Neutral Citation Number: 2023/DHC/001190

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Judgment reserved on: 08.02.2023
% **Judgment delivered on: 15.02.2023**

\+ **LPA 93/2023 and CM APPLs. 5981-5983/2023**

CENTRAL ELECTRONICS LTD ..... Appellant
Through: Mr. Anil Mittal, Mr. Shaurya Mittal and Mr. Kumar Shubham, Advocates with Mr. Rajat Garg, GM, CEL.

versus

GENERAL SECRETARY, CENTRAL ELECTRONICS LIMITED RETIRED EMPLOYEES WELFARE ASSOCIATION AND ORS ..... Respondents
Through: Mr. Md. Shahid Anwar and Mr.Naved Khan, Advocates for Respondent.
Mr. Avnish Singh, CGSC with Mr.Aditya Vikram Dembla, Advocate for Respondent No.2/ UOI.

\+ **LPA 94/2023 and CAV 76/2023 and CM APPLs. 5984-5987/2023**

CENTRAL ELECTRONICS LTD ..... Appellant
Through: Mr. Anil Mittal, Mr. Shaurya Mittal and Mr. Kumar Shubham, Advocates with Mr. Rajat Garg, GM, CEL.

versus

GENERAL SECRETARY, CENTRAL ELECTRONICS LIMITED RETIRED EMPLOYEES WELFARE ASSOCIATION CELREWA AND ORS ..... Respondents
Through: Mr. Md. Shahid Anwar and Mr.Naved Khan, Advocates for Respondent.
Mr. Avnish Singh, CGSC with Mr.Aditya Vikram Dembla, Advocate for Respondent No.2/ UOI.

\+ **LPA 98/2023 and CAV 77/2023 and CM APPLs. 6064-6067/2023**

CENTRAL ELECTRONICS LTD ..... Appellant

Through: Mr. Anil Mittal, Mr. Shaurya Mittal and Mr. Kumar Shubham, Advocates with Mr. Rajat Garg, GM, CEL.

versus

VIJAY KUMAR AND ORS ..... Respondents

Through: Mr. Md. Shahid Anwar and Mr.Naved Khan, Advocates for Respondent.
Mr. Ripu Daman Bhardwaj, CGSC with Mr. Abhinav Bhardwaj, Advocate for Respondent/ UOI.

CORAM:
HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

J U D G M E N T

SATISH CHANDRA SHARMA, C.J.

1. The present Letters Patent Appeals (LPAs) are arising out of a common judgment dated 01.12.2022 delivered by the learned Single Judge in W.P.(C.) Nos.13739/2021, 13917/2021 & 13944/2021.

2. The undisputed facts of the case reveal that the Respondent Association – which is an association of retired employees who have attained the age of superannuation and retired from Central Electronics Limited (CEL), came up before this Court claiming enhanced pay revision w.e.f. 01.01.2007.

3. The facts of the case further reveal that the Appellant/ CEL is a Public Sector Undertaking under the Ministry of Science & Technology. It came into existence in the year 1974. As per the averments made in the Writ Petitions as well as in the LPAs, it is an undisputed fact that in the year 2006, the Government of India announced the 6th Central Pay Commission (CPC). Based upon the recommendations of the CPC, the pay of Government servants and the other employees working in Public Sector Undertakings/ other Government Organisations was enhanced w.e.f. 01.01.2007. The Department of Public Enterprises, Government of India issued an Office Memorandum dated 09.11.2006 providing a methodology of pay revision in the Central Public Sector Enterprises all over the country w.e.f. 01.01.2007.

4. Finally, a Memorandum of Understanding (MOU) was executed between the employees and the Appellant organization on 23.12.2010 in respect of revision of pay for Non-Executives w.e.f. 01.01.2007. It was resolved that all regular employees of CEL – who were on its roll as on 01.01.2007, would be entitled to higher pay scale w.e.f. 01.01.2007 subject to approval of the Competent Authority.

5. It is an undisputed fact that in spite of there being an MOU – which is not disputed by the Appellant organization, the revised pay scale w.e.f. 01.01.2007 was not paid to the employees. In those circumstances, the employees/ retired employees through their association came up before this Court by filing writ petitions.

6. During the pendency of the said writ petitions, the learned Single Judge was informed that the Appellant/ Employer has paid enhanced wages/

arrears of enhanced wages, however, there is a delay of 15 years in making the said payment. It was also argued before the learned Single Judge that the Appellant Organisation started earning profits (as per the Balance Sheets) from 2012 onwards, and therefore, at least from the year wherefrom the Organisation is running profitably, the employees should be paid interest also.

7. The learned Single Judge disposed of all the writ petitions by passing the following order on 01.12.2022:

> *"1. Learned counsels appearing on behalf of the Respondents submit that the arrears due to the Petitioners on account of enhanced wages due to pay revision with effect from 01.01.2007 have been released to the Petitioners.*
>
> *2. Petitioners in W.P.(C) 13739/2021 are present in person and acknowledge the receipt of the arrears towards enhanced wages. It is, however submitted that wages were to be revised in 2007 and there is a delay in payment of nearly 15 years and thus, the Respondents should be directed to pay interest on belated payments, at least from 2012, from which year, admittedly, Respondents are earning huge profits.*
>
> *3. This Court finds merit in the submission of the Petitioners. It is, therefore, directed that the Respondents shall pay interest to the Petitioners @ 6% per annum, on the amounts released to them, on account of revised wages from January, 2012, till the date of actual payments.*
>
> *4. Writ petitions are disposed of, in the aforesaid terms."*

8. The order passed by the learned Single Judge reveals that the Court granted interest @ 6% per annum, on the amounts released to the employees, on account of revised wages from January, 2012, till the date of actual payments.

9. Learned Counsel for the Appellant Organisation has vehemently argued before this Court that grant of interest by the learned Single Judge is bad in law and the Appellant Organisation will have to pay amount running into crores of rupees to the employees in question. While arguing the matter, the learned Counsel has vehemently argued before this Court that interest could not have been levied in the manner and method it has been done. He has placed reliance upon a judgment delivered by the Hon'ble Supreme Court in ***Kesoram Industries & Cotton Mills Ltd. Vs. Commissioner of Wealth Tax, (Central) Calcutta,*** (1966) 2 SCR 688.

10. This Court has carefully gone through the judgment delivered in ***Kesoram Industries & Cotton Mills Ltd.*** (supra). It was a judgment relating to Wealth Tax Act and has certainly dealt with the issue of debt. The present case is arising out of service conditions of employees and non-grant of salary is a recurring cause of action every month on the occasion of payment of salary.

11. Learned Counsel for the Appellant has not placed reliance upon any other judgment nor any other statutory provision of law in the matter of grant of interest by this Court.

12. In the present case, the retired employees/ employees in question became entitled for revision of salary w.e.f. 01.01.2007 and an MOU was executed between the employees and the management on 23.12.2010 for payment of salary/ revised wages. However, the Competent Authority, i.e. the Board of Directors (BOD) of the CEL, approved payment of arrears vide resolution dated 10.05.2022. Meaning thereby, the matter was delayed by the Competent Authority in the matter of grant of revised wages and the

retired employees can never be said to be at fault in the peculiar facts & circumstances of the case. It is really strange that the employer in spite of the recommendations of the CPC, in spite of there being recommendation of the Government of India and in spite of the fact that the MOU was executed on 23.12.2010 for payment of revised wages subject to approval of the Competent Authority, granted approval only on 10.05.2022 and payments were made only in the year 2022.

13. This Court does not find any reason to interfere with the impugned order. Accordingly, the present Appeals are dismissed.

14. The learned Single Judge has directed payment of interest @ 6% per annum, and therefore, this Court does not find any reason to interfere with the order passed by the learned Single Judge. The employees shall certainly be entitled to interest on revised wages paid to them from January 2012, till the date of actual payments with simple interest @ 6% per annum. The exercise of payment of interest be concluded within a period of three months from the date of receipt of certified copy of this order.

(SATISH CHANDRA SHARMA)
CHIEF JUSTICE

(SUBRAMONIUM PRASAD)
JUDGE

FEBRUARY 15, 2023
B.S. Rohella