



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

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CWP-602-2023

Date of decision : 09.05.2024

Hira Lal Karakara

....Petitioner

V/S

State of Punjab and others

....Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Ms. Suman Kumari, Advocate for
Ms. Snigdha Sood, Advocate for the petitioner.

Ms. Arundhati Kulshreshtha, A.A.G., Punjab.

Mr. Rohit Singla, Advocate for respondent No.2.

Mr. Aditya Pratap Duggal, Advocate for respondent No.3.

NAMIT KUMAR, J. (ORAL)

1. The petitioner has filed the instant writ petition under Articles 226 and 227 of the Constitution of India seeking a writ of mandamus directing the respondents to release the retiral benefits of the petitioner along with interest @ 18% per annum.

2. Brief facts of the case, as have been pleaded in the petition, are that the petitioner was initially appointed as Clerk/Junior in Municipal Corporation, Abohar and worked from 29.10.1993 to 11.09.2014 and 06.11.2014 to 17.03.2016. Thereafter, he was posted as Junior Assistant at Goniana Mandi, District Bathinda. On attaining the age of superannuation, the petitioner retired from service on 31.10.2022. When the retiral dues of the petitioner were not released, he made various representations dated 07.11.2022, 15.11.2022, 23.11.2022 and



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30.11.2022 to the respondents for releasing his retiral dues but to no avail. Hence this petition.

3. Pursuant to notice of motion, reply on behalf of respondent No.2 has been filed in the Court which is taken on record. In the said reply, it has been averred as under :-

“xx xx xx xx xx

6. *That it is further submitted here that after the retirement of the petitioner, the answering respondent disbursed his pensionary and retirement benefits. It is apposite to mention here that the total retiral benefits including medical allowance amounting to Rs.18,32,817/- was disbursed to the petitioner vide cheque No.164834 dated 31.10.2022 amounting to Rs.1,00,000/-, vide cheque No.080188 dated 02.03.2023 amounting to Rs.1,76,228/-, cheque amounting to Rs.50,000/-, vide cheque No.082325 dated 03.04.2023 amounting Rs.12,87,202/- and vide cheque No.539854 dated 17.05.2023 amounting to Rs.2,19,387/-.*

xx xx xx xx xx”

4. Learned counsel for the petitioner submits that the petitioner has retired from service on 31.10.2022 and since the retiral dues of the petitioner have been released after a considerable delay, therefore, he is entitled for interest on the same in view of the law laid down by a Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others : 1997(3) S.C.T. 468*** and ***J.S. Cheema Vs. State of Haryana : 2014(13) RCR (Civil) 355***.

5. On the other hand, learned counsel for respondent No.2, while referring to the averments made in the reply, submits that since the whole amount of retiral dues has already been paid to the petitioner, therefore, the instant petition has been rendered infructuous.



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6. I have heard learned counsel for the parties and gone through the relevant documents.

7. Since either before or after the retirement of the petitioner, no departmental/criminal proceedings were pending against him, therefore, his retiral benefits were required to be released within a reasonable time after his retirement. Moreover, a perusal of reply filed by the respondent No.2 shows that although the retiral dues of the petitioner have been released, however, the same have been released after a considerable delay and no explanation has been furnished for not releasing the same at the time of retirement or within a reasonable time thereafter.

8. A Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others : 1997(3) S.C.T. 468*** has held that where there is an inordinate delay in releasing benefits and the delay is not justifiable, employee will be entitled for interest. 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 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



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the period of delay on the amount as was due to him on the date of his retirement.”

9. Apart from this, a Coordinate Bench of this Court in ***J.S. Cheema Vs. State of Haryana : 2014(13) RCR (Civil) 355***, had held that an employee will be entitled for the interest on an amount which has been retained by the respondents without any valid justification. The relevant paragraph of the said judgment 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 view of the above factual position and settled principles of law, the present petition is allowed and respondent No.2 is directed to pay interest @ 6% per annum to the petitioner, on the delayed payment of retiral dues w.e.f. 01.01.2023 (after two months of his retirement) till the actual date of payment, within a period of 03 months from the date of receipt of certified copy of this order.

09.05.2024

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(NAMIT KUMAR)
JUDGE

Whether speaking/reasoned:

Yes/No

Whether Reportable:

Yes/No