by imposing the penalty of 5% cut in pension and in another proceedings the respondent has been exonerated on 23.05.2011. Thus, the respondent is entitled to payment of interest on belated settlement of retiral benefits w.e.f. 16.02.2010 till

retiral benefits are settled in entirety. Interest is to be paid w.e.f. 16.02.2010 for the reasons that respondent entitlement of retiral benefits decided as and when inquiry proceedings ended in imposing penalty on 16.11.2009. From that date for preparation of retiral papers require some time and reasonable period would be three months. Respondent is entitled to interest at the rate of 9% per annum. To that extent, order of the appellate Court dated 28.09.2015 is modified from 12% to 9% interest on retiral benefits. The appellant is directed to settle all the retiral dues within a period of three months from today along with 9% interest per annum on the belated settlement of retiral benefits during the intervening period from 16.02.2010 till payment is made. If this order is not complied within three months, the respondent is entitled for costs of Rs.10,000/-, which shall be paid by the appellant.

7. Appeal stands disposed of accordingly.

**December 13, 2016**  
vkd

**(P.B. Bajanthri)**  
**Judge**

Whether speaking/reasoned:-

Yes / No

Whether Reportable:-

Yes / No