

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH.**

(289)

CWP-21550-2018

Date of Decision: March 19, 2019

Balraj Kumar

.. Petitioner

Versus

Punjab State Power Corporation Limited and ors .. Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Rahul Rana, Advocate, for
 Mr. J.S. Jaidka, Advocate, for the petitioner.

 Ms. Monica Chhibber Sharma, Advocate, for the respondents.

HARSIMRAN SINGH SETHI, J.(ORAL)

 In the present writ petition, the claim of the petitioner is for the grant of interest on the delayed payments.

 As per the facts mentioned in the writ petition, the petitioner retired from service of the respondent-Corporation on 30.11.2017. An averment has been made in the writ petition that there was no proceeding pending against the petitioner at the time of his retirement or initiated thereafter, which would entitle the respondents to withhold the pensionary benefits of the petitioner.

 As per the averments made in the writ petition, though the PPO order was issued granting the benefit to the petitioner in April 2018, but the actual amount was released to the petitioner in the month of July, 2018 and therefore, for the said delay, the petitioner is entitled for the interest keeping in view the law laid down by the Full Bench of this Court in **A.S. Randhawa Vs. State of Punjab, 1997(3) S.C.T. 468.**

Reply has been filed to the averments made in the writ petition, in which, it has only been stated that after the retirement, there is no willful delay in the disbursement of the retiral benefits and the petitioner was given the PPO order in respect of the pension and DCRG in April, 2018. The averments in the writ petition that the amount was released to the petitioner in July, 2018, has not been denied by the respondents in the written statement. Further, no justification has been given by the respondents as to why once the petitioner retired w.e.f. 01.12.2017, the amount was released to him only in July, 2018. Despite the fact that there is no valid justification given in the reply for the delayed payments, still prayer has been made on behalf of the respondents for declining the claim of the petitioner.

I have heard learned counsel for the parties and gone through the record with their able assistance.

In the present writ petition, there is no valid justification given by the respondents for withholding the amount for which the petitioner was entitled for when the petitioner retired from service in November, 2017. A Full Bench of this Court has held that the employees are entitled for the interest on the delayed payment in case there is no valid justification to withhold the same. The relevant portion of the *A.S.Randhawa's case* (*supra*) is as under:-

“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. Padmanbhan 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.”

Not only this, the Coordinate Bench of this Court while deciding **J.S. Cheema Vs. State of Haryana and others, 2014 (1) S.C.T. 782**, has held that in case an amount for which an employee was entitled for, has been retained by the department and use, the employee will be entitled for the interest even if there is no intentional delay. The relevant portion of the said judgment is as under:-

“The jurisprudential basis for grant of interest is the fact that one person's money has been used by somebody else. It is in that sense rent for the usage of money. If the user is compounded by any negligence on the part of the person with whom the money is lying it may result in higher rate because then it can also include the component of damages (in the form of interest). In the circumstances, even if there is no negligence on the part of the State it cannot be denied that money which rightly belonged to the petitioner was in the custody of the State and was being used by it.”

In view of the above, the case of the petitioner for the grant of interest on delayed payment is squarely covered by the above said settled principle of law and hence the petitioner is entitled for interest @ 9% per

annum from the date it became due till the same was deposited in the account of the petitioner. Let the amount of interest be calculated by the respondents for which the petitioner is entitled for, within a period of two months from the receipt of copy of this order and the amount so calculated shall be paid to the petitioner within a period of one month thereafter.

The writ petition is allowed in above terms.

March 19, 2019
harsha

(HARSIMRAN SINGH SETHI)
JUDGE

Whether speaking/reasoned: Yes/No
Whether reportable: Yes/No