IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

(106+277)

CM-19580-CWP-2021 in/and
CWP-7255-2021
Date of Decision : July 06, 2022

Manni Devi **.. Petitioner**

Versus

State of Punjab and others **.. Respondents**

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Harpal Singh, Advocate, for
Mr. Peeush Gagneja, Advocate, for the petitioner.

Mr. Navdeep Chhabra, Deputy Advocate General, Punjab.

Mr. Abhilaksh Gaind, Advocate, for respondent No.4.

<u>HARSIMRAN SINGH SETHI J. (ORAL)</u>

<u>CM-19580-CWP-2021</u>

Present application has been filed for placing on record the affidavit of Executive Officer, Municipal Council, Malout.

Keeping in view the averments made in the application, the same is allowed and affidavit of Executive Officer, Municipal Council, Malout is taken on record.

<u>CWP-7255-2021</u>

In the present petition, the grievance of the petitioner is that the retiral benefits admissible to the petitioner have been paid after a delay, hence, the petitioner is entitled for the grant of interest on the delayed release of the pensionary benefits.

As per the averments made in the petition, the petitioner retired from a class IV post on attaining the age of superannuation on 30.09.2020 while serving in Municipal Council, Malout. On the date of his retirement, the petitioner was given a cheque of Rs. 5 lacs and thereafter, the retiral benefits were not released and the same were only released by July, 2021. The prayer of the petitioner is for interest on the delayed release of the pensionary benefits as per the settled principle of law settled by the Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others*, *1997(3) SCT 468.***

In the reply filed by respondent No.4, it has been mentioned that a sum of Rs.5 lacs was paid starting on the date of retirement and thereafter, upto 05.07.2021, all the retiral benefits have been paid to the petitioner in installments. The averments made in paragraph 8, which gives the details of payments made to the petitioner, of the reply is as under:-

Sr. No.	Cheque No.	Dated	Amount
1.	235329	30.09.2020	5,00,000/-
2.	511158	08.02.2021	12,466/-
3.	243826	17.03.2021	2,00,000/-
4.	250924	05.07.2021	7,51,188/-
	Total		14,63,654/-

Learned counsel for the respondents argues that as all the payments have been made expeditiously and the delay is only procedural one due to financial constraints, the claim of the petitioner for the grant of interest may kindly be declined.

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

As per the judgment of the Full Bench of this Court in ***A.S. Randhawa's case (supra),*** an employee is entitled for the release of the pensionary benefits within a period of two months of the retirement in case, there is no impediment failing which the employee is entitled for the grant of interest. The relevant paragraph of 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 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."*

In the present case, no impediment has been brought to the notice of this Court, which gave jurisdiction to the respondents to withhold the pensionary benefits of the petitioner. Concededly, the delay in release of the pensionary benefits of the petitioner is more than two months, which would entitle the petitioner the grant of interest as per the judgment of the Full Bench of this Court in ***A.S. Randhawa's case (supra)***.

Apart from this, a Coordinate Bench of this Court in ***J.S. Cheema Vs. State of Haryana, 2014(13) RCR (Civil) 355*****,** had held that an employee will be entitled for the interest on an amount which has been retained by the respondents without any valid justification. The relevant paragraph of ***J.S. Cheema's case (supra)*** is as under: -

> *"In my opinion, even if the assertion made in the written statement is presumed to be correct it would not disentitle the petitioner for claiming interest. 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."*

Keeping in view the above, the petitioner is held entitled for the grant of interest on the payments which were made beyond the period of two months of the retirement @ 6% per annum from the date the amount became due till the release of the same. Let the amount of interest, for which the petitioner became entitled for, be calculated by the respondents within a period of two months of the receipt of copy of this order and the amount so calculated be released to the petitioner within a period of one month thereafter.

The present writ petition is allowed in above terms.

July 06, 2022 **(HARSIMRAN SINGH SETHI)**
harsha **JUDGE**

Whether speaking/reasoned : Yes
Whether reportable : Yes