



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

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CWP-14892-2019

Date of decision: 16.01.2025

Harjinder Singh

...Petitioner

Versus

State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present : Mr. Tarun Singhal, Advocate for the petitioner.

Mr. Charanpreet Singh, AAG, Punjab.

AMAN CHAUDHARY, J. (Oral)

1. Prayer made in the present petition is for directing the respondents to pay the interest on delayed payment of arrears of increments amounting to Rs.84058/- paid on 19.11.2018, which though were due on 28.12.2013.

2. In the written statement, there is no reason coming forth for not having release the said amount but after the process having been initiated, it transpired that respondent No.3 did not have the appropriate budget and the bills were once returned by the Treasury Officer on 09.09.2014, which were also sent back after about a year on 18.08.2015 for financial sanction, without there being any justification on the said delay as well.

3. Hon'ble the Supreme Court in **State of Andhra Pradesh and another vs. Dinavahi Lakshmi Kameswari**¹ held that "13. The direction for the payment of the deferred portions of the salaries and pensions is unexceptionable. Salaries are due to the employees of the State for services rendered. Salaries in other words constitute the rightful entitlement of the employees and are payable in accordance with law. Likewise, it is well settled that the payment of pension is for years of past service rendered by



the pensioners to the State. Pensions are hence a matter of a rightful entitlement recognised by the applicable rules and regulations which govern the service of the employees of the State. The State Government has complied with the directions of this Court for the payment of the outstanding dues in two tranches. Insofar as the interest is concerned, we are of the view that the rate of 12% per annum which has been fixed by the High Court should be suitably scaled down. While learned counsel for the respondents submits that the award of interest was on account of the action of the Government which was contrary to law, we are of the view that the payment of interest cannot be used as a means to penalize the State Government. There can be no gainsaying the fact that the Government which has delayed the payment of salaries and pensions should be directed to pay interest at an appropriate rate. 14. We accordingly order and direct that in substitution of the interest rate of 12% per annum which has been awarded by the High Court, the Government of Andhra Pradesh shall pay simple interest computed at the rate of 6% per annum on account of deferred salaries and pensions within a period of thirty days from today. This direction shall, however in the facts and circumstances, be confined to categories 3, 4, 5 and 6 of GOMs No 26 dated 31 March 2020. We clarify that interest shall be paid to all pensioners of the State at the rate of 6% per annum on the deferred portion, for the period of delay. Having regard to the prevailing bank interest, the rate of 12% per annum which has been fixed by the High Court, would need to be and is accordingly reduced.”

4. The delay in releasing the due amount, a cherished right, entitles the petitioner to interest thereon, as compensation for being deprived of the funds, which the respondents wrongfully withheld and benefited from, serving as reparation rather than a penalty.



5. In view of the above, the present petition stands disposed of by directing the respondents to pay the interest to the petitioner at the rate of 6% per annum on the arrears of increments from the date it was to be paid till realization. Needful be done within a period of three months.

(AMAN CHAUDHARY)
JUDGE

16.01.2025
Hemant

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