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THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

****

CWP-14908-2018
Date of Decision: 07.07.2022

Jaspal Singh

..... Petitioner

Versus

Punjab State Power Corporation Limited and others

..... Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

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

Ms. Malvika Singh, Advocate, for the respondents-PSPCL.

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

In the present petition, grievance of the petitioner is that the retiral benefits, for which he became entitled for upon his retirement, were released to him after a delay by the respondent-Department, and therefore, the petitioner becomes entitled for the grant of interest on the said delayed release of retiral benefits to him by the respondent-Department.

Learned counsel for the petitioner argues that the petitioner got retired from the services of the respondent-Department upon attaining the age of superannuation, i.e. on 30.04.2017, on which date, a show cause notice, which was issued to the petitioner on 28.11.2016, was pending consideration with the respondent-Department.

Learned counsel for the petitioner submits that the said show cause notice was taken to its logical end and appropriate order was passed on 17.11.2017 by the authorities concerned, imposing a cut of 2% in the pension of the petitioner for a period of one year. Learned counsel further submits that after the passing of the said order, there was no other impediment left in releasing the retiral benefits to the petitioner by the respondent-Department, which benefits should have been released to him within a period of two months thereafter, but the said benefits were released to the petitioner in April, 2018 by the respondent-Department, therefore, the petitioner is entitled for the grant of interest on the said delayed release of retiral benefits to him by the respondent-Department.

Upon notice of motion, the respondents have filed the reply, wherein they have stated that the proceedings were pending against the petitioner at the time of his retirement, due to which fact, certain retiral benefits of the petitioner were withheld, which act was well within the jurisdiction of the respondent-Department.

Learned counsel for the respondents submits that the show cause notice, which was issued to the petitioner on 28.11.2016, was decided by the authorities concerned on 17.11.2017, by imposing punishment of 2% cut in the pension of the petitioner for a period of one year, and thereafter, appropriate orders were passed by the authorities concerned on 15.03.2018 for releasing the gratuity amount and commutation of pension to the petitioner, which benefits were earlier withheld by the respondent-Department and the said benefits were released in favour of the petitioner in April, 2018 by the respondent-Department, hence it cannot be said that there is a delay in releasing the retiral benefits to the petitioner by the respondent-Department, which would entitled the petitioner for the grant of interest.

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

As per the settled principle of law laid down by the Full Bench of this Court while passing judgment in ***"A.S. Randhawa Vs. State of Punjab and others", 1997(3) SCT 468***, an employee who has not been released the pensionary benefits within a period of two months from superannuation, in case there is no impediment, becomes entitled for the grant of interest for the delay in releasing of the pensionary benefits. The relevant paragraph of the said judgment is as under:-

" - x - x -

8. 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. ...

- x - x -"

By applying the said ratio, whenever the impediment ceases to exist, the employee concerned is entitled for the grant of pensionary benefits to him/her by the Department within a period of two months of the said date. In the present case, the impediment due to which the petitioner's retiral benefits were withheld, ceased to exist on 17.11.2017, hence within a period of two months of the said date, the respondent-Department should have released the retiral benefits to the petitioner, but as the said benefits were released to the petitioner in April, 2018 by the respondent-Department, therefore, the petitioner becomes entitled for the grant of interest on the said delayed release of retiral benefits to him.

Keeping in view the above, the present petition is allowed and the petitioner is held entitled for the grant of interest at the rate of 6% per annum on the said delayed release of pensionary benefits to him by the respondent-Department from 15.01.2018 till the date of actual payment of the same to the petitioner in April, 2018.

Let the computation of interest, for which the petitioner becomes entitled for under this order, be carried out within a period of two months from the date of receipt of the copy of this order and the interest so calculated be paid to him within a period of next four weeks.

07.07.2022 **(HARSIMRAN SINGH SETHI)**
Apurva **JUDGE**

1. Whether speaking/reasoned : Yes
2. Whether reportable : Yes