



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

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CWP-11837-2024

Date of decision : 13.08.2024

Dalip Kumar

.....Petitioner

V/S

State of Punjab and others

...Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Mr. K.R. Dhawan, Advocate for the petitioner.

Ms. Saguna Arora, A.A.G. Punjab.

Mr. Brijeshwar Vashist, Advocate for respondent No.3.

NAMIT KUMAR, J. (ORAL)

1. The petitioner has filed the instant writ petition under Articles 226/227 of the Constitution of India, seeking a writ in the nature of mandamus, directing the respondents to pay interest @ 12% per annum on the delayed payment of retiral benefits.

2. Brief facts of the case, as have been pleaded in the present petition, are that the petitioner was appointed as Clerk in the office of Nagar Council, Zira on 02.07.1985 and after about 37 years of service, he has retired on attaining the age of superannuation on 31.01.2023 as Inspector from the office of Nargar Panchayat Bhagta Bhaika, Tehsil Rampura Phool, District Bathinda. After retirement of the petitioner, all the retiral benefits were not released to him due to which he served a legal notice dated 03.05.2023 to the respondents to release all the retiral benefits along with interest @ 12% per annum but to no avail.

Thereafter, the petitioner approached this Court by filing CWP

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No.14147 of 2023 titled as 'Dalip Kumar Vs. State of Punjab and others'. The said writ petition was disposed of by this Court vide order dated 07.07.2023 with a direction to the respondents to decide the legal notice dated 03.05.2023 submitted by the petitioner, within a period of 04 weeks from the date of receipt of certified copy of the order with a further direction that if the petitioner is found to be entitled to claim mentioned in his legal notice, necessary disbursement of funds shall be made to him within a period 02 weeks thereafter. Despite the abovesaid directions of this Court, the respondents did not comply the order dated 07.07.2023. Thereafter, the petitioner again served a legal notice dated 24.08.2023 to the respondents and filed a contempt petition bearing COCP No.3522 of 2023 before this Court. During the pendency of the said contempt petition, respondent No.3 vide cheque dated 08.01.2024 paid an amount of Rs.25,62,119/- without any interest to the petitioner and also passed speaking order dated 08.01.2024. The contempt petition filed by the petitioner was dismissed as having been rendered infructuous vide order dated 14.02.2024. The respondents while passing the speaking order dated 08.01.2024 have not mentioned anything about the interest on the delayed payment of retiral benefits. Hence, this petition.

3. Pursuant to notice of motion, short reply by way of an affidavit on behalf of respondent No.3 has been filed in the Court which is taken on record.

4. Learned counsel for the petitioner submits that although all the retiral benefits have been released to the petitioner, however, the

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same have been released after a considerable delay. Therefore, the petitioner is entitled for interest on the same.

5. Per contra, learned counsel for contesting respondent No.3 submits that all the retiral benefits of the petitioner have been released and nothing is remained to be paid. However, he conceded the fact that some delay has occurred in releasing the retiral benefits of the petitioner which is entirely procedural and not intentional as out of total amount of Rs.28,14,722/-, amount of Rs.25,62,119/- accrued at Nagar Council, Zira and amount of Rs.1,63,618/- accrued at Nagar Panchayat, Makhu, have been received late by respondent No.3.

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

7. Admittedly, the petitioner has retired from service on attaining the age of superannuation on 31.01.2023. However, out of total retiral benefits of the petitioner amounting to Rs.28,14,722/-, amount of Rs.1,63,618/- accrued at Nagar Panchayat, Makhu has been paid to the petitioner on 22.09.2023 and amount of Rs.25,62,119/- accrued at Nagar Council, Zira has been paid to the petitioner on 08.01.2024. Since either before or after the retirement of the petitioner, no departmental/criminal proceedings were pending against him, therefore, the retiral benefits of the petitioner were required to be released within a reasonable time after his retirement. Since there is a considerable delay in releasing the retiral benefits to the petitioner, therefore, the petitioner cannot be denied the benefit of interest on the same.



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 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 disposed of with a direction to respondent No.3 to pay interest @ 6% per annum to the petitioner, on the delayed payment of retiral dues, w.e.f. 01.04.2023 (i.e. 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.

13.08.2024

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(NAMIT KUMAR)
JUDGE

Whether speaking/reasoned:	Yes/No
Whether Reportable:	Yes/No