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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

Sr. No.235

Civil Writ Petition No.18129 of 2015
DECIDED ON: *November 07, 2017*

BARJINDER SINGH

..PETITIONER

VERSUS

STATE OF PUNJAB AND OTHERS

...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE JASPAL SINGH

Present: Mr. Mehar Singh, Advocate,
for the petitioner.

Mr. Manoj Bajaj, Additional Advocate General, Punjab.

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JASPAL SINGH, J.

The instant writ petition has been preferred under Article 226/227 of the Constitution of India for issuance of a writ especially in the nature of Mandamus, directing the respondents to release the pensionary benefits along with interest @ 18% per annum.

2. At the very outset of the arguments, it has been submitted by learned counsel for the petitioner that some benefits were released to the petitioner prior to filing of instant petition and some were released after filing of instant petition but with an inordinate delay on the part of the respondents. As such, petitioner is entitled to interest on the delayed payments.

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3. As far as maintainability of a writ in the nature of mandamus for the grant of interest is concerned, by now it is pretty settled that same is legally maintainable. In this regard, we can have the reference of the pronouncement of the judgment in case ***A.S. Randhawa vs. State of Punjab & others, 1997(3) SCT 468*** as well as ***Vijay L. Mehrotra vs. State of U.P., 2000(4) SCT 267***. In case ***Vijay L. Mehrotra (supra)***, the Hon'ble Apex Court, has specifically observed that retiree is entitled to the grant of interest on the delayed payment of retiral dues. It was observed that in case of an employee retiring after having rendered service, it is expected that all the payment of the retiral benefits should be paid on the date of retirement or soon thereafter if for some unforeseen reasons or circumstances the payments could not be made on the date of retirement. Otherwise also, considering a number of cases and the procedure to be adopted, it is settled that at the most the employer is obliged to release the pensionary benefits maximum within a period of three months from the date of retirement. But in the case in hand, even the benefits accrued on account of retirement have not been released to the petitioner within the aforesaid reasonable period of three months.

4. Considering the facts of the case in hand, petitioner stood retired on March 31, 2014 on attaining the age of superannuation from Government High School Lakhanpur, District Fetehgarh Sahib. As per reply dated March 10, 2016, gratuity, leave encashment and the arrears of pay etc. were made on different dates i.e. even after the expiry of three months from the date of retirement of the petitioner. It is a settled principle that grant of interest on the delayed payment is on account of the fact that retiree was unable to enjoy its fruits immediately on his retirement and then

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a right accrues to him to be compensated and the only way to compensate him is to pay interest for the period of delayed payments. Now, a question arises as to the period in which the retiral benefits should be disbursed to the retiree.

5. Taking into consideration the facts & circumstances of the case in hand, this Court is of the view that grant of interest @ 9% per annum, on the delayed payment after expiry of three months from the date of retirement till the actual payment, is legally and factually justified. Accordingly, this Court awards an interest @ 9% per annum on the delayed payment(s) w.e.f. July 01, 2014 to actual date of payment. Accordingly, respondents are directed to calculate the interest on the delayed payments reflected in para No.4 of the aforesaid reply within a period of three months from the date of receipt of a certified copy of this judgment and disburse the same within a period of two months thereafter.

6. Disposed of accordingly.

November 07, 2017 **(JASPAL SINGH)**
Ankur **JUDGE**

Whether speaking/reasoned **Yes**
Whether reportable **Yes/No**