



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

(271)

CWP No. 4165 of 2019 (O&M)

Date of Decision : 11.02.2025

Haryana State Minor Irrigation & Tubewells Corporation Ltd. and
another

...Petitioners

Versus

The Presiding Officer, Industrial Tribunal-cum-Labour Court, UT,
Chandigarh and another

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Rajesh Gaur, Advocate for the petitioners.

None for the respondents.

Harsimran Singh Sethi J. (Oral)

1. In the present petition, the challenge is to the order dated 25.10.2017 (Annexure P-11) passed by the Labour Court under Section 33-C(2) of the Industrial Disputes Act, 1947 (hereinafter referred to as '1947 Act') whereby the Labour Court has allowed the application with regard to the grant of interest on the delayed release of the leave encashment admissible to the respondent-employee.

2. Learned counsel for the petitioner argues that there was not an intentional delay in releasing the amount of leave encashment as, certain affidavits required to be filed by the respondent-employee, could not be filed. Learned counsel for the petitioner submits that once there is no



intentional delay on the part of the petitioner, the grant of benefit of interest by the Labour Court is liable to be set-aside.

3. It may be noticed that the respondent-employee has unfortunately, died as of now.

4. From the facts, it has come on record that the respondent-employee's services were retrenched in the year 2002. Thereafter, the benefits of the retrenchment were to be released to the respondent-employee but the same were withheld on the ground that 'No Due Certificate' had not been submitted by the respondent-employee. Further, nothing has come on record that while working as a Junior Engineer, any material was in possession of the respondent-Junior Engineer, for which the 'No Due Certificate' was required to be obtained. The petitioner herein took six years time to release the benefits and the Labour Court granted the respondent-employee the benefit of interest @ 6% per annum from the date of filing of the affidavit till the actual amount of the leave encashment was released. It may be noticed that there is no perversity in the said order qua the grant of interest in favour of the respondent-employee.

5. As, the respondent-employee has already died, it becomes the duty of the Court to look into the entitlement of the dead workman so that his family does not suffer in any manner. In the present case, the employee concerned was retrenched w.e.f. 30.06.2002, whereas the leave encashment was released on 01.10.2008. The said amount was kept by the petitioners herein for a period of six years.

6. A Coordinate Bench of this Court in ***J.S. Cheema Vs. State of Haryana, 2014(13) RCR (Civil) 355***, had held that an employee will be



entitled for the interest on an amount which has been retained by the respondents without any valid justification. The relevant paragraph of **J.S.**

Cheema's case (supra) is as under: -

“The jurisprudential basis for grant of interest is the fact that one person's money has been used by somebody else. It is in that sense rent for the usage of money. If the user is compounded by any negligence on the part of the person with whom the money is lying it may result in higher rate because then it can also include the component of damages (in the form of interest). In the circumstances, even if there is no negligence on the part of the State it cannot be denied that money which rightly belonged to the petitioner was in the custody of the State and was being used by it.”

7. Keeping in view the said judgment, the respondent-employee is entitled for interest from the date his services were retrenched i.e. from 30.06.2002 till the payment of the leave encashment on 01.10.2008, hence, the order passed by the Industrial Tribunal, UT Chandigarh dated 25.10.2017 (Annexure P-11) is modified to the extent that the interest on the amount admissible under the Award will be granted to the respondent-employee from 30.06.2002 till 01.10.2008 on the leave encashment @ 6% per annum. The same shall be done within a period of two months from today.

8. Present writ petition is dismissed with the above observations.

9. Pending miscellaneous application, if any, also stands disposed of.

February 11, 2025
kanchan

(HARSIMRAN SINGH SETHI)
JUDGE

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Whether speaking/reasoned : Yes
Whether reportable : No