IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-7561-2021
Date of decision : 27.11.2024

Madan Lal .….Petitioner

V/S

State of Punjab and others ...Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Mr. Divyansh Vats, Advocate for
Mr. H.S. Batth, Advocate for the petitioner.

Mr. Surya Kumar, A.A.G., Punjab.

Mr. Jagat Vir Dhindsa, Advocate for respondent No.4.

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NAMIT KUMAR, J. (ORAL)

1. The petitioner has filed the instant writ petition under Articles 226/227 of the Constitution of India, seeking a writ in the nature of mandamus, directing the respondents to release all the retiral benefits of the petitioner including gratuity, leave encashment, provident fund, pension etc. along with interest @ 18% per annum from the date of its accrual till its actual realization.

2. Brief facts of the case, as have been pleaded in the petition, are that the petitioner served as Junior Assistant with respondent No.4 and retired on attaining the age of superannuation on 31.07.2020 with unblemished service record. However, the respondents have not released all his retiral benefits at the time of his retirement. Thereafter, the petitioner made various representations to the

respondents for releasing his retiral dues but to no avail. Hence, the present petition.

3. Learned counsel for the petitioner submits that although during the pendency of the present petition all the retiral benefits have been released to the petitioner, however, the same have been released without any interest. Since the retiral dues of the petitioner have been released after a considerable delay, therefore, the petitioner is entitled for interest on the same. The retiral dues have been released to the petitioner in the following manner :-

Sr. No.	**Cheque dated**	**Amount (Rs.)**
1	30.07.2020	1,00,000/-
2	14.07.2021	6,89,197/-
3	13.08.2021	1,00,000/-
4	16.08.2021	1,10,000/-
5	11.07.2022	2,60,280/-
Total		**12,59,477/-**

4. Per contra, learned State counsel and learned counsel for respondent No.4 have submitted that all the retiral benefits of the petitioner have been released and nothing remains to be paid. However, learned counsel for respondent No.4 submits that due to financial crises faced by the department, some delay has occurred in releasing the retiral benefits of the petitioner which is not intentional. He further submits that since all the retiral dues have been released to the petitioner, therefore, the instant petition has been rendered infructuous.

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

6. Admittedly, the petitioner has retired from service on attaining the age of superannuation on 31.07.2020. Since either before or after retirement, no departmental/criminal proceedings were pending against the petitioner, therefore, his retiral dues were required to be released on the date of retirement or within a reasonable time after his retirement. However, his retiral dues amounting to Rs.12,59,477/- have been released in installments from 30.07.2020 to 11.07.2022. Since, there is a considerable delay in releasing the retiral benefits to the petitioner, therefore, the petitioner cannot be denied the benefit of interest on the same.

7. A Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others : 1997(3) S.C.T. 468*** has held that where there is an inordinate delay in releasing benefits and the delay is not justifiable, employee will be entitled for interest. The relevant paragraph of said judgment is as under:-

> *"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 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."*

8. 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 by the respondents without any valid justification. The relevant paragraph of the said judgment is as under: -

> *"5. ....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."*

9. In view of the above factual position and settled principles of law, the present petition is disposed of with a direction to respondent No.4 to pay interest @ 6% per annum to the petitioner, on the delayed payment of retiral dues, w.e.f. 01.11.2020 (i.e. after three months of his retirement) till the actual date of payment, within a period of 03 months from the date of receipt of certified copy of this order.

27.11.2024 **(NAMIT KUMAR)**
kothiyal **JUDGE**

Whether speaking/reasoned: Yes/No

Whether Reportable: Yes/No