IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No.9095 of 2016
DATE OF DECISION:14.02.2019

Naib Kaur

... Petitioner

Versus

State of Punjab and others

... Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

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

Mr. Mehardeep Singh, Additional Advocate General, Punjab.

Mr. Amit Rishi, Advocate for respondent No.6.

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HARSIMRAN SINGH SETHI, J. (ORAL)

In the present writ petition, the claim made by the petitioner is for the grant of interest on the delayed release of her pensionary benefits. The grievance which has been made by the petitioner is that the pensionary benefits were not released within a reasonable time without any valid justification, hence petitioner is entitled for the interest on the released payments.

As per the averments made in the writ petition, the petitioner joined as Clerk on 09.01.1984 and while working as Clerk, the petitioner reitred on 30.06.2015. The benefits were released to the petitioner starting from October, 2015 till March, 2016 and, therefore, in respect of the delay which ranges from three months to nine months, the interest is being claimed by the petitioner.

In reply, the respondents have stated that the benefits to the petitioner have already been released. The relevant para is as under:

> "That it is pertinent to mention here that the bills for payment of final dues of retirement benefits of the petitioner has been sent to Treasury well within reasonable time, the detail of which is as under:-

Retirement Benefit	Amount	Bill No.& Date
Leave Encashment	4,82,310/-	51/12.08.2015
General Provident Fund	14,52,185/-	71/18.09.2015
DCRG	7,59,638/-	83/09.10.2015

In replication to the reply submitted on behalf of the petitioner, the following averments have been made by the petitioner:

> "That the respondents have mentioned in para No.5 of the written statement that bills for payment of final dues of retirement benefits of the petitioner has been sent to Treasury well within reasonable time, the detail of which is as under:-

Leave Encashment	4,82,310/-	51/12.08.2015
General Provident Fund	14,52,185/-	71/18.09.2015
DCRG	7,59,638/-	83/09.10.2015

However, actual payments to the petitioner were as follows:-

Leave Encashment	4,82,310/-	06/10/15
General Provident Fund	14,52,185/-	14.12.2015
DCRG	7,59,638/-	14.03.2016

2. That first monthly pension for the month of July, 2015 was received by the petitioner on 29.04.2016 after lapse of nine months and arrears of other remaining pensions worth Rs.2,61,579/- were received on 30.04.2016 by the petitioner. GIS amount was received in December, 2016."

A bare perusal of the above averments would show that though the amount was duly sanctioned by the respondents within a period of three months from the date of retirement but the actual payment was released to the petitioner much after the said date of sanctioning the amount.

As per settled principles of law laid down by the Full Bench of this Court in **A.S. Randhawa Vs. State of Punjab 1997(3) SCT 468,** the employee is entitled for interest on the delayed release of payments in case there is no valid justification given for withholding the said payments. The relevant para of the said judgment 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. 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."

Not only this, this Court while deciding **J S Cheema Vs. State of Haryana and others, 2014(13) RCR (Civil) 355** also held that once the amount has been retained, the employee will become entitled for the grant of interest. The relevant para of the said order 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 laying 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."

The case of the petitioner is squarely covered by the above reproduced judgments and, therefore, the petitioner is found entitled for interest on the General Provident Fund, DCRG and the monthly pension which was given to the petitioner in April 2016 after a period of nine months as well as on the amount of GIS, which was paid to the petitioner in December, 2016. In all, except the payment of leave encashment, the petitioner will be entitled for interest on all other payments @ 9% per annum from the date the said amount became due till the actual disbursement of the same. Let the interest be calculated within a period of three months from the date of receipt of a certified copy of this order and the actual payment of the calculated amount be released to him within a period of two months thereafter.

The writ petiton stands allowed in the above terms.

February 14, 2019
jt **(HARSIMRAN SINGH SETHI)**
JUDGE

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