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

255 CWP-3257-2022 (O & M)
Date of decision: 10.02.2025

Pawan Kumar
....Petitioner

Versus

State of Punjab and Others ...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present : Mr. Vijay Rana, Advocate,
for the petitioner

Mr. Satnam Preet Singh Chauhan, DAG, Punjab.

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**AMAN CHAUDHARY, J. (ORAL)**

1. Prayer made in the present petition is for quashing the order dated 09.02.2021, Annexure P-7, whereby claim of the petitioner for grant of interest on the delayed payment of retiral benefits has been rejected.

2. The petitioner retired as a Superintendent Grade-I on 30.06.2017, however, the leave encashment and DCRG were paid on 30.11.2017, GPF on 28.11.2017 and GIS on 26.10.2017, with regard to which there is no explanation or justification much less sufficient in the written statement, however, with regard to the pension having been released on 07.12.2017, the plea taken is that it was the petitioner, who was to submit the documents eight months before the retirement, which he

submitted only on 17.08.2017, and is not entitled to any interest, which the learned counsel for the petitioner could not controvert.

3. Hon'ble the Supreme Court in the case of **The State of Andhra Pradesh and another vs. Smt. Dinavahi Lakshmi Kameswari,** SLP (C) No.12553 of 2020, decided on 08.02.2021, wherein on account of deferred salaries and pensions, interest at the rate of 6% per annum was granted, reduced the same from 12% as granted by the High Court.

4. Stressing on the importance of granting pension, Hon'ble the Supreme Court in **State of Kerala vs. M. Padmanabhan Nair,** (1985) 1 SCC 429, held that, "Pension and gratuity are no longer any bounty to be distributed by the Government to its employees on their retirement but have become, under the decisions of this Court, valuable rights and property in their hands and any culpable delay in settlement and disbursement thereof must be visited with the penalty of payment of interest at the current market rate till actual payment."

5. In **A.S. Randhawa vs. State of Punjab and others** 1997(3) SCT 468**, Vijay L. Mehrotra vs. State of UP** 2001 (9) SCC 687 and **J.S. Cheema vs. State of Haryana** 2014(13) RCR (Civil) 355, it was held that indisputably a retiree is entitled to compensation for delayed payments, most equitably addressed through interest on the due amount from the date of superannuation, particularly when no valid justification for the delay exists, emphasizing that the retirement of a government employee triggers an immediate entitlement to pension and related

benefits, placing a statutory obligation on the State to ensure disbursement within a reasonable timeframe, typically no longer than two months. Failure to do so entitles the retiree to compensation via interest and the Court likened such interest to “rent for the usage of money” that rightfully belonged to the petitioner but was unjustly retained and utilized by the State.

6. Any unwarranted delay in disbursing pension and other retiral benefits, a vested right, necessitates recompense through interest, not merely as compensation for the deprivation suffered but as redress for the undue advantage wrongfully accrued to the respondents, serving as reparation rather than a penalty.

7. In view of the above, the present petition is disposed of with a direction to respondent No.1 to pay interest @ 6% per annum to the petitioner on the leave encashment, GPF, GIS, DCRG amounts, from the date it fell due till actual date of payment. Needful be done within a period of three months.

10.02.2025 **(AMAN CHAUDHARY)**
parveen kumar **JUDGE**

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