

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

258

CWP-10576-2021

Date of Decision : December 04, 2025

JAGJIT SINGH

-PETITIONER

V/S

STATE OF PUNJAB AND ORS.

-RESPONDENTS

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. Amarjit Singh Bedi, Advocate
for the petitioner.

Mr. T.P.S. Walia, A.A.G., Punjab.

KULDEEP TIWARI, J. (ORAL)

1. Through the present writ petition, the petitioner seeks a direction to the respondents to pay interest on the delayed gratuity payment @ 12% per annum.

2. The petitioner retired from the respondent-department as a Sub-Divisional Officer on 30.11.2017. At the time of his retirement, he was facing criminal trial in FIR No.126 dated 17.06.2003, registered under Sections 406, 409, 120-B of the IPC and Section 13(1)(d) read with Section 13(2) 88 of the Prevention of Corruption Act. He was, however, acquitted by the trial Court vide judgment dated 14.03.2018. It is not in dispute that the said judgment was never assailed by the prosecution. Pursuant to his acquittal, the petitioner was issued a "No Demand Certificate" on 20.08.2018, which was subsequently withdrawn on 04.10.2018 solely for seeking clarification regarding the correct spelling of the petitioner's name. The clarification was furnished by the department on the very next day, i.e., 05.10.2018. Despite this, the "No Demand Certificate" was reissued only on

06.10.2020, and thereafter, vide order dated 15.01.2021, gratuity of ₹10,00,000/- was sanctioned and ultimately credited to the petitioner's account in March 2021.

3. The sequence of events clearly indicates that although the department was justified in withholding the gratuity until issuance of the "No Demand Certificate" on 20.08.2018, it unjustifiably delayed the release of gratuity thereafter by engaging in unnecessary correspondence concerning the spelling of the petitioner's name, a verification that should reasonably have been completed at least six months prior to the petitioner's retirement date. Therefore, there exists a clear and admitted delay on the part of the department in releasing the gratuity amount from 20.08.2018 until March 2021, when the payment was finally credited to the petitioner's account.

4. Although learned State counsel attempted to justify the delay by stating that the department was considering filing an appeal against the judgment of acquittal dated 14.03.2018, he fairly acknowledges that no such appeal was ever filed.

5. In view of the above, this Court finds merit in the present writ petition and accordingly **allows** the same. The respondent-department is directed to pay interest @ 6% per annum for the period of delay in release of gratuity, i.e., from 20.08.2018 (date of issuance of the initial "No Demand Certificate") until the gratuity was credited to the petitioner's account in March 2021. The interest amount shall be released within two months from today, failing which it shall thereafter carry interest @ 9% per annum.

December 04, 2025
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(KULDEEP TIWARI)
JUDGE

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