IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-23583-2021
Date of decision : 06.05.2024

Asha Rani ….Petitioner

V/S

State of Punjab and others ….Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Mr. Gaurav Kalsi, Advocate for
Mr. H.S. Batth, Advocate for the petitioner.

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

Mr. Mohit Kansal, Advocate for
Mr. Swarn Tiwana, 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 and 227 of the Constitution of India seeking a writ of certiorari for quashing the order dated 30.09.2021 (Annexure P-7), passed by respondent No.4, whereby the retiral benefits of the petitioner has been refused to be released on account of crunch of funds and claim of the petitioner for grant of interest on the delayed payment of retiral benefits has also been rejected.

2. Brief facts of the case, as have been pleaded in the petition, are that the petitioner has served as Peon with respondent No.4 and retired as such on 31.07.2020, on attaining the age of superannuation. Out of total amount of retiral benefits i.e. Rs.15,00,035/-, only Rs.1,00,000/- has been disbursed to the petitioner at the time of her retirement and thereafter, on two occasions, an amount of Rs.2,15,000/-

has been disbursed to the petitioner. The amount of Rs.11,85,035/- is still due. The petitioner made several representations to the respondents for releasing her retiral dues but to no avail. Thereafter, for releasing her retiral dues, the petitioner had approached this Court by filing CWP No.16546 of 2021, which was disposed of by this Court, vide order dated 26.08.2021, by directing the respondents to consider the representations of the petitioner and decide the same, in accordance with law, by passing a speaking order, preferably, within a period of one month from the date of passing of the order. Pursuant to order dated 26.08.2021, passed by this Court, respondent No.4 has passed the impugned order dated 30.09.2021 and the remaining retiral benefits have been released during the pendency of the present petition.

3. Learned counsel for the petitioner submits that the petitioner has retired from service on 31.07.2020 and since the retiral dues of the petitioner have been released after the petitioner has approached this Court and after a considerable delay, therefore, she is entitled for interest on the delayed payment of retiral dues in view of the law laid down by a Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others : 1997(3) S.C.T. 468*** and ***J.S. Cheema Vs. State of Haryana : 2014(13) RCR (Civil) 355***. The details of payment of retiral dues to the petitioner is as under :-

Sr. No.	**Amount (Rs.)**	**Date**
1.	1,00,000/-	31.07.2020
2.	15,000/-	31.07.2021
3.	1,00,000/-	27.04.2021
4.	1,00,000/-	15.06.2021

5.	11,85,035/-	11.07.2022
Total	**15,00,035/-**	

4. On the other hand, learned counsel for respondent No.4, while referring to the averments made in the reply, submits that all the retiral dues have already been paid to the petitioner and nothing remains to be paid. However, he conceded the fact that due to shortage of funds, delay has occurred in releasing the retiral dues to the petitioner and the same is not intentional.

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

6. Since either before or after the retirement of the petitioner, no departmental/criminal proceedings were pending against him, therefore, the retiral benefits of the petitioner were required to be released within a reasonable time after her retirement and since there is a considerable delay in releasing the same, therefore, the petitioner cannot be denied the benefit of interest on the delayed payment of retiral dues.

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. The impugned order dated 30.09.2021 (Annexure P-7) is set aside and respondent No.4 is directed

to pay interest @ 6% per annum to the petitioner, on the delayed payment of retiral dues w.e.f. 01.10.2020 (after two months of her retirement) till the actual date of payment, within a period of 03 months from the date of receipt of certified copy of this order.

06.05.2024 **(NAMIT KUMAR)**
kothiyal **JUDGE**

Whether speaking/reasoned: Yes/No

Whether Reportable: Yes/No