



RSA-4579-2018 (O&M)

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

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RSA-4579-2018(O&M)
Date of decision: 18.09.2024

Pepsu Road Transport Corporation and another

... Appellants

Vs.

Gulzar Singh

... Respondent

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Aman Sharma, Advocate
Ms. Sital Sharma, Advocate and
Mr. Chirag Suri, Advocate for the appellant.

Mr. P.K.S. Phoolka, Advocate for the respondent.

SUVIR SEHGAL, J.

1. Appellants-defendants are in second appeal assailing the concurrent finding recorded by the courts below.
2. Pleaded case of the respondent-plaintiff is that he joined the services with the defendants at Bathinda on 20.08.1977 and on attaining the age of superannuation, retired as Head Mechanic on 19.09.2009. PPO No.3232 dated 24.08.2011 was issued sanctioning the payment of retiral benefits, however, there was a delay in the payment of the leave encashment, gratuity and provident fund. Claiming interest @ 18% for the period of delay, the plaintiff filed a suit for declaration.
3. Upon notice, suit has been contested by the defendants by taking numerous objections. On merits, it has been submitted that



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all the retiral dues have been released to the plaintiff prior to the filing of the suit. A stand has been taken that the delay in payment is neither intentional nor wilful and that it has occurred due to multifarious duties and numerous channels in Government offices, which take time in getting the sanction from higher authorities. Plaintiff filed a replication reasserting the claim. On the basis of the pleadings of the parties, issues were framed by the Trial Court. After the parties led evidence and were heard, Trial Court by judgment dated 15.12.2017, decreed the suit and granted interest @ 12% p.a. on the delayed payment of service benefits. Defendant remained unsuccessful in the first appeal, which was rejected by the learned District Judge, Bathinda by judgment dated 07.05.2018. Defendants are before this Court in the above background.

4. Having heard counsel for the parties, this Court is of the view that the appellants-defendants have rightly been saddled with the liability for the culpable neglect in the discharge of their duty as they have delayed the payment of the retiral dues, which is a valuable right of an employee. The defendants have erroneously withheld the payment of the retiral dues for which the plaintiff is entitled in law for the payment of penal interest. The reasons given for the delay are merely an eye wash and cannot be accepted. However, interest @ 12% per annum granted by the courts below is on the higher side. This Court is of the view that it deserves to be scaled down to 9% per annum as has been done by the Supreme Court in **D.D Tewari (Dead)**



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**through Legal Representatives Versus Uttar Haryana Bijli Vitran
Nigam Limited and others, (2014) 8 SCC 894.**

5. Accordingly, impugned judgments and decrees are modified. The rate of interest awarded by the Courts below is reduced to 9% per annum on the delayed payment of the retiral dues and will be leviable after expiry of three months from the date of retirement till the date of actual payment. With the above modification, appeal is disposed of.

6. As the main case has been decided, pending miscellaneous application(s) shall also stand(s) disposed of.

18.09.2024
pooja saini

(SUVIR SEHGAL)
JUDGE

Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No