HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S.B. Civil Writ Petition No. 14606/2020

Laxmi Narayan Mathur S/o Late Sh. Pyare Lal Mathur, Aged 60 Years, R/o Plot No. 4A Sunder Nagar, Bar Mohan Pura, Muhana Mandi Road, Before Kesar Chauraha, Jaipur 302020 (Raj.)

----Petitioner

Versus

1. State Of Rajasthan, Through Principal Secretary, Cooperative Department, Secretariat, Jaipur
2. Rajasthan Co-operative Dairy Federation Ltd., Jawahar Lal Nehru Marg Jaipur, Through Its Chief Managing Director
3. Sawaimadhopur And Karauli Zila DugdhUtpadak, Sahakari Sangh Limited, Sawaimadhopur, Kamdhenu Bhawan, Ranthombhor Road, Sawaimadhopur (Rajasthan) Through Its Managing Director

----Respondents

For Petitioner(s)	:	Ms. Arpita Mathur
For Respondent(s)	:	Ms. Anita Aggarwal with Mr. Laxmi Kant

HON'BLE MR. JUSTICE MAHENDAR KUMAR GOYAL

Judgment / Order

18/09/2025

This writ petition is filed seeking payment of retiral and other benefits to the petitioner with interest.

Since, the retiral and other benefits have been paid to the petitioner during pendency of the writ petition, the only question remains for consideration of this Court is interest on delayed payment.

The petitioner retired on 30.05.2020. He was entitled for payment of gratuity as per the Payment of Gratuity Act, 1972 (for

brevity "the Act of 1972"). The relevant provisions of Section 7 of the Act of 1972 reads as under:-

> "7. **Determination of the amount of gratuity.-**
>
> (1) xxxxxxx
>
> (2) xxxxxxx
>
> (3) The employer shall arrange to pay the amount of gratuity within thirty days from the date it becomes payable to the person to whom the gratuity is payable.
>
> [(3A) If the amount of gratuity payable under sub-section (3) is not paid by the employer within the period specified in sub-section (3), the employer shall pay, from the date on which the gratuity becomes payable to the date on which it is paid, simple interest at such rate, not exceeding the rate notified by the Central Government from time to time for repayment of long-term deposits, as that Government may, by notification specify:

Indisputably, the petitioner was not paid the gratuity within thirty days from the date of retirement and therefore, in view of the provisions of sub-Section (3A) of Section 7 of the Act of 1972, he is entitled for interest at the rate notified by the Central Government, from the date of retirement.

The Central Government has, vide notification dated 01.10.1987, specified the interest @ 10% per annum where the gratuity is not paid within the specified period.

In view of the aforesaid undisputed legal and factual position, the petitioner is found entitled for interest @ 10% per annum on gratuity from the date of retirement.

Further, the petitioner has also been paid the amount of encashment of privilege leave with delay. Learned counsel for the respective parties submit that there is no statutory provision governing the rate of interest payable on delayed payment of the aforesaid amount.

In view thereof, this Court deems it just and proper to award interest @ 6% per annum on delayed payment of enchashment of privilege leaeve.

Resultantly, this civil writ petition is allowed in following terms:-

1. The respondents shall pay to the petitioner interest @ 10% per annum on the delayed payment of gratuity from the date of retirement till the day it was paid within a period of twelve weeks from today failing which the interest shall be leviable 12% per annum after the expiry of the stipulated period and the Officer(s) responsible for delay would bear the enhanced component.

2. The respondents shall pay to the petitioner interest @ 6% per annum on delayed payment of amount of encashment of privilege leave from the date it fell due till the day it was actually paid within a period of twelve weeks from today failing which the interest shall be leviable 9% per annum after the expiry of the stipulated period and the Officer(s) responsible for delay would bear the enhanced component.

Pending application(s), if any, also stands disposed of.

(MAHENDAR KUMAR GOYAL),J

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