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

**CWP-23970 of 2015**
**Date of decision: 09.12.2019**

Kuldeep Singh Rana .... Petitioner

versus

Managing Director, Haryana State Warehousing Corporation
and another .... Respondents

**CORAM:HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI**

Present: Mr. S.K. Redhu, Advocate
for the petitioner.

Mr. Lekh Raj Sharma, Advocate
for the respondents.

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**HARSIMRAN SINGH SETHI, J.**

The grievance which is being raised by the petitioner in the present writ petition is that though, he was compulsorily retired from service by the respondents on 21.4.2013, but his pensionary benefits have not been released within a reasonable time and, therefore, the petitioner is entitled to be compensated by way of grant of interest for the delay in releasing his pensionary benefits by the respondents.

As per the facts mentioned in the writ petition, the petitioner was working as Manager Grade-III with the respondent-Corporation. While the petitioner was in service, a notice dated 16.01.2013 was served upon him mentioning therein that on expiry of three months, the petitioner will stand compulsorily retired from service and keeping in view the said notice, the petitioner retired from service on 21.4.2013.

The pensionary benefits of the petitioner i.e gratuity amounting to

Rs.4,36,205/- was released to him on 19.05.2014, after approximately one year of his retirement. Amount of leave encashment of Rs.3,60,000/- was paid to him on 25.03.2014, which is also approximately one year after retirement and a sum of Rs.6,31,846/- on account of GPF was released on 30.07.2013 i.e. after three months of his retirement. Learned counsel for the petitioner argues that petitioner was entitled for release of his pensionary benefits immediately after he was compulsorily retired by the respondents or within a reasonable time, but as the pensionary benefits were released after more than one year, the petitioner is entitled for interest on the delayed payment of pensionary benefits.

Upon notice of motion, respondents have filed reply. In reply, it has been stated that the petitioner was compulsorily retired and after his retirement, certain formalities were to be completed, which took time and therefore, the delay is attributable to the administrative exigencies and not intentional, hence, the petitioner cannot be granted interest on the delayed release of pensionary benefits.

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

It is an admitted fact that the petitioner was compulsorily retired from service on 21.4.2013. It is further admitted that date of release of payment of gratuity to the petitioner is 19.05.2014; date of release of amount of leave encashment is 25.03.2014 and date of release of GPF amount is 30.07.2013.

A Full Bench of this Court in ***A.S. Randhawa vs. State of Punjab 1997(3) S.C.T. 468*** has held that an employee will be entitled for release of his pensionary benefits within a reasonable time after his retirement and the reasonable time as per the Full Bench is two months and in case of failure, employee needs to be compensated by way of grant of interest. Relevant paragraph of the 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 front 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."

Further, a Co-ordinate Bench of this Court in ***J.S. Cheema Vs. State of Haryana 2014 (13) RCR (Civil) 355*** has held that where an amount is retained and used by the respondents/employer, an employee will be entitled for interest on the same. Relevant paragraph of the 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 the present case, the pensionary benefits of the petitioner were released by the respondents after a period of one year after his compulsory retirement. Therefore, the case of the petitioner is squarely covered by the judgements in **A.S. Randhawa's case (supra)** and **J.S. Cheema's case**

**(supra).**

Keeping in view the above, the present writ petition is allowed. Petitioner is held entitled for interest on the delayed release of pensionary benefits @ 9% per annum from the date it became due till the same was actually released to the petitioner

Let computation of the interest, for which the petitioner is entitled as per this order be carried out within a period of two months from the date of receipt of copy of this order and the payment so calculated be released to the petitioner within a period of one month thereafter.

**(HARSIMRAN SINGH SETHI)**
09.12.2019 **JUDGE**
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1. Whether speaking/non-speaking? Yes/No
2. Whether reportable? Yes/No