# IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

**(272)** **CWP No. 16551 of 2022**
**Date of Decision : 20.11.2024**

**Paramjit Kaur**

**...Petitioner**

**Versus**

**State of Punjab and others**

**...Respondents**

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

Present: None for the petitioner.

Mr. T.P.S. Chawla, Senior Deputy Advocate General, Punjab.

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

1. In the present petition, the grievance being raised by the petitioner is that she is entitled for interest on the delayed release of the General Provident Fund, which was actually released after more than two years of her retirement.

2. Notice of motion was issued and the respondents have filed the reply, wherein, the respondents have submitted that the petitioner was retired on 30.09.2020 but as there was a heavy rush for the release of the cases of General Provident Fund keeping in view the fact that certain pendency occurred due to the Pandemic of Covid-19, ultimately, the General Provident Fund of the petitioner amounting to ₹17,88,811/- was released on 23.05.2022. Learned counsel for the respondents submits that as there was a valid justification for not releasing the General Provident Fund, the petitioner is not entitled for interest.

3. I have heard learned counsel for the respondents and have gone through the record with his able assistance.

4. Once, 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,** in case, there is no impediment in the release of the pensionary benefits, the same are to be released within a period of two months of the retirement, failing which, 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."*

5. The respondents are under obligation to compensate the petitioner for the delay which has occurred. The delay is inordinate. The effect of Pandemic of Covid-19 started to reduce at the time of the retirement of the petitioner but still, the respondents took their own sweet time of more than one and half year to release the benefit of General Provident Fund.

6. 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 **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."*

7. Keeping in view the fact that the amount belonging to the petitioner has been retained and used by the respondents, the petitioner is entitled for the interest on the delayed release of the General Provident Fund, hence, the claim of the petitioner is allowed. Petitioner is held entitled for interest @ 6% per annum from the date the petitioner retired till the actual payment of the General Provident Fund. Let this order be complied with within a period of eight weeks of the receipt of copy of this order.

Petition is allowed in above terms.

**November 20, 2024** **(HARSIMRAN SINGH SETHI)**
*kanchan* **JUDGE**

*Whether speaking/reasoned : Yes*
*Whether reportable : No*