

14.08.2025
Item No. 09
Ct. No. 30/AN

**WPA 18829 of 2012
(CAN 4 of 2025)**

**Sinclairs Hotels Ltd.
vs.
State of West Bengal & ors.**

Mr. Bhaskar Mukherjee
Mr. D. Dutta

... for the petitioner

Mr. Madhusudan Datta
Mr. Ramaprasad Ghosh

... for respondent no. 3

1. The writ application has been preferred challenging the order dated 29.06.2012 passed by the learned 1st Labour Court, West Bengal in Comp. Case No. 85 of 2001 (Ganesh Chandra Guha vs. Sinclairs Hotels & Transportation Ltd.).

2. It is the limited prayer of the writ petitioner that vide an award dated 08.10.2001, the learned Judge, 7th Industrial Tribunal, Calcutta passed an award directing as follows:

“In the circumstances, it must be held that termination of service of the workman in the present case amounts to retrenchment and since it was effected without following the mandatory provisions of Sec. 25 of the Act, the termination was totally invalid and unjustified. Issue No. 1 is answered accordingly. As for issue no. 2, there is no question of reinstatement or the workman who is now well past the age of retirement. All that he is entitled to at this stage is his back wages from the date of retrenchment to the date when he would have normally retired plus all other monitory benefits and dues.

Issue no. 2 is answered accordingly.

This is my AWARD.

Dictated & Corrected by me

*Sd/-
Judge
08.10.2001*

*Sd/-
(S. N. Bagchi)
Judge
Seventh Industrial Tribunal
West Bengal
08.10.2001*

3. In a proceeding under Section 33(c)(2) of the Industrial Disputes Act, learned Judge, 1st Labour Court, Kolkata directed as follows:

“Considering all these aspects in my view the applicant who was dismissed from service in the year 1990 and thereafter retired from the service in the year 1997 is entitled to get his claimed interest upon the amount which was withheld by the opposite party so long.”

4. It is submitted that the learned Judge without proper application of mind and without considering the prevalent provisions of law, granted the prayer of the workman in totality including the rate of interest which was calculated @ 19% p.a.

5. It is submitted that the writ petitioner is thus being severely prejudiced by the order under challenge.

6. Vide an order dated 27.09.2012, the High Court directed the petitioner to deposit the total amount as computed by the order under challenge with the learned Registrar General, High Court, Calcutta and the petitioner has duly complied with the same.

7. It is submitted that the said amount now secured with the learned Registrar General, High Court, Calcutta is acquiring interest at the prevailing bank rates.

8. The petitioner has prayed for modification of the said order under challenge relying upon Section 16 of the Bengal Public Demands Recovery Act, 1913 stating that the rates of interest may be modified as per Section 16 of the Bengal Public Demands Recovery Act, 1913. Section 16, thus, reads as follows:

“16. Interest, costs and charges recoverable – *There shall be recoverable, in the proceedings in execution of every certificate filed under this Act –*

(a) interest calculated in such manner as may be prescribed upon the public demand to which the certificate relates, at the rate of six and a quarter per centum per annum from the date of the signing of the certificate upto the date of realization:

Provided that –

(i) no interest shall be charged if the amount of public demand is less than twenty-five rupees or if the period from the date of signing the certificate up to the date of realization does not exceed three months:

(ii) no interest shall be charged for the period during which the execution proceedings are stayed under an order passed by the Certificate Officer at the instance of the certificate-holder; and

(iii) no interest shall be charged for the period during which the execution proceedings are stayed under an order passed in an appeal or in revision or by a Court at the instance of the

*certificate-holder, or any person
other than the certificate-debtor,*

*(b) such costs as are directed to be paid
under section 45, and*

(c) all charges incurred in respect of –

*(i) the service of notice under
section 7, and of warrants and
other processes, and*

*(ii) all other proceedings
taken for realizing the demand.”*

9. It appears that the said provisions of law lays down the rules regarding interest.

10. On hearing learned counsel for the parties and on perusal of the materials on record and the award under challenge, this Court finds that the interest granted @ 19% p.a. by the learned 1st Labour Court, West Bengal is highly inflated and against the principles of natural justice.

11. Considering the reasons provided by the learned Judge, 1st Labour Court, Calcutta for allowing interest @ 19% p.a., this Court finds that the said reasons cannot be sustained and, accordingly, the order under challenge requires modification to the extent that the interest rate on the principal amount to be calculated as per the provisions of Section 16 of the Bengal Public Demands Recovery Act, 1913 @ 6.25 % p.a.

12. As such, let the matter be remanded back to the learned Judge, 1st Labour Court, Calcutta who shall compute the total amount, as directed by this Court by

way of a fresh computation, within a period of 30 days from the date of communication of this order.

13. Considering the fact that the total amount has been secured with the learned Registrar General, High Court, Calcutta, the workman concerned are at liberty to withdraw the amount **as due, on fresh computation** by the learned 1st Labour Court, as directed by this Court, and the petitioner shall be at liberty to withdraw the balance amount, if any.

14. WPA 18829 of 2012 stands **disposed of**.

15. There will be no order as to costs.

16. Consequently, connected applications, if any, stand disposed of.

17. Interim order, if any, stands vacated.

18. Urgent photostat certified copy of this order, if applied for, shall be given to the parties as expeditiously as possible on compliance of all necessary formalities.

(Shampa Dutt (Paul), J.)