IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

(226) **CWP-25500-2017**
Date of Decision : March 15, 2022

Shobha Rani **.. Petitioner**

Versus

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

(Through Video Conferencing)

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Rakesh Sobti, Advocate, for the petitioner.

Mr. Navdeep Chhabra, Deputy Advocate General, Punjab.

HARSIMRAN SINGH SETHI J. (ORAL)

Present petition has been filed for the grant of interest on the delayed release of the pensionary benefits.

Learned counsel for the petitioner argues that the petitioner attained the age of superannuation on 31.10.2012 but keeping in view the instructions issued by the Government of Punjab on 08.10.2012, the petitioner was given extension in service for a period of two years, which expired on 31.10.2014. Learned counsel for the petitioner submits that while serving the respondents-State on extension, the respondents posted the petitioner as a Principal for the very first time vide order dated 15.07.2014 which was to take effect from 01.08.2014 and the petitioner served at Government College Tanda Urmar from 01.08.2014 till she attained sixty years of age on 31.10.2014 but the actual pensionary benefits of the petitioner were released by the respondents after a delay of more than two months, hence, the petitioner, keeping in view the judgment of the Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others, 1997(3) SCT 468,*** is entitled for the grant of interest on the delayed release of the pensionary benefits.

Learned counsel for the petitioner submits that the claim of the petitioner for the grant of interest has wrongly been rejected by the respondents vide impugned order dated 14.08.2017 (Annexure P-4) wherein, it has been mentioned that it was the the petitioner, who had submitted her documents after a considerable delay, which act on the part of the petitioner has delayed the release of the pensionary benefits and therefore, the petitioner is not entitled for the grant of interest. The said order dated 14.08.2017 (Annexure P-4) is under challenge in the present petition.

Learned counsel for the respondents submits that in fact, at the time when the petitioner attained the age of superannuation on 31.10.2012, her case for the release of pensionary benefits was complete and even the pension payment orders were already issued but the same could not be implemented as the petitioner was granted extension in service on 01.11.2012 onwards till 31.10.2014. Learned counsel for the respondents further submits that as the pension payment orders already issued were to be deposited back and got cancelled which the petitioner did not do, her pensionary benefits could not be released within a period of two months of her attaining the age of retirement on 31.10.2014 and therefore, the prayer of the petitioner for the grant of interest has rightly been declined.

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

The only reason given by the respondents in delay in release of the pensionary benefits that the petitioner herself being officiating principal, did not submit the pension paper within time frame i.e. six months prior to the date of retirement. The factual averments which have been narrated hereinbefore, makes it clear that it was only on 01.08.2014, the petitioner joined the respondents-College as an official. That being so, the burden being put upon the petitioner by the respondents is factually incorrect. The second argument which is being taken by the respondents that the pension payment order already issued to the petitioner, were not got cancelled by the petitioner prior to her retirement on 31.10.2014 which has led to the delay in release of the pensionary benefits. The said averment is also incorrect.

In paragraph 2 of the preliminary submission, the respondents themselves have admitted that all the original PPOs were returned to the Accountant General Punjab by the College on 09.04.2013 i.e. approximately one and half year before the petitioner was to attain the superannuation on 31.10.2014. That being so, the stand being taken by the respondents to contend that the delay in release of the pensionary benefit is attributed to the petitioner, is incorrect and against the record.

A Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others, 1997(3) SCT 468,*** has held that employees are entitled for the release of the pensionary benefits within a reasonable time of their retirement unless there is a justifiable cause to withheld the same. In the present case, there was no justifiable cause with the respondents to retain the pensionary benefits of the petitioner. 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."*

Further, a Coordinate Bench of this Court in of ***J.S. Cheema Vs. State of Haryana, 2014(13) RCR (Civil) 355*, **has held that where an amount belonging to an employee, has been retained and used by the respondents, upon the release of the said amount, on a later date, the interest has to be given. The relevant paragraph of ***J.S. Cheema's case (supra)*** 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."

The case of the petitioner is squarely covered by the above said decisions in her favour for the grant of interest on the delayed payment.

Resultantly, the prayer of the petitioner is allowed. Petitioner is held entitled for the interest @ 6% per annum on the retiral benefits released to her after a delay of two months from the date of her retirement. The petitioner will be entitled for interest from the date the amount became due till the same is released. Let the computation of interest be done by the respondents within a period of two months from the receipt of certified copy of this order and the amount so calculated shall be paid to the petitioner within a period of three weeks thereafter.

The writ petition is allowed in above terms.

March 15, 2022 **(HARSIMRAN SINGH SETHI)**
harsha **JUDGE**

Whether speaking/reasoned : Yes
Whether reportable : Yes