

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 6 OF 2019
(ARISING OUT OF SLP(C)NO. 1913/2016)

KEWAL SINGH PANESAR

APPELLANT(S)

VERSUS

PUNJAB AGRICULTURAL UNIVERSITY AND ORS.

RESPONDENT(S)

O R D E R

1. Leave granted.
2. Heard learned counsel for the parties.
3. The only question is, whether the appellant is entitled for interest on delayed payment of pension, gratuity and provident fund.
4. The appellant joined the services of the respondent No.1/University on 20.07.1993. He retired from the service on 31.01.2002 as Associate Professor, on attaining the age of superannuation. He has rendered the services earlier with Regional Engineering College, Jalandhar which was to be counted towards the pensionary benefits, in terms of the rules. That issue has attained finality and the High Court has ordered in the earlier round of litigation that the past period has to be counted towards pensionary benefits, pursuant to the direction issued by the High Court on 23.01.2012 to settle the dues within six months. On 20.12.2012 an amount of Rs.7,82,694/-, on account of

General Provident Fund was finally released to the appellant. However, the interest was confined only for one year and no interest was paid from 31.01.2003 to 21.12.2012 on the said amount. Similarly, an amount of Rs.57,127/- was released towards gratuity on 11.12.2012, no interest on the amount of gratuity was paid. Likewise, an amount of Rs.11,25,629/- was released on 1.1.2013 on account of arrears of pension but without interest.

5. The appellant made several representations for grant of interest. Reply was sent by the Department, denying their liability to pay the interest. Hence, the appellant filed CWP No.12246/2013. The writ petition was permitted to be withdrawn with liberty to file application in disposed of writ petition. The said order was passed on 30.05.2013. The petitioner filed review application in the High Court. The same was dismissed. An LPA was also filed. The same has been dismissed. As such, the appellant is before this Court.

6. After hearing learned counsel for the parties, we are of the opinion that Provident Fund and Pension Statute 31 framed by the Haryana and Punjab Agricultural University provides in Clause No.IX.I(i) for the payment of interest in case of delay. The same is extracted hereunder:-

“IX.1(i) Interest at the rate of 10% per annum or as decided by the Vice-Chancellor

from time to time shall be paid on all delayed payments of pension and/or Death-cum-Retirement Gratuity provided the case received is complete in all respects. The period of delay for this purpose will be calculated from three months after these benefits become due. However, in the case of employee who have retired or expired on or after 1.1.86 or is due to retire by 30.6.92 the period of three months in such cases shall be reckoned w.e.f. 1.10.92 or the date of receipt of case of pension/D.C.R.G. in the Comptroller's office whichever is later."

7. As the Committee had recommended earlier in favour of the appellant that he was entitled to count the past service. The University ought to have counted the services and released the benefit. However, he was dragged into litigation. Even otherwise, provident fund carries interest and there is a rule with respect to the delay in pension and gratuity to make the payment of interest @ 10% per annum. Accordingly, we direct that the interest @ 10% per annum shall be paid on arrears of pension and gratuity. The provident fund shall be paid with interest at the rate/rates, as prevailed time to time, till the payment was made.

8. Accordingly, the impugned orders are set aside and the appeal is allowed to the aforesaid extent. Let the interest be paid within a period of two months from today.

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

.....J.
[ARUN MISHRA]

.....J.
[NAVIN SINHA]

NEW DELHI;
JANUARY 02, 2019.

ITEM NO.48

COURT NO.5

SECTION IV-B

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s). 1913/2016

(Arising out of impugned final judgment and order dated 07-09-2015 in LPA No. 1560/2013 passed by the High Court Of Punjab & Haryana At Chandigarh)

KEWAL SINGH PANESAR

PETITIONER(S)

VERSUS

PUNJAB AGRICULTURAL UNIVERSITY AND ORS.

RESPONDENT(S)

Date : 02-01-2019 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ARUN MISHRA

HON'BLE MR. JUSTICE NAVIN SINHA

For Petitioner(s) Mr. Tarun Gupta, AOR
Mr. Sanjay Kumar, Adv.

For Respondent(s) Mr. Ajay Majithia, Adv.
Mr. Shekhar Kumar, AOR

UPON hearing the counsel the Court made the following
O R D E R

Leave granted.

The appeal is allowed in terms of the signed order.

(NARENDRA PRASAD)
COURT MASTER

(JAGDISH CHANDER)
COURT MASTER

(Signed order is placed on the file)