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

CWP-1265-2016

Date of Decision: 07.02.2023

Ranjit Singh

..... Petitioner

Versus

Punjab Agro Industries Corporation Ltd. and others

..... Respondents

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present: Mr. Samir Rathaur, Advocate,
for the petitioner.

Mr. Anupam Singla, Advocate,
for the respondents.

JASGURPREET SINGH PURI, J. (ORAL)

The present writ petition has been filed under Articles 226/227 of the Constitution of India for issuance of a writ, order or direction especially in the nature of *mandamus* directing the respondents to release the retiral dues of the petitioner i.e. Gratuity and Leave Encashment along with interest @18% p.a. as the same has been withheld by the respondents without any reason.

Learned counsel for the petitioner has submitted that the petitioner was appointed as Storeman on 01.01.1981 and thereafter, he resigned from the post of Assistant Store Keeper on 31.12.2014 from the respondent-Corporation. He further submitted that thereafter the resignation of the petitioner was accepted by the respondent-Corporation w.e.f.

01.02.2015 vide Annexure P-5. He also submitted that a perusal of the aforesaid order would show that the resignation was accepted subject to outcome of pending inquiry against him and receipt of No Due Certificate. Learned counsel for the petitioner submitted that such a condition which was imposed was an arbitrary condition since there was no inquiry or any other criminal case pending against the petitioner, and therefore, the requirement of No due Certificate was not in accordance with law. He further submitted that even otherwise also there had been no inquiry against the petitioner and no liability has been fixed against the petitioner nor any kind of order has been passed against the petitioner till date. He also submitted that thereafter during the pendency of the present petition, the retiral benefits of Gratuity etc. have been paid to the petitioner on 25.03.2018 which was with the delay of three years. He also submitted that no justification has come-forth to justify as to why there was a delay. He has, therefore, submitted that the petitioner is entitled for grant of interest on the aforesaid delayed payment being made to the petitioner and has also referred to judgment of the Full Bench of this Court passed in “**A.S. Randhawa Vs. State of Punjab and others**”, 1997(3) SCT 468 in this regard.

On the other hand, Mr. Anupam Singla, learned counsel appearing on behalf of the respondents has submitted that so far as the aforesaid factual position is concerned pertaining to the date of his resignation subject to giving of No Due Certificate is concerned, the same is correct. He submitted that aforesaid condition was imposed at the time of accepting his resignation vide Annexure P-5. However, it is an admitted

position that no inquiry or any other disciplinary proceedings were pending against the petitioner nor any order has been passed against the petitioner. He also submitted that the delay has been caused only because of the aforesaid condition which was imposed vide Annexure P-5 and the petitioner has already been paid his dues on 25.03.2018. He further submitted that the reason as to why the delay has occurred for disbursing the amount to the petitioner was that he was Incharge of Milling Section and there was a delay by the Miller in delivering the custom milling rice and the amount had yet to be ascertained and the same was required to have been ascertained from the petitioner and that was the reason as to why the delay has occurred.

I have heard the learned counsel for the parties.

Admittedly, the resignation of the petitioner was accepted w.e.f. 01.02.2015 vide Annexure P-5 but a condition was imposed that it is subject to outcome of the pending inquiry against him and receipt of No Due Certificate. However, it is an admitted position that there has been no inquiry against the petitioner nor any adverse order has been passed against the petitioner. Therefore, this Court is of the view that such condition was arbitrary and unreasonable condition. Furthermore, the reasoning given by the learned counsel for the respondents that it was because of awaiting the ascertainment of the amount due against the Miller and the petitioner being posted in the Milling Section caused the delay, is also not justified. During the pendency of the present petition, the dues have already been paid on 25.03.2018 by the respondents themselves. Therefore, this Court is of the view that the delay in disbursement of the benefits of Gratuity etc. to the

petitioner was without any justification, and therefore, in view of the law laid down by the Full Bench of this Court in **A.S. Randhawa's case (supra)**, the petitioner is entitled for the grant of interest on the delayed payment.

In view of the above, the present petition is partly allowed. The petitioner shall be entitled for the grant of interest on the delayed payment. The respondents are directed to calculate the interest from the date of accrual of retiral benefits i.e. 01.02.2015 till the date of disbursal to the petitioner i.e. 25.03.2018 @ 6% per annum. The said amount as calculated above shall be given to the petitioner within a period of three months from today, failing which, the petitioner shall be entitled for further interest @ 9% after the expiry of three months from today.

07.02.2023*Bhumika***(JASGURPREET SINGH PURI)
JUDGE**

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| 1. Whether speaking/reasoned: | Yes/No |
| 2. Whether reportable: | Yes/No |