

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CWP-27866-2017

Date of decision: - 28.02.2019

Parduman Singh

....Petitioner

Versus

State of Punjab and others

.....Respondents

CORAM : HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present:- Ms. Nimarta Kaur, Advocate,
for the petitioner.

Mr. Mehardeep Singh, Additional Advocate General, Punjab.

HARSIMRAN SINGH SETHI, J. (ORAL)

In the present writ petition, the prayer which has been made by the petitioner is that he is entitled for interest on the delayed release of the payments.

As per the facts mentioned in the writ petition, petitioner was appointed as a Vaid Incharge with the respondents on 18.06.1987. He was promoted as Senior Physician and thereafter, he was promoted to the post of District Ayurvedic and Unani Officer (hereinafter referred as 'DA&UO'). While working as DA&UO, petitioner superannuated on 28.02.2017.

Counsel for the petitioner states that though the petitioner retired on 28.02.2017, but all the benefits for which he was entitled for, were not released immediately and therefore, he is entitled for interest on the delayed payments. As per the facts narrated above and admitted by the

respondents, the payments were released to the petitioner after a delay ranging from 4 months to 8 months, the details of which, is as under: -

Sr. No.	Particulars	Amount	Due Date	Date of Release
1	Leave Encashment	₹10,15,480/-	28.02.2017	19.06.2017
2	Commutated Pension	₹7,03,144/-	28.02.2017	08.06.2017
3	GPF	₹20,36,942/-	28.02.2017	10.07.2017
4	DCRG	₹10,00,000/-	28.02.2017	10.11.2017

The respondents in their reply have stated that the petitioner has been granted interest on the delayed payments and therefore, now no grievance can be made. In respect of the delay, the same stands admitted by the respondents that there was no justifiable reason with the respondents to delay the release of pensionary benefits. The relevant paragraph of the reply is as under: -

“7. That, accordingly, after considering the above facts and documents available on the record, the answering respondent has passed a detailed speaking order dated 22.3.2018 concluding that the petitioner is entitled for interest of delayed payment. It is also concluded that as there is some delay in making the payments of retiral benefits on the part of the department of the answering respondent for which show cause notice be issued to the delinquent official as to why the recovery of interest be not made from him. With regard to the arrears of payment on account of GIS, it is submitted that a sum of Rs.57,372/- on account of GIS has been paid to the petitioner in his Account No.11146015501 on 29.3.2018 by the office of District Ayurvedic and Unani Officer, Jalandhar. A true typed copy of the speaking order dated 22.3.2018 is annexed herewith as Annexure R-2/1.

8. That after passing the speaking order dated 22.3.2018 (Annexure R-2/1), the interest @ 7.6% p.a. on the delayed payment

of retiral benefits i.e. Leave Encashment, GPF, Gratuity and including GIS, amounting to Rs.57,353/- stands paid to the petitioner, vide Demand Draft No.090283 dated 12.4.2018. The demand draft has been send to the petitioner through Registered post No.RP686201096IN on 13.4.2018. The details of the interest paid to the petitioner is being given as under: -

Sr. No.	Particulars	Amount	Period	Amount of interest @ 7.6% p.a
1	Leave Encashment	₹10,15,480/-	31.05.2017 to 18.06.2017	₹4,066/-
2	GPF	₹20,36,942/-	31.05.2017 to 09.07.2017	₹17,062/-
3	Gratuity	₹10,00,000/-	31.05.2017 to 31.10.2017	₹31,869/-
4	GIS	₹57,372/-	01.03.2017 to 31.03.2018	₹4,356/-
	Total			₹57,353/-

9. That from above, it is apparent that the grievance raised by the petitioner for payment of interest on delayed payment of retiral benefits as well as amount of GIS alongwith interest stands redressed.”

In rebuttal, counsel for the petitioner states that the petitioner has not been given interest from the day the payments became due as three months has been reduced by the respondents without any valid justification. Further, petitioner has been paid interest @ 7.6% per annum, whereas he should have been granted interest @ 9% per annum.

I have heard learned counsel for the parties and have gone through the record with their able assistance.

This Court while deciding the issue relating to grant of interest on the delayed payments in **J.S. Cheema Vs. State of Haryana,**

2014(13) RCR (Civil) 355, held that an employee will be entitled for the interest on an amount which has been retained by the respondents without any valid justification. The relevant paragraph of **J.S. Cheema's case (supra)** is as under: -

“The jurisprudential basis for grant of interest is the fact that one person's money has been used by somebody else. It is in that sense rent for the usage of money. If the user is compounded by any negligence on the part of the person with whom the money is lying it may result in higher rate because then it can also include the component of damages (in the form of interest). In the circumstances, even if there is no negligence on the part of the State it cannot be denied that money which rightly belonged to the petitioner was in the custody of the State and was being used by it.”

In the present case, there is no valid justification given by the respondents to deny the benefit of interest from the day the payment became due. From the pleadings reproduced above, three months period has been deducted for the grant of interest and that too @ 7.6% per annum. The said action is contrary to the law laid down by this Court in **J.S. Cheema's case (supra)**.

In view of the above, the present writ petition is disposed of with the direction to the respondents to pay interest @ 9% per annum on the payments which have been released to the petitioner from the date it became due i.e. 01.03.2017 till the same was disbursed to him.

Let the calculation of interest be done within a period of three months from the date of receipt of certified copy of this order and the actual amount shall be paid to the petitioner within a period of one

month thereafter. Further, the respondents shall deduct the amount of interest already paid to the petitioner i.e. an amount of ₹57,353/-, out of the total interest which he becomes entitled for, as interest @ 7.6% has already been paid to him.

Let the payment of the interest be made within a period of one month of the calculation done by the respondents.

Present writ petition stands disposed of in the above terms.

February 28, 2019
naresh.k

(HARSIMRAN SINGH SETHI)
JUDGE

Whether reasoned/speaking?	Yes
Whether reportable?	Yes