

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

127

**CWP No.13500 of 2021
Decided on : 16.08.2021**

Satnam Singh

... Petitioner

Versus

State of Punjab and another

... Respondents

CORAM : HON'BLE MR.JUSTICE G.S. SANDHAWALIA

Present: Mr. Navneet Jindal, Advocate for the petitioner.

(The proceedings are being conducted through video
conferencing, as per instructions.)

G.S. Sandhawal, J. (Oral)

The petitioner in the present writ petition filed under Article 226 of the Constitution of India seeks quashing of the order dated 13.01.2021 (Annexure P-6) and reply to the legal notice dated 16.06.2021 (Annexure P-8) whereby his claim for the interest on the late payment of retiral dues has been declined. The same is on the ground that No Due Certificate (NDC) was not sent by the Recovery Branch and was only received on 29.06.2017. The revised NDC was sent on 11.07.2017 after receiving the information there is no delay in releasing the pensionary benefits.

Notice of motion.

Ms. Ambika Bedi, AAG, Punjab accepts notice on behalf of the respondents.

The petitioner also served legal notice dated 03.05.2021 (Annexure P-7), which has been replied on 16.06.2021 (Annexure P-8) that there is a minor delay and the Court will not be inclined to entertain the petition at the outset. The petitioner had retired on 28.02.2017. The payments

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

CWP No.13500 of 2021

-2-

have been made as per the table given below and had been mentioned in the legal notice, as per his calculation:-

S. No	Particulars	Amount	Date of Payment	Time period from date of retirement	Time period from date of NDC
1	Leave Encashment	Rs.7,41,030/-	21.12.2017	10 months	5 months
2	GIS	Rs.65,494/-	01.01.2018	11 months	6 months
3	Gratuity	Rs.10,00,000/-	31.03.2018	13 months	8 months
4	Commutation	Rs.5,12,076/-	18.01.2018	11 months	6 months

It would, thus, be clear that as per the judgment of the Full Bench of this Court in '**A.S. Randhawa Vs. State of Punjab**', 1997 (3) SCT 468, retiral dues have been paid after the prescribed period of two months, interest would be payable. Relevant portion of the said judgment reads as under:-

“8. 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 retiree 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 from 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. Again, as to what should be the rate of interest, it should, in our view, be generally 12% unless the circumstances of a particular case warrant the payment of a higher rate which may extend to even 18%.”

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

CWP No.13500 of 2021

-3-

Keeping in view the stand taken by the respondents in the reply to the legal notice, this Court does not feel it necessary to call upon the respondents for filing reply as it would only delay the proceedings and the facts are crystal clear.

Accordingly, the present writ petition is disposed of with the directions to the respondents to pay interest @ 7% per annum on the retiral dues, which accrued from 01.05.2017 till the date of payment. Needful be done within a period of 2 months from receipt of certified copy of this order. In case there is a delay, the rate of interest shall go up to 9% per annum.

August 16, 2021
Naveen

(G.S. SANDHAWALIA)
JUDGE

Whether speaking/reasoned:

Yes/No

Whether Reportable:

Yes/No