IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RSA No.5732 of 2014(O&M)
Date of decision: 08.09.2015

Haryana Warehousing Corporation and others
... Appellants

Versus

Gian Chand Tanwar
... Respondent

CORAM: HON'BLE MR. JUSTICE ARUN PALLI

Present: Mr. Ashwani Talwar, Advocate for the appellants.
Mr. KG Chaudhary, Advocate for the respondent.

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1. Whether reporters of local papers may be allowed to see the judgment?
2. To be referred to the reporters or not?
3. Whether the judgment should be reported in the digest?

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ARUN PALLI J. (Oral)

Suit filed by the plaintiff was decreed by the trial court vide judgment and decree dated 14.05.2014. Appeal preferred against the said decree failed and was dismissed on 23.07.2014. This is how, defendants are before this court in this regular second appeal.

A suit for declaration preferred by the plaintiff was decreed, and he was held entitled to pensionary benefits, along with interest @ 18% per annum w.e.f. 31.12.1998, on delayed payment.

The short issue involved for determination in the matter in hand is qua the rate of interest. The respondent-plaintiff has been awarded 18% interest per annum on delayed payment qua his retrial benefits. Learned counsel for the appellants relies upon a Division Bench judgment rendered by this court in 2012(3) RSJ 410, titled Punjab National Bank and others v. Y.K. Singla, decided on 29.11.2011. And submits that respondent-plaintiff, at best, could have been awarded interest @ 8% per annum.

Per contra, learned counsel for the respondent has placed reliance upon a Full Bench decision of this court reported as 1997(3) RSJ 318 [R.S. Randhawa v. State of Punjab and others] and contends that as regards the delayed payment of pensionary benefits, the rate of interest to be awarded should generally be 12% unless the circumstances of a given case warrant payment of higher rate of interest, which may extend to even 18%.

Conclusion arrived at by the Full Bench of this court in paragraph 8 of the decision reads as thus:

> **"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 retire 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 form 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 to 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 his 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%."**

Learned counsel for the appellants could not point out as to how, in the wake of what has been concluded by the Full Bench, the plaintiff-respondent could be denied interest at least @ 12% per annum.

That being so, the appeal is partly accepted and consequently, the decree being assailed dated 14.05.2014, as also dated 23.07.2014, are modified to the extent that the respondent-plaintiff shall be entitled to interest @ 12% per annum on account of delayed payment qua his retrial benefits.

(Arun Palli)
Judge

September 8, 2015
Rajan