



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

214

CWP-12228-2021

Date of decision: 11.12.2025

Ram Dayal

.....Petitioner

Versus

State of Punjab and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE NAMIT KUMAR

Present : Mr. H.S. Saini, Advocate
for the petitioner.

Mr. Surya Kumar, AAG, Punjab.

Mr. Nakul Sharma, Advocate and
Mr. Karan Sirohi, Advocate
for respondent No.3.

NAMIT KUMAR, J. (ORAL)

1. The instant petition has been filed by the petitioner under Articles 226/227 of the Constitution of India, seeking a writ of certiorari for quashing of order dated 04.10.2019 (Annexure P-11) passed by respondent No.3, whereby his claim for grant of interest on the delayed payments of his retiral benefits for a period of about more than two years and also for refund of an amount of Rs.29,074.90 paise, along with interest @ 18% per annum has been rejected.

2. Learned counsel for the petitioner submits that the petitioner joined the office of respondent No.3 as Mali on work charge basis on 18.04.1977 in the office of Chief Executive Officer, Zila Parishad, Rupnagar and thereafter his services were regularised and he retired from service on attaining the age of superannuation on

30.09.2013, however, his retiral dues were not released by the respondents, despite the fact that he has submitted representation and legal notice dated 16.09.2015. Therefore, he filed **CWP No.21724 of 2015 (Ram Dayal v. State of Punjab and others)** for the release of his retiral dues. The said writ petition was disposed of by this Court vide order dated 09.10.2015 with a direction to respondent No.3 to consider and decide the legal notice dated 16.09.2015 (Annexure P-3 annexed with the said petition), within a period of three months from the date of receipt of a certified copy of the order and if amounts are found to be due, the same be paid within a period of one month thereafter and the respondents shall also take into account the fact that there has been substantial delay and right of the petitioner for claiming of interest shall also be kept into consideration.

3. Learned counsel for the petitioner further submits that in pursuance to the directions issued by this Court vide order dated 09.10.2015, the petitioner was released payment of gratuity and leave encashment amounting to Rs.6,42,477/- on 28.10.2015 after deducting a sum of Rs.50,000/-. Thereafter, arrears of pension amounting to Rs.3,67,024/- were released to the petitioner on 12.01.2016 for the period from 01.10.2013 to 30.11.2015. Since a sum of Rs.50,000/- were wrongly deducted from the gratuity/leave encashment account of the petitioner and no interest on the delayed payments were paid to him and even Rs.29,074/- were deducted from the salary of the petitioner, he filed a contempt petition bearing **COCP No.2703 of 2018 (Ram Dayal v. Amarjeet Singh Gujral. Addl. D.C. (Development)-cum-Chief Executive Officer, Rupnagar)**, which came up for hearing before this

Court on 11.09.2019 and learned counsel for the respondents stated that the needful with regard to issue of interest will be done within a period of four weeks after affording an opportunity of hearing to the petitioner. Thereafter, the claim of the petitioner for grant of interest and with regard to deduction of about Rs.30,000/- has been rejected by respondent No.3, vide order dated 04.10.2019 (Annexure P-11), which has been impugned in the present petition.

4. Learned counsel for the petitioner further submits that at the time of retirement neither any disciplinary nor any criminal proceedings were pending against the petitioner, therefore, he was entitled for the release of all his retiral dues immediately on his retirement, however, the same have not been released to him, despite the fact that No Due Certificate (Annexure P-3) was issued to him prior to his retirement. The retiral dues of the petitioner have been released after intervention of this Court in ***CWP No.21724 of 2015 (Ram Dayal v. State of Punjab and others)***.

5. In the written statement filed by the respondents, it has been stated that the petitioner had not handed over the complete charge to Kesar Singh, Mali, well before his retirement. Therefore, this delay has occurred.

6. I have heard learned counsel for the parties and perused the record.

7. Admittedly, the petitioner retired from service on attaining the age of superannuation on 30.09.2013, however, his retiral dues were not released to him in time despite the fact that no disciplinary or criminal proceedings were pending against him. The petitioner was

released payment of gratuity and leave encashment amounting to Rs.6,42,477/- on 28.10.2015 after deducting a sum of Rs.50,000/-. Thereafter, arrears of pension amounting to Rs.3,67,024/- were released to the petitioner on 12.01.2016 for the period from 01.10.2013 to 30.11.2015 and Rs.50,000/- deducted earlier were also released to the petitioner. Therefore, he cannot be denied the benefit of interest on the delayed payment of his retiral dues, as per settled principles of law.

8. A Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab : 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 the said judgment is 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. xx xx xx xx”

9. Apart from this, in ***J.S. Cheema Vs. State of Haryana and others : 2014(13) RCR (Civil) 355***, this Court 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: -

“5. xx xx xx xx 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 laying 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. Keeping in view the above, the petitioner is held entitled for the grant of interest on his retiral dues at the rate of 7% per annum.

11. Consequently, the present petition is allowed and the respondents are directed to release the payment of Rs.29,074/- to the petitioner, which was deducted from his salary, along with interest at the rate of 7% per annum from the date of his retirement as well as same rate of interest on the delayed payments of retiral dues till the actual date of payment(s), within two months from the date of receipt of a certified copy of this order.

11.12.2025

Vinay

(NAMIT KUMAR)
JUDGE

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No