IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-22030-2020
Date of decision : 29.07.2024

Vinay Kumar .....Petitioner

V/S

Punjab Water Resources Management and Development Corporation Limited and others ...Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Mr. Ankit Midha, Advocate for the petitioner.

Mr. Himmat Singh Sidhu, Advocate for
Mr. Satveer Singh Badal, Advocate for the respondents.

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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 the interest on the delayed payment of leave encashment and gratuity of the petitioner.

2. Brief facts of the case, as have been pleaded in the present petition, are that the petitioner had joined the services of the respondents as Junior Engineer on 16.04.1980. He was promoted as Sub-Divisional Engineer on 30.10.2015 and retired as such on attaining the age of superannuation on 31.01.2018. However, amount of gratuity of Rs.10,00,000/- and leave encashment of Rs.9,37,630/- have been released to the petitioner on 17.10.2019 i.e. after a delay of more than 01 year and 10 months without any interest. Thereafter, the petitioner approached this Court by filing CWP No.324 of 2020 titled as Vinay Kumar Vs. Punjab Water Resources Management and Development

Corporation Ltd. and others' for grant of interest on the delayed payment of retiral dues which was dismissed as withdrawn by this Court vide order dated 09.01.2020 with liberty to the petitioner to claim interest from the respondents-Corporation. The petitioner submitted representation to the respondents on 13.01.2020, seeking release of interest on the delayed payment of retiral dues but no action was taken on the same. Reminder to the representation was also issued to the respondent-Corporation by the petitioner vide letter dated 28.09.2020 but to no avail. Hence, this petition.

3. Learned counsel for the petitioner submits that the petitioner has retired from service on attaining the age of superannuation on 31.01.2018 with clean service record. However, amounts of gratuity of Rs.10,00,000/- and leave enacashment of Rs.9,37,630/- have been released to the petitioner on 17.10.2019. Since there is a considerable delay in releasing the retiral dues of the petitioner, therefore, the petitioner is entitled for interest on the same.

4. Per contra, learned counsel for the respondents-Corporation, while referring to the contents of the reply filed on behalf of respondents-Corporation, submits that at the time of retirement of the petitioner, a complaint was pending against him with Vigilance Bureau, Punjab at Chandigarh and subsequently, he was exonerated from the inquiry. Due to pendency of the said complaint, the delay occurred in releasing the retiral dues of the petitioner which is entirely procedural and not intentional.

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

6. Admittedly, the petitioner has retired from service on attaining the age of superannuation on 31.01.2018 and gratuity of Rs.10,00,000/- and leave encashment of Rs.9,37,630/- have been released to him on 17.10.2019 after a lapse of more than 01 year and 10 months. Since there is a considerable delay in releasing the payment of retiral dues 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:-

> *"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: -

> *"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 allowed and the respondents are directed to pay interest @ 6% per annum to the petitioner, on the delayed payment of gratuity and leave encashment, w.e.f. 01.05.2018 (i.e. after three months of his retirement) till the actual date of payment, within a period of three months from the date of receipt of certified copy of this order.

29.07.2024 **(NAMIT KUMAR)**
kothiyal **JUDGE**

Whether speaking/reasoned: Yes/No

Whether Reportable: Yes/No