



CWP-2906-2022

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

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CWP-2906-2022 (O & M)
Date of decision: 10.02.2025

Pardhan Singh

....Petitioner

Versus

State of Punjab and Others

...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present : Mr. Rakesh Sobti, Advocate and
Mr. Munish Jhanji, Advocate,
for the petitioner.

Mr. Satnam Preet Singh Chauhan, DAG, Punjab.

AMAN CHAUDHARY, J. (ORAL)

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

2. The petitioner, who was appointed on 01.04.1981, retired on attaining the age of superannuation on 31.03.2020, however, the retiral benefits to which he was entitled, were released only on 24.02.2021.

3. The plea taken in the written statement, as also in the speaking order, is that the delay was on the part of the office of the Accountant General and not on the department.

4. Hon'ble the Supreme Court in the case of **The State of Andhra Pradesh and another vs. Smt. Dinavahi Lakshmi Kameswari,**



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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.

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



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belonged to the petitioner but was unjustly retained and utilized by the State.

7. 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.

8. In view of the above, the present petition stands disposed of by directing respondent No.1 to pay the interest to the petitioner at the rate of 6% per annum as released to him from the date, the retiral benefits fell due till were released and is granted liberty to settle the same separately with respondent No.3-Accountant General. Needful be done within a period of two months.

10.02.2025

parveen kumar

**(AMAN CHAUDHARY)
JUDGE**

Whether speaking/reasoned : Yes / No

Whether reportable : Yes / No