IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

285

CWP-29306-2022 (O&M)
Date of decision: 20.01.2025

Raj Mal and Others

....Petitioners

Versus

Punjabi University Patiala and Another

...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

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Present:- None for the petitioners

Mr. H.S. Batth, Advocate for respondents

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AMAN CHAUDHARY, J. (ORAL)

1. Prayer made in the present petition for quashing the impugned order/speaking order dated 15.11.2022 and further directing the respondents to pay the interest @ 9% to the petitioners on account of delay in payment of retiral benefits.

2. The petitioners, who retired on attaining the age of superannuation, were released the dues after more than 1 and half year thereof and are thus entitled to interest.

3. The stand taken in the written statement due to poor financial health,, the interest on delayed payment cannot be granted, is untenable.

4. Hon'ble the Supreme Court in **State of Kerala vs. M. Padmanabhan Nair**[1] reiterated that "Pension and gratuity are no longer any

[1] (1985) 1 SCC 429

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. Given the authoritative rulings in **A.S. Randhawa vs. State of Punjab and others**[2], and **Vijay L. Mehrotra vs. State of UP**[3], it is indisputable that 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. Full Bench of this Court in **A.S. Randhawa** (supra) emphasized 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. Similarly in **J.S. Cheema vs. State of Haryana**[4], 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. The delay in releasing the pensionary benefits, a cherished right, entitles the petitioner to interest thereon, as compensation for being deprived of the funds, which the respondents wrongfully withheld and benefited from, serving as reparation rather than a penalty.

7. In view of the above, the present petition stands disposed of by directing the respondents to pay the interest to the petitioners at the rate of 6% per

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[2] 1997(3) SCT 468
[3] 2001 (9) SCC 687
[4] 2014(13) RCR (Civil) 355

annum on amounts that were released after more than one and half year to the petitioners having retired on attaining the age of superannuation. Needful be done within a period of three months.

(AMAN CHAUDHARY)
JUDGE

20.01.2025
M.Kamra

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