

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

220

CWP-21339-2018

Date of Decision : 25.03.2022

Hari Singh

... Petitioner

Versus

State of Punjab and others

... Respondents

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

Present: Mr. Harmanpreet Singh, Advocate for  
Mr. J.S. Jaidka, Advocate  
for the petitioner.

Mr. Kannan Malik, AAG, Punjab.

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**Harsimran Singh Sethi, J.(Oral)**

The present petition has been filed for grant of interest on the delayed payment of the gratuity admissible to the petitioner.

Learned counsel for the petitioner argued that the petitioner retired from service as Ayurvedic Medical Officer on 31.03.2016, but, without any valid justification, his gratuity was not released by the respondents. Learned counsel for the petitioner submits that the gratuity of the petitioner was released by the respondents only on 09.03.2018 and therefore, the petitioner is entitled for the grant of interest for a period of 2 years.

Learned State counsel submits that though, the petitioner retired from service on 31.03.2016, the delay in the release of gratuity occurred due to the procedure which was to be followed for the release of the gratuity as

certain objections were raised by the office of the Accountant General, which were required to be cleared first. Learned counsel submit that as the delay was not intentional, the prayer of the petitioner may kindly be declined.

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

It is the conceded fact that the petitioner retired from service on 31.03.2016, on which date, there was no impediment for release of the pensionary benefits for which the petitioner was entitled. It is also a conceded fact that the gratuity was released to the petitioner on 09.03.2018, even though, there was no impediment in the release of the same. Keeping in view the settled principles of law settled by the Full Bench of this Court in **A.S. Randhawa's case (supra)**, wherein it has been held that in case there is no impediment in the release of the pensionary benefits, the same has to be released within a period of two months failing which, the employee is entitled for the grant of interest. The 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 retiree 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.”*

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.”*

Keeping in view the above, the delay in the release of the gratuity which has occurred in the present case, is attributable to the respondents and not the petitioner and the petitioner has made out the case for grant of interest keeping in view the principles of law cited herein. Petitioner is held entitled for the grant of interest @ 6% per annum from the date of gratuity became due

till the payment of the same. Let the interest be computed within a period of two months from the receipt of a certified copy of this judgment and the amount so calculated shall be paid to the petitioner within a period of one month thereafter.

The writ petition is allowed in above terms.

25.03.2022

anju

(HARSIMRAN SINGH SETHI )  
JUDGE

|                                   |               |
|-----------------------------------|---------------|
| <i>Whether speaking/reasoned?</i> | <i>Yes/No</i> |
| <i>Whether reportable?</i>        | <i>Yes/No</i> |