



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

255+106

CWP-8316-2023 (O&M)
Date of decision : 14.05.2024

Gurpyar Singh

...Petitioner

V/S

The Punjab State Warehousing Corporation

....Respondent

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Mr. Tahaf Bains, Advocate for the petitioner.

Mr. Deepak Gupta, Advocate for the respondent.

NAMIT KUMAR, J. (ORAL)**CM-7064-CWP-2024**

Prayer in the instant application filed under Section 151 of CPC is for placing on record replication to the written statement filed on behalf of the respondent along with Annexures P/17 to P/19 and exemption from filing certified/typed copies of Annexures P/17 to P/19.

Allowed as prayed for.

CWP-8316-2023

1. The petitioner, who is a senior citizen of the age of 72 years, has filed the instant writ petition under Articles 226 and 227 of the Constitution of India, seeking a writ of certiorari for quashing the orders dated 08.06.2022 (Annexure P-11) and 25.03.2022 (Annexure P-8) passed by the respondent, whereby the claim of the petitioner for grant of interest on the delayed payment of retiral benefits has been rejected. Further sought a writ of mandamus for directing the



respondent to release the interest on the delayed payment of retiral benefits of the petitioner.

2. Brief facts of the case, as have been pleaded in the petition, are that the petitioner was appointed as an Account Clerk in the respondent-Corporation on 13.07.1978 and retired from the post of Godown Assistant, on attaining the age of superannuation, on 31.01.2009. The respondent-Corporation has not released his retiral benefits and after a period of 05 years of his retirement, they issued a show cause notice to him on 29.01.2014 on the allegations pertaining to the year 2007. The said show cause notice was withdrawn by the respondents vide order dated 27.12.2021/05.01.2022 (Annexure P-5) and thereafter, the retiral dues of the petitioner were released. The petitioner submitted representation and legal notice to the respondent for grant of interest on the delayed payment of retiral benefits which were considered and rejected by the respondent-Corporation vide impugned orders dated 25.03.2022 and 08.06.2022 without assigning any reason whatsoever. Hence, the present petition.

3. Written statement on behalf of the respondent-Corporation has been filed in the Court which is taken on record. Copy thereof has been supplied to learned counsel for the petitioner. In the said written statement, it has been averred as under :-

“xx xx xx xx xx

2. *That it would be pertinent to mention here that the petitioner was retired from the respondent department and after his retirement one show cause notice was issued to the petitioner on 29.01.2014 for the allegations pertaining to the year 2007 and due to this reason all the retiral*



benefits of the petitioner were not released to him. It is pertinent to mention here that as and when the above show cause notice was withdrawn from the petitioner vide order dated 05.01.2022 then immediately the pending retiral benefits of the petitioner were released to him on 27.01.2022. Some of the retiral benefits of the petitioner were hold due to pendency of show cause notice and there is no malafide delay and therefore, the petitioner is not entitled for any interest on the payment of retiral benefits. Therefore, there are no merits in the above writ petition and the same is liable to be dismissed.

xx xx xx xx xx”

4. Learned counsel for the petitioner submits that there was nothing adverse against the petitioner on the date of his retirement and after 05 years of his retirement a show cause notice dated 29.01.2014 was issued for the allegations relating to the year 2007 and on reply being filed by the petitioner to the said show cause notice, the same was withdrawn by the respondents vide order dated 27.12.2021/ 05.01.2022 and therefore, the petitioner is entitled for grant of interest on the retiral dues which have been released after a considerable delay.

The retiral dues have been released on the following dates :-

Sr. No.	Date	Amount (in Rs.)	Remarks
1.	29.05.2012	3,74,651/-	Gratuity
2.	21.01.2022/ 27.01.2022	2,54,614/-	Leave Encashment
3.	21.01.2022/ 27.01.2022	60,716/-	Gratuity

5. On the other hand, learned counsel for the respondent, while referring to the averments made in the written statement, submits that all the retiral dues of the petitioner have been released after the



show cause notice dated 29.01.2014 was withdrawn and there is no intentional delay on the part of the respondents.

6. I have heard learned counsel for the parties and gone through the relevant documents.

7. Admittedly the petitioner retired on 31.01.2009 and except for issuance of show cause notice dated 29.01.2014, there was nothing adverse against the petitioner. Since the said show cause notice was also withdrawn on 27.01.2021/05.01.2022, therefore, the petitioner cannot be denied the benefit of interest on the delayed payment of retiral dues.

8. 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:-

“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.”



9. 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: -

“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.”

10. In view of the above factual position and settled principles of law, the present petition is allowed and the respondent-Corporation is directed to pay interest @ 6% per annum to the petitioner, on the delayed payment of retiral dues w.e.f. 01.04.2009 (i.e. after two 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.

14.05.2024
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(NAMIT KUMAR)
JUDGE

Whether speaking/reasoned:	Yes/No
Whether Reportable:	Yes/No