

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

CWP No.219 of 2016

Date of Decision:-30.01.2017

Natha Singh

...Petitioner

Versus

Central Administrative Tribunal, Chandigarh and others

...Respondents

CORAM:- HON'BLE MR. JUSTICE SURYA KANT

HON'BLE MR. JUSTICE HARI PAL VERMA

Present:- Mr. H.S. Batth, Advocate
for the petitioner.

Mr. K.B. Sharma, Advocate for
Mr. D.R. Sharma, Advocate
for respondents No.2 to 4.

SURYA KANT J.(Oral)

The petitioner assails the order dated 07.9.2015 vide which the Tribunal has rejected his claim for grant of interest on delayed payment of gratuity.

The facts are not in dispute that the petitioner retired from service on attaining the age of superannuation on 31.1.2008. Before his retirement, a case under Section 13 of the Prevention of Corruption Act was registered against him on 26.7.2004. Due to pendency of trial, the payment of gratuity was withheld.

The petitioner was acquitted by the learned Special Judge,

Amritsar on 21.3.2013 and thereafter only gratuity was released on 17.10.2013. The gratuity was infact released by this Court in an earlier petition filed by the petitioner i.e. CWP No.24585-CAT of 2012, decided on 21.5.2013, directed the respondents to do so.

The petitioner approached the Central Administrative Tribunal, Chandigarh Bench seeking a direction for grant of interest on the delayed payment of gratuity but the Tribunal has declined the same on the ground that this Court vide order dated 21.5.2013 did not award any interest in favour of petitioner while directing the release of gratuity.

Having heard learned counsel for the petitioner and after going through the records, it appears that the approach of the learned Tribunal is not legally correct.

This Court vide order dated 21.5.2013 took notice of the subsequent event of acquittal of the petitioner in the criminal case and directed the authorities to verify such fact and if found correct, to release the gratuity amount. Since the right to seek the release of gratuity was yet to fully ripe, there was no occasion for this Court to award interest.

The principle to award interest is based on the premise that the amount payable to a person is retained by the other and the later utilised for its own purposes. The interest is paid to compensate the person for the period during which he is deprived of his own amount. Applying such principle, the petitioner is also entitled to interest, as the gratuity amount which was payable to him in the year 2008 was actually paid in October 2013. The gratuity remained with the respondent during this period and

they continued to earn interest thereupon.

For the reasons aforestated, the writ petition is allowed. The order passed by Central Administrative Tribunal is set aside and the original application filed by the petitioner is accepted to the extent that the respondents are directed to pay interest to the petitioner @ 8% per annum w.e.f. 1.4.2008 till actual date of payment of gratuity. The arrears of interest shall be paid within a period of three months.

(SURYA KANT)
JUDGE

January 30, 2017
Vijay Asija

(HARI PAL VERMA)
JUDGE

Whether speaking/reasoned

Yes / No

Whether Reportable

Yes / No