



CWP-23646-2022

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**244 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH****CWP-23646-2022****Date of decision: 21.05.2024****RANI****...PETITIONER****VERSUS****STATE OF PUNJAB AND ORS.****...RESPONDENTS****CORAM: HON'BLE MR. JUSTICE NAMIT KUMAR**

Present: Mr.Kuljit Singh, Advocate for the petitioner.

Ms. Arundhati Kulshreshtha, AAG, Punjab.

Mr. Rohit Gupta, Advocate for respondent No.3.

NAMIT KUMAR, J. (ORAL)

1. The instant petition has been filed by the petitioner under Articles 226/227 of the Constitution of India for issuance of a writ of mandamus for directing the respondents to release the remaining amount of service-cum-retiral dues including gratuity, provident fund, leave encashment etc. along with the interest.

2. The petitioner retired from service, on attaining the age of superannuation, on 30.06.2022 as Safai Sewika from the office of respondent No.3-Municipal Corporation, Abohar. It is the case of the petitioner that only Rs.1,00,000/- was released to the petitioner after her retirement and the remaining retiral benefits have not been released despite making various representations.

3. On issuance of notice of motion, separate replies have been filed by



respondent Nos.1 & 2 and 3.

4. Learned counsel for respondent No.3, on instructions from the Commissioner, Municipal Corporation, Abohar, submits that all the retiral dues of the petitioners have been released in the following manner:-

Provident Fund	Rs.1,00,000 paid vide cheque No.191785 dated 08.07.2022
Gratuity and Leave Encashment	Rs.19,38,978/- paid vide cheque No.632233 dated 10.03.2023
Balance Provident Fund	Rs.4,10,061/- paid vide cheque No.866968 dated 25.09.2023

5. Learned counsel for the petitioner submits that although, the said payments have been released after filing of the present petition, however, the same have been released after a considerable delay and since, there was nothing adverse against the petitioner on the date of retirement or thereafter, therefore, she is entitled for the grant of interest.

6. Learned counsel for the respondents could not refute the contention raised by learned counsel for the petitioner.

7. I have heard learned counsel for the parties and perused the record.

8. Admittedly, the petitioner retired from service, on attaining the age of superannuation, on 30.06.2022. Since either before or after the retirement of the petitioner, no departmental/criminal proceedings were pending against her, therefore, her retiral benefits were required to be released within a reasonable time. Having not released the retiral dues of the petitioner in time hence, the petitioner is held entitled for interest @ 6% per annum.

9. A Full Bench of this Court in *A.S. Randhawa Vs. State of Punjab*



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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.”

10. Apart from this, a Coordinate Bench of this Court in **J.S. Cheema Vs. State of Haryana : 2014(13) RCR (Civil) 355**, has 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



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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."

11. In view of the above factual position and settled principle of law, the present petition is disposed of with a direction to respondent No.3 to pay interest @ 6% per annum to the petitioner, on the delayed payment of retiral dues w.e.f. 01.09.2022 (after two months of her retirement) till the actual date of payment, within a period of 02 months from the date of receipt of certified copy of this order.

21.05.2024

*renubala***(NAMIT KUMAR)**
JUDGE

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No