IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

(240) **CWP-21559-2020**
Date of Decision : March 10, 2022

Baldev Singh **.. Petitioner**

Versus

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

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Nitesh Singla, Advocate, for the petitioner.

Mr. Navdeep Chhabra, DAG, Punjab

Mr. Sehajbir Singh Aulakh, Advocate, for respondent No.4.

HARSIMRAN SINGH SETHI J. (ORAL)

Reply on behalf of respondents No. 1 to 3 has been filed in the Court today and the same is taken on record.

Present petition has been filed for the grant of interest to the petitioner in respect of the delayed release of the pensionary benefits.

Learned counsel for the petitioner argues that the petitioner, who was working as a Clerk with Nagar Council, Mansa, on attaining the age of superannuation, retired from service on 30.09.2012. Learned counsel for the petitioner submits that though certain amount was released to the petitioner immediately within the time frame of two months of his retirement but certain payments were released to the petitioner after a period of two months for which, the petitioner is entitled for interest keeping in view the judgment of ***A.S. Randhawa Vs. State of Punjab and others, 1997(3) SCT 468.***

Learned counsel appearing on behalf of respondent No.4 submits that details have already been given with regard to the payments, which have been extended to the petitioner and though, there is a delay in release of some of the payments but the same is procedural delay and is not intentional and therefore, respondent No.4 is not liable to pay interest on the said delay in payments.

Learned counsel appearing on behalf of the respondents-State submits that as the payments were required to be made by the Nagar Council i.e. respondent No.4 is a contested respondent in the present case.

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

It is not disputed that the petitioner retired from service on attaining the age of superannuation on 30.09.2012. It is further not disputed that at the time of retirement, there was no impediment in the release of the pensionary benefits of the petitioner. That being so, keeping in view the judgment of this Court in ***A.S. Randhawa Vs. State of Punjab and others, 1997(3) SCT 468,*** the pensionary benefits of an employee are to be released within a period of two months of the retirement. The relevant paragraph 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 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."

As there is a delay in releasing the pensionary benefits of the petitioner, which is clear from the Chart Annexure R-2 attached by respondent No.4, which is beyond two months, the petitioner is entitled for interest on the delayed payments, which have been made after 01.12.2012 onwards.

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 his favour for the grant of interest on the delayed payment.

Resultantly, the prayer of the petitioner is allowed qua the payments which have been released after two months of his retirement. Petitioner is held entitled for the interest @ 9% per annum on the payment, which have been released after 01.12.2012 onwards till the same were released to him. Let the calculation 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 four weeks thereafter.

The writ petition is allowed in above terms.

March 10, 2022 **(HARSIMRAN SINGH SETHI)**
harsha **JUDGE**

Whether speaking/reasoned : Yes
Whether reportable : Yes