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

(264) **CWP No. 776 of 2023 (O&M)**
Date of Decision : 08.07.2025

Harinder Singh

...Petitioner

Versus

State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Abhishek K. Premi, Advocate for the petitioner.

Mr. Ravinder Singh Rawal, A.A.G., Punjab.

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Harsimran Singh Sethi J. (Oral)

1. In the present petition, the challenge is to the order dated 22.12.2022 (Annexure P-14) by which, the claim of the petitioner for the grant of interest on the delayed release of the pensionary benefits has been declined.

2. Learned counsel for the petitioner argues that there was no impediment in the release of the pensionary benefits but, it is the respondents who did not release the retiral benefits within a period of two months as directed by the Full Bench of this Court in **A.S. Randhawa Vs. State of Punjab and others, 1997(3) SCT 468** hence, the petitioner is liable to be compensated by the grant of interest on the delayed release of retiral benefits, which claim has wrongly been rejected by the respondents while passing the impugned order dated 22.12.2022 (Annexure P-14).

3. Learned counsel for the respondents submits that the petitioner filed the pension paper 42 days before the date of his retirement i.e. 31.03.2020 and thereafter, the pensionary benefits of the petitioner were calculated and released starting from May, 2020 onward till 12.10.2022 hence, as there was no intentional delay but the same was procedural delay, no interest can be granted.

4. I have heard learned counsel for the parties and have gone through the record with their able assistance.

5. The issue with regard to the grant of interest on the delayed release of the pensionary benefits has been settled by the Full Bench of this Court in ***A.S. Randhawa's case (supra).*** 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."*

6. A bare perusal of the above would show that in case, there was no impediment in the release of the pensionary benefits of an employee, the same has to be released within a period of two months of the retirement, failing which an employee is liable to be compensated by the grant of interest.

7. 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."*

8. Learned counsel for the respondents has not been able to point out any impediment in the release of the pensionary benefits of the petitioner. The petitioner had filled up the pension papers prior to his retirement, whereas the delay in releasing of the pensionary benefits ranges from two months to two years, which cannot be accepted.

9. Keeping in view the totality of the circumstances, the petitioner is held entitled for interest @ 6% per annum on the delayed release of his pensionary benefits keeping in view the date on which date the same became due and the date the same was ultimately released in favour of the petitioner. Let the order be complied with within a period of eight weeks of the receipt of copy of this order.

10. Present petition is allowed in above terms.

11. Pending miscellaneous application, if any, also stands disposed of.

July 08, 2025 **(HARSIMRAN SINGH SETHI)**
kanchan **JUDGE**

Whether speaking/reasoned : Yes
Whether reportable : No