IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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Civil Writ Petition No.18581 of 2021
Date of Decision: September 24th, 2021

Union of India and others

...Petitioners

Versus

Kamlesh Chauhan and another

...Respondents

CORAM: HON'BLE MR. JUSTICE AUGUSTINE GEORGE MASIH
HON'BLE MRS. JUSTICE MEENAKSHI I. MEHTA

Present: Mr. Namit Kumar, Advocate,
for the petitioners.

AUGUSTINE GEORGE MASIH, J.

Challenge in this writ petition is to the order dated 24.02.2021 passed by the Central Administrative Tribunal, Chandigarh Bench, whereby Original Application preferred by respondent No.1-Smt. Kamlesh Chauhan for grant of interest at the rate of 18% per annum on delayed payment of death-cum-retiral gratuity (hereinafter referred to as 'DCRG') amounting to ₹13,11,057/-, commuted value of pension amount to ₹15,31,951 and balance amount of leave encashment amounting to ₹4,72,359/- w.e.f. 01.11.2016 to the dates of their payment on 07.12.2018, 06.12.2018 and 15.11.2018 respectively, has been allowed directing payment of interest at the rate which is applicable to the General Provident Fund Deposits of balance of leave encashment and commutation of pension.

2. Briefly the facts are that respondent No.1 was charge-sheeted on 28.10.2016 while she was working as a Superintendent, Post Offices, Faridkot Division, for major penalty. This charge-sheet was issued ten days prior to her retirement i.e. 31.10.2016. On her retirement and during the pendency of the charge-sheet, following payments were released to her:

Sr. No.	Description of contents	Memo No.	Date of effect (w.e.f.)	Amount	Disbursing Officer
1.	Provisional pension	DAP Kapurthala no.Pen/Pb-B/PC-158/16-17-6750 dated 24.11.16	01.11.16	₹38,950/- per month	Postmaster Faridkot
2.	Leave Encashment	AD Stal (PWR) Chandigarh memo no STA-R/1-9/8/95- dated 22.12.16	30.12.16	(40%) ₹3,22,221/- deposited in SB account No.0494084780 dated 30.12.16	Postmaster Faridkot HO
3.	CGEIS-80	Sr. A.O-(PWR) memo no. Pen-R/2- 6//2016/KW dated 20.01.17	30.01.17	₹66,715/- deposited in SB account no.0494084780 dated 30.01.07	Postmaster Faridkot

3. Inquiry Officer was appointed, who submitted his report on 26.09.2017 holding that the charges against respondent No.1 were not proved. The said report of the Inquiry Officer was accepted by the competent disciplinary authority and vide order dated 28.09.2018, charges were dropped against her. It is thereafter that following dues were released to respondent No.1:-

Sr. No.	Description of contents	Memo No.	Date of effect (w.e.f.)	Amount	Disbursing Officer
1.	Commutation	DAP Kapurthala letter Pen/PB/PC-158/B/16-17/5692 dated 27.11.18	06.12.18	₹15,31,915/- vide cheque No.000344 dated 06.12.18	Postmaster Faridkot HO
2.	Gratuity	Sr. A.O.O/O PMG, PER Chandigarh letter No.Pen-R/2-36-2016 dated 05.12.2018	10.12.18	₹13,11,057/- deposited in SB account no.0494084780 dated 10.12.18	Postmaster Faridkot
3.	Leave Encashment	AD Staff (PWR) Chandigarh memo No.STB-R/1-9/8/95-III dated 09.11.18	10.12.18	60% ₹4,72,359/- deposited in SB account no. 0494084780 dated 10.12.18	Postmaster Faridkot HO

4. As per the statutory rules on which there is no dispute, respondent No.1 was entitled to interest on DCRG on delayed payment beyond the period of three months from the date of retirement at the rates applicable to the General Provident Fund Deposits on dropping of charges. Qua interest on the other claims after the date of retirement, the rules being silent thereon, Government has taken a stand that respondent No.1 is not entitle to the same. Per contra, respondent No.1 is claimed interest at the rate of 18% per annum from the date of her retirement till the date of disbursal.

5. The Central Administrative Tribunal vide order dated 24.02.2021, in the light of the admission made by the petitioners herein, granted interest to respondent No.1 on the delayed payment of DCRG on dropping of the charges and her being fully exonerated, at the rates applicable to the General Provident Fund Deposits beyond the period of three months from the date of her retirement. The Tribunal further proceeded to hold that the same situation would apply to the balance payments of leave encashment and commutation of pension as regards the interest is concerned. Penal interest, as claimed, was not granted to respondent No.1 by observing that there was no intention delay on the part of the respondents nor was there any *mala fides*.

6. Through this writ petition, the challenge is limited to the extent of grant of interest on commuted value of pension and leave encashment for the delayed period of payment and that too at the same rate as is applicable to the General Provident Fund Deposits from the date of three months beyond the date of retirement of respondent No.1 till the date of disbursement. This challenge is based upon an assertion that there are no statutory rules, which would entitle respondent No.1 to interest on remaining benefits i.e. commutation of value of pension and leave encashment for the delayed

payments.

7. We have heard counsel for the petitioners and with his assistance, have gone through the records of the case.

8. It is admitted that none of the charges, for which charge-sheet was served upon respondent No.1, has been found to be correct leading to the dropping of the charges. The fact that there has been delayed payment on the retiral benefits of respondent No.1 not only on the DCRG, for which admittedly the decision/instructions/rules specifically provides for payment of interest at the rate applicable to the General Provident Fund Deposits but commutation of pension and 60% of the leave encashment. She was entitled to interest at the rate applicable to General Provident Fund Deposits for the delayed payment of DCRG which benefit has been granted to respondent No.1 by the Central Administrative Tribunal vide the impugned order. Counsel for the petitioners has not been able to point out any rule or instruction which bars granting interest in case of delay in release of retiral benefits. The Central Administrative Tribunal instead of granting penal interest at the rate of 18%, as claimed, has granted the benefit of interest on delayed payments at the rate as is applicable to the General Provident Fund Deposits, which cannot be said to be unreasonable or unjust, especially when the fact remains that there has been delay in release of the above said two retiral benefits also.

9. In any case, we find that the rate of interest which has been granted to respondent No.1 on the delayed retiral benefits cannot be said to be such which could be termed as illogical or arbitrary. That apart, the ultimate amount which would be payable on the basis of the granted interest to respondent No.1 would be meagre. Therefore, we refrain from exercising our

extraordinary jurisdiction.

10. The writ petition, thus, stands dismissed.

(AUGUSTINE GEORGE MASIH)
JUDGE

September 24th, 2021 **(MEENAKSHI I. MEHTA)**
Puneet **JUDGE**

Whether speaking/reasoned: Yes

Whether Reportable: No