IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

240 **CWP-2461-2018 (O&M)**
Date of Decision :05.05.2025

Balbir Singh **...Petitioner**

Versus

State of Punjab and others **...Respondents**

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Amrik Singh, Advocate for the petitioners.

Ms. Akshita Chauhan, DAG, Punjab.

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<u>Harsimran Singh Sethi, J. (Oral)</u>

1. In the present petition, the prayer of the petitioner is for the release of his pensionary benefits, which includes leave encashment, GIS, gratuity etc. upon his retirement on 31.10.2015 along with the benefit of interest on said amount from date of his retirement till actual date of payment.

2. Learned counsel for the petitioner submits that the petitioner retired from service after availing the benefit of one year extension in service on 31.10.2015, on which date, no departmental proceeding was pending against him, which could have entitled the respondents to withhold his pensionary benefits. Learned counsel for the petitioner further submits that despite there being no impediment to release the pensionary benefits admissible to the petitioner, the pensionary benefits were withheld and a charge sheet was issued to the petitioner on 19.06.2017 i.e. after a period of

one and a half year of retirement but the said charge sheet was also dropped on 16.07.2018 after which, the pensionary benefits were released to the petitioner starting from March, 2018 up to March 2019.

3. Learned counsel for the petitioner submits that once, there was no impediment in the releasing of the pensionary benefits admissible to the petitioner on the date of retirement as per the judgment of the Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others, 1997(3) SCT 468,*** the petitioner should have been paid the pensionary benefits admissible to him within a period of two months from the date of his retirement hence, even up to the said period of two months, there was no departmental proceedings pending against the petitioner hence, the petitioner is entitled for the grant of benefit of interest on the delayed release of his pensionary benefits.

4. Learned counsel for the respondents submits that once, a charge sheet was issued though, after the retirement of petitioner from his services, the pensionary benefits were withheld as disciplinary proceedings had been initiated against petitioner but after the dropping of the said charge sheet in July 2018, the remaining benefits were released to the petitioner and therefore, no ground for the grant of benefit of interest to the petitioner is made out.

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

6. A Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others, 1997(3) SCT 468,*** has held that an employee is entitled for the release of his pensionary benefits within a period of two months of

his/her retirement in case there is no impediment to release the same. 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."*

7. In the present case, the petitioner retired from service on 31.10.2015 and at that relevant point of time, there was no impediment in the releasing of his pensionary benefits. Even in the next two months, in which time period the benefit are required to be disbursed, no impediment existed so as to withhold the pensioanry benefits admissible to the petitioner but his pensionary benefits were not released by the respondents and ultimately in June, 2017, a charge sheet was issued against the petitioner and by taking shelter behind the said charge sheet, the pensionary benefits admissible to the petitioner were withheld by the respondents. The charge sheet issued to the petitioner on 19.06.2017 came to be dropped on 16.07.2018 meaning thereby, the allegations alleged by the respondent-department against the petitioner could not be proved.

8. That being so, the petitioner's grievance is justified so as to claim benefit of interest on the delayed release of his pension benefits,

which were ultimately released in March, 2019.

9. As per the settled principle of law settled by the Coordinate Bench of this Court in ***J.S. Cheema Vs. State of Haryana, 2014(13) RCR (Civil) 355,*** it has been held that where an amount belonging to an employee, has been retained and used by the employer, upon the release of the said amount, on a later date, the interest has to be given. 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."*

10. In the present case, the amount which was ultimately released to the petitioner by the respondents was retained and used by the respondent-department and hence, the petitioner is held entitled for the grant of benefit of interest on the delayed release of his pensionary benefits @ 6% per annum starting from the date of retirement of the petitioner till actual payment of the same.

11. Let the interest be calculated and the same be released to the petitioner within a period of 08 weeks from the date of receipt of copy of this order.

12. No other argument has been raised.

13 Present writ petition is allowed.

14. Civil miscellaneous application pending, if any, is also disposed of.

May 05, 2025 **(HARSIMRAN SINGH SETHI)**
aarti **JUDGE**

Whether speaking/reasoned : Yes
Whether reportable : No