

(2020) 07 PAT CK 0253

Patna High Court

Case No: Civil Writ Jurisdiction Case No. 2192 Of 2018

Ram Naresh Das

APPELLANT

Vs

State Of Bihar And Ors

RESPONDENT

Date of Decision: July 13, 2020

Acts Referred:

- Constitution Of India, 1950 - Article 309

Hon'ble Judges: Aditya Kumar Trivedi, J

Bench: Single Bench

Advocate: Mrityunjay Kumar

Final Decision: Allowed

Judgement

1. Heard learned counsel for the petitioner as well as learned A.C. to P.A.A.G.-II.

2. The petitioner has asked for the following reliefs:

(a) For grant of an appropriate writ for quashing the reasoned order dated 15.09.2015 passed by the Director, Provident Fund Directorate, Patna

issued under Memo No.8166 dated 16.09.2015 (Annexure-6) rejecting the claim of the petitioner for payment of 12.5% interest on the provident fund

deductions of the petitioner for the period 1985-86 to year 1998-99.

(b) For grant of an appropriate writ for a direction to the respondents to pay to the petitioner interest at the rate of 12.5% on his provident fund

deductions for the period 1985-86 to 1998-99.

(c) For grant of an appropriate writ for a direction to the respondents to pay interest on the left over interest part of General Provident Fund illegally

withheld by the respondents.

3. After hearing both sides as well as going through the respective pleadings coupled with the order impugned dated 15.09.2015 passed by the

Director, Provident Fund Directorate communicated vide Memo No.8166 dated 16.09.2015, it is evident that the status of the petitioner is not under

controversy. That means to say, the appointment of the petitioner as a Clerk initially at Sarvoday High School, Bangra, Saran as on 02.09.1975 and

then transferred to Zila School, Muzaffarpur, wherefrom he retired is properly acknowledged. It is further evident that there was deduction of general

provident fund from his salary. It is further evident that in the year 1985, the Bihar Government in order to make deposit under the provident fund

more lucrative made certain amendments under Rule 11 under the guise of Article 309 of the Constitution of India and, by such amendment introduced

new provision. So far non-gazetted employees are concerned, that in case of deposit of 12.5% of pay, the same will carry interest @ 12.5%.

However, an option was left open to the employees either to proceed as per old prevailing deduction carrying 10.5% interest. A circular was also

issued to the effect that the employee has to deduct and deposit 12.5% of pay from July, 1985 to December, 1985 as the new scheme was made

operative since July, 1985.

4. It is further evident that later on the Government came across some sort of difficulty at the end of the employees in proper understanding of the

new scheme, whereupon, allowed preference/ privilege to the employees by different circulars side by side in order to facilitate an opportunity to opt

new scheme mandating deposit of 12.5% of pay whereupon carrying 12.5% interest and, those letters have been circulated vide Memo No.4184 dated

13.07.1985 as well as Memo No.M-1:10/85/7530 dated 29.11.1985. At first instance it was directed that even if an employee has not opted at an

earlier occasion but, if he deposits the amount with interest from 1st of July, 1985 to December, 1985 then, in that circumstance, the employee will be

allowed to avail the new scheme.

5. Again the Government had found that the circulars were not adequate to deal with the issue, as, the benevolent approach of the government was

not being catered, as well as during the course of calculation of interest there was no uniformity and, so again issued a circular communicated vide

Memo No.1606 dated 20.10.1995 specifying closely that for the month whereunder deposit has been made less than 12.5%, the rate of interest would be 10.5 % otherwise the rate of interest incurred upon the deposit would be 12.5%. The aforesaid letter circulated vide Memo No.1606 dated 20.10.1995 has also been relied upon by the respondents being part of counter affidavit as Annexure 1.

6. It is further admitted that save and except July, 1985, the petitioner had deposited 12.5% of his pay in the general provident fund and so, was expecting calculation of interest @ 12.5% which the respondents have denied on the sole ground that due to non-deposit of 12.5% of pay for the month of July, 1985 petitioner was not at all entitled to avail new scheme hence, filed CWJC No.19575 of 2012 (Annexure-5) which was disposed of vide order dated 11.11.2013 in the following manner:

“Let the petitioner file an application with regard to the kind of interest or the rate of interest which he is entitled to before the Director, Provident Fund, who will get the claim of the petitioner verified on the basis of the relevant circular as well as notification with regard to the rate of interest payable at the relevant time. Matter will be examined and the outcome communicated to the petitioner within three months of filing such an application with a copy of this order.

Writ application is disposed of.”

7. In pursuance thereof, petition was filed before the Director, Provident Fund and after considering the same, the Director, Provident Fund rejected the contention of the petitioner to the effect that he was entitled to 12.5% of interest against the deposit of 12.5 % of his pay and, 10.5% relating to deposit of less than 12.5%, directing that the petitioner is entitled for 10.5% interest only.

8. After going through the order impugned, it is evident that the Director, Provident Fund either on account of ignorance or may be on account of extraneous consideration did not opt to see Annexure 1, the subsequent circular issued by the Government clarifying each and every aspect guiding mode of calculation of interest as against the deposit in consonance with pay.

9. Even then, the screech persisted, whereupon the matter has been brought up before the High Court in the case of Shailendra Kumar Singh vs. State

of Bihar, reported in 2010 (3) PLJR 215. The learned Single Judge after going through the relevant circulars so referred hereinabove found and held

that in case the deposit is less than 12.5% of pay, the calculation of rate of interest would be 10.5% for that month only, while for the remaining

calculation of rate of interest will be 12.5% in case deposit corresponds 12.5% of pay, which was challenged by the Government under L.P.A.

No.1352 of 2010 (The State of Bihar through the Commissioner cum Secretary, Department of Revenue and Land Reforms and others vs.

Shailendra Kumar Singh & Anr.), reported in 2017 (4) PLJR 629, wherein the benevolent scheme of the government in consonance with different

circulars guiding the issue including that of Annexure "B" and subsequent thereto have been again subject to close scrutiny and then it has been

observed in paragraph 11 as follows:

"Thus, in fairness to learned counsel for the State, we have taken note of Circular No.6991 dated 7.7.1997, which in our view, does not change the

position. As we have indicated above, the net result would be that, for the months in which there was short deductions from the salary of the writ

petitioner/respondent, he would be entitled to interest only at 10.5%, but the moment, the deductions are restored to 12.5%, he would be entitled to

higher rate of interest at 12.5%, which is the default rate. It would, now, be for the Authorities to work out the correct interest which could be done

within three months from today."

10. That being so, no lis remained to survive. In the aforesaid background, the Director would have scrutinized and proceeded in right direction

properly by observing that the petitioner was entitled to an interest @ 10.5% over the deposit less than for the month of July, 1985 and, subsequent

deposit being that of 12.5% would carry the interest of 12.5%, wherein he failed.

11. Consequent thereupon, the order dated 15.09.2015 passed by the Director, Provident Fund Directorate communicated vide Memo No.8166 dated

16.09.2015 is hereby quashed in terms as indicated hereinabove.

12. Petition is allowed.

13. It is made clear that in the background of the fact that the petitioner has been forced to litigate repeatedly, irrespective of the fact that the matter being settled at rest would have properly been appreciated by the Director, compels the Court to direct that payment should be made within four weeks, failing which the balance amount will carry interest of 8% to be calculated till the date of full and final payment and the aforesaid amount will be borne by the Director and will be deducted from his salary.
14. In order to proper compliance of the direction, let a copy of this judgment be furnished upon the learned A.C. to P.A.A.G.-2.