IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

247 CWP-17162-2021 (O & M)
Date of decision: 04.03.2025

Sajjan Singh
....Petitioner

Versus

State of Punjab and Others
...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present : Mr. Sonu Bhatia, Advocate for
Mr. Surmukh Singh, Advocate,
for the petitioner.

Mr. Satnam Preet Singh Chauhan, DAG, Punjab.

AMAN CHAUDHARY, J. (ORAL)

1. Prayer made in the present petition is for quashing the order dated 15.07.2020, vide which claim of the petitioner for interest on the delayed payment of retiral benefits has been rejected.

2. The petitioner, who was appointed as a Medical Officer on 16.07.2018, retired on attaining the age of superannuation on 30.11.2016 from the post of Senior Medical Officer, CHC Bhawanigarh, Sangrur, however, leave encashment was paid on 06.12.2017, gratuity on 09.05.2017 and GIS on 16.07.2018.

3. Learned State counsel while referring to para 4 of preliminary submissions of reply filed by way of affidavit of Sr. Medical Officer, Incharge, CJC, Bhawanigarh, dated 12.07.2022, submits that the

delay occurred due to closure of the financial year 2016-17 and the bills were not passed by the District Treasury and sent back to the Department in April, 2017 and thus, due to the procedural reason, the amount could not be released, which cannot be said to be a plausible justification.

4. 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, reducing the same from 12% as granted by the High Court.

5. 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."

6. 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.

7. The delay in releasing the pensionary benefits, a treasured right, entitles the petitioner to interest thereon, having been deprived of the amount with which, the respondents unjustly enriched themselves, which is by way of compensation and not penalty.

8. In view of the above, the present petition is disposed of with a direction to the respondents to pay the interest to the petitioner at the rate of 6% per annum on the pensionary benefits from the date it fell due till the actual date of payment. Needful be done within a period of three months.

04.03.2025 **(AMAN CHAUDHARY)**
parveen kumar **JUDGE**

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