IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

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CWP-19694-2021
Date of decision: 17.02.2025

Ajit Singh ...Petitioner

Versus

State of Punjab and another ...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

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Present: Mr. Mukand Gupta, Advocate for the petitioner.

Mr. Charanpreet Singh, AAG, Punjab.

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AMAN CHAUDHARY, J. (Oral)

1. Prayer made in the present petition is for directing the respondents to pay interest on the retiral benefits.

2. The petitioner was retired as Senior Assistant on 30.04.2020 and there being no disciplinary or criminal proceedings against him as on the date of retirement or even thereafter. The gratuity has been released on 18.09.2020 and 23.07.2021 as Rs.970000/- and Rs.30,000/-, GP Fund on 22.10.2020 as Rs.1119079/-, GIS on 22.10.2020 as Rs.52430/-, leave encashment on 05.03.2021 as Rs.656490/- and pension on 23.07.2021 as 409710/-.

3. The primary ground taken in the written statement is that as per the Punjab Civil Services Rule (Volume II Rule 9.3, 9.4, 9.5 and 9.6), the pension case was to be submitted by the retired employee six months prior to the date of retirement, however the petitioner submitted PF form on 27.04.2020 i.e.4 days before his retirement, therefore, substantiating the delay.

4. Learned counsel for the petitioner being unable to controvert the aforesaid, restricts grant of interest only on Rs.30,000/- of the gratuity withheld without any reason and released only on 23.07.2021, while GIS and leave encashment also on 22.10.2020 and 05.03.2021, respectively, regarding which delay there is neither any justification much less plausible in the reply filed nor the learned State counsel, despite best efforts was able to offer any during the course of arguments.

5. 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. Full Bench of this Court in **A.S. Randhawa vs. State of Punjab and others,** 1997(3) SCT 468 held that an employee would be entitled to be compensated by granting interest by the State on account of delayed disbursal of retiral benefits. In **Vijay L. Mehrotra vs. State of UP**, 2001 (9) SCC 687, it was ruled that in case there is no justification or reason for delayed payment of retiral benefits, interest would be liable to be paid, while this Court in **J.S. Cheema vs. State of Haryana**, 2014(13) RCR (Civil) 355, observed that, the interest has to be given to an employee where an amount belonging to him, was retained and utilized by the respondents, has been released on a later date.

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 stands disposed of by directing the respondents to pay the interest to the petitioner at the rate of 6% per annum on Rs.30,000/- of the gratuity, GIS and leave encashment from the date it was due till realisation. Needful be done within a period of four months.

(AMAN CHAUDHARY)
JUDGE

17.02.2025
Hemant

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