



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

(287/4)

CWP No. 11291 of 2018 (O&M)

Date of Decision : 01.05.2025

Sunita Rani

...Petitioner

Versus

Managing Director, The Punjab State Civil Supply Corporation Ltd.
and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Ms. Ritam Aggarwal, Advocate for the petitioner.

Mr. Sumer Singh Brar, Advocate for respondents No. 1 and 2.

Harsimran Singh Sethi J. (Oral)

1. In the present petition, the prayer of the petitioner is that the petitioner is entitled for the grant of interest on gratuity from the date of her retirement whereas, the same has not been granted by the authorities envisaged under the Payment of Gratuity Act, 1972 (hereinafter referred to as '1972 Act').

2. Learned counsel for respondents No. 1 and 2 submits that there were departmental proceedings which were pending against the petitioner at the time of her retirement with regard to her absence, which was only regularized after her retirement and, therefore, after the regularization of the said absence period, the benefit of gratuity has been released in favour of the petitioner, hence, petitioner is not entitled for interest on gratuity which has rightly not been given by the authorities envisaged under 1972 Act.



3. I have heard learned counsel for the parties and have gone through the record with their able assistance.

4. Once, the departmental proceedings which were pending against the petitioner at the time of her retirement, were dropped on 05.07.2013 and the absence period was regularized by the respondents, it can be safely said that no punishment was imposed upon the petitioner. Once, the charge-sheet was dropped, the employee is entitled for all the benefits which he/she was entitled for at the time of his/her retirement and as the said benefits were withheld by the respondents, in order compensate the employee, the employee will be entitled for interest on the delayed release of the retiral benefits.

5. 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.”



6. Keeping in view the above, in the facts and circumstances of the present case, the petitioner will be entitled for interest @ 6% per annum on the amount of gratuity as granted by the authorities under 1972 Act vide the impugned order from the date of her retirement till the actual payment of the same. Let the order be complied with within a period of eight weeks from the date of receipt of copy of this order.

7. Present petition is allowed in above terms.

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

May 01, 2025
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(HARSIMRAN SINGH SETHI)
JUDGE

Whether speaking/reasoned : Yes

Whether reportable : No