IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-9626-2014 (O&M)

Date of decision : 08.05.2015

Karan Singh Rana

...Petitioner

Versus

The Managing Director,
State Warehousing Corporation and another

...Respondents

CORAM: HON'BLE MR. JUSTICE JITENDRA CHAUHAN

Present: Mr. Yogesh Chaudhary, Advocate,
for the petitioner.

Ms. Madhu Dayal, Advocate,
for respondent No.1.

Mr. Saurabh Mohunta, DAG, Haryana.

JITENDRA CHAUHAN, J. (Oral)

CM-5865-2015

CM application is allowed. Written statement on behalf of respondent No.1 is taken on record.

Main petition

Prayer in the present writ petition under Articles 226 and 227 of the Constitution of India is for issuance of a direction to the respondents to release the amount of Rs.14,626/- withheld/recovered from the gratuity of the petitioner and for grant of interest on the delayed payment of retiral benefits.

At the very outset, the learned counsel for the respondent-Corporation submits that all the retiral benefits have been released to the petitioner. Further, the learned counsel informs that sanction has already been granted for payment of Rs.14,626/-, vide Annexure R-3.

On the other hand, the learned counsel for the petitioner states that no interest has been paid on the delayed payment. He cites ***A.S. Randhawa Vs. State of Punjab, 1997(3) S.C.T. 468,*** and ***The Financial Commissioner, Haryana Vs. Hasan Singh Kanwar, 2010(1) SLR 788***.

Heard.

The petitioner retired from service on 31.10.2009. The amount towards leave encashment was paid on 02.08.2012, whereas, the gratuity has been paid on 13.09.2012. Therefore, there is a delay in payment of retiral benefits.

In ***A.S. Randhawa's case (supra),*** Hon'ble Full Bench of this Court has held has under:-

> "8. Since a Government employee on his retirement becomes immediately entitled to pension and other benefits in terms of the Pension Rules, a duty is simultaneously cast on the State to ensure the disbursement of pension and other benefits to the retirer in proper time. As to what is proper time will depend on the facts and circumstances of

> each case but normally it would not exceed two months from the date of retirement which time limit has been laid down by the Apex Court in M. Padmanabhan Nair's case (supra). If the State commits any default in the performance of its duty thereby denying o the retiree the benefit of the immediate use of his money, there is no gainsaying the fact that he gets a right to be compensated and, in our opinion, the only way to compensate him is to pay him interest for the period of delay on the amount as was due to him on the date of retirement. Again, as to what should be the rate of interest, it should, in our view, be generally 12% unless the circumstances of a particular case warrant the payment of a higher rate which may extend to even 18%."

In view of the above, the petitioner is held entitled to interest @ 8% per annum on the delayed payment of retiral dues from the date on which the same became due, till the date of payment. The amount so calculated shall be payable within a period of four months from the date of receipt of a certified copy of this order.

08.05.2015 **(JITENDRA CHAUHAN)**
atulsethi **JUDGE**