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

(250) **CWP No. 25605 of 2021**
Date of Decision : 13.09.2023

Raj Rani

...Petitioner

Versus

The Secretary to Hon'ble Governor and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Mukesh Kumar Sharma, Advocate for the petitioner.

Mr. R.K.S. Brar, Additional Advocate General, Haryana.

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Harsimran Singh Sethi J. (Oral)

The present petition has been filed seeking the release of the pensionary benefits along with interest.

Learned counsel for the petitioner submits that though, during the pendency of the present petition, the benefits have already been released to the petitioner but the claim of the petitioner for the grant of interest is yet to be adjudicated.

Learned counsel for the petitioner argues that even from the written statement, the only reason given by the respondents for the non-payment of the amount to the petitioner is paucity of the funds, which is not a valid reason so as to withhold the pensionary benefits, hence, as per the judgment of the Full Bench of this Court in **A.S. Randhawa Vs.**

State of Punjab and others, 1997(3) SCT 468, as the pensionary benefits were released after a period of two months, the petitioner is entitled for interest.

Learned counsel for the respondents, on the other hand, submits that as there was paucity of funds, the benefits could not be released but as soon as the funds became available, the benefits have been released to the petitioner, hence, 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.

In the present petition, from the facts it is clear that there was no impediment in the release of the pensionary benefits but the same were not released due to paucity of the funds, which reason is not a justifiable reason keeping in view the settled principle of law.

Further, as per the judgment of a Full Bench of this Court in **A.S. Randhawa Vs. State of Punjab and others, 1997(3) SCT 468,** where there is an inordinate delay and the delay is not justifiable, employee will be entitled for 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."

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 and used by the respondents without any valid justification. 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 claim of the petitioner for the grant of interest is valid as per the facts and circumstances of the present case coupled with the settled principles of law noticed here-in-before, hence, petitioner is held entitled for interest @ 6% per annum from the date the pensionary benefits became due till the actual release of the same. Let the respondents calculate the interest for which the petitioner has been entitled for under this order and the same be released to her within a period of two months from the receipt of certified copy of this order.

Petition is allowed in above terms.

September 13, 2023 **(HARSIMRAN SINGH SETHI)**
kanchan **JUDGE**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No