2025:PHHC:112375

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-24605-2025 (O&M)
Date of decision: 25.08.2025

Banwari Lal

....Petitioner

Versus

State of Punjab and others

....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Kamal Gupta, Advocate
for the petitioner.

Mr. Vikas Arora, DAG, Punjab.

HARPREET SINGH BRAR J. (Oral)

1. Prayer in this writ petition filed under Articles 226/227 of the Constitution of India, is for issuance of a writ in the nature of *mandamus*, directing the respondents to release the amount of interest on delayed payment of service-cum-retirement benefits @ 18% per annum. Further a writ of *certiorari* has been sought, for quashing the impugned speaking order dated 22.04.2025 (Annexure P-4).

2. Learned counsel for the petitioner, *inter alia*, contends that the petitioner superannuated on 30.09.2024. Post-retirement, the retiral benefits of the petitioner were withheld by respondent No.3 without any justifiable reason. The petitioner served a legal notice on 02.12.2024 but he received no response thereto. The petitioner approached this Court by filing **CWP No.2183 of 2025** titled as ***Banwari Lal vs State of Punjab and others***, and in compliance of the order dated 27.01.2025

passed by this Court, the retiral dues of the petitioner were released and a speaking order was passed. The delay of 08 months in releasing the retiral dues of the petitioner in three installments i.e. 23.05.2024, 27.05.2025 and 09.07.2025 and as such, the petitioner is entitled to the interest on delayed payment of retiral dues in terms of ***A.S. Randhawa Supg. Engineer (Retd.) vs. State of Punjab 1998 (1) SCT 343***. Learned counsel for the petitioner also relies upon the Instructions dated 07.08.2014 (Annexure P-5) and submits that the petitioner is also entitled to costs as he has been compelled to approach this Court twice for seeking his rightful claim.

3. Learned counsel for the respondents, while not disputing the factual position regarding the delay in releasing the retiral dues, submits that the delay was due to administrative and procedural complexities beyond their immediate control. It is further contended that the impugned speaking order dated 22.04.2025 (Annexure P-4) was passed after due consideration of all relevant factors and in accordance with the Rules and Regulations governing such payments.

4. In that vein, a gainful reference can be made to the judgment rendered by a Full Bench of this Court in ***A.S. Randhawa's case (supra)*** wherein it was opined that disbursement of pension and other benefits payable at retirement must be done in a timely manner. Any delay over a period of two months, qua the said disbursement would entitle the retired employee to claim interest on the amount due. Speaking through Justice N.K. Sodhi, the following was held:

> *"9. 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 retirer 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. Again, as to what should be the rate of interest, it should, in our view, be generally 12% unless the circumstances of a particular case warrant the payment of a higher rate which may extend to even 18%."(emphasis added)*

5. Reliance in this regard may also be placed on the judgments rendered by the Hon'ble Supreme Court in ***S.K. Dua vs. State of Haryana (2008) 3 SCC 44*** and ***State of Kerala vs. M. Padmanabhan Nair (1985) 1 SCC 429***.

6. In the view of the above discussions, the present petition is allowed. The respondents are directed to make the requisite payment of interest @ 7.5% per annum on the delayed payment to the petitioner, within a period of 04 weeks on receiving a certified copy of this order.

7. In addition, a perusal of the Notification dated 07.08.2014 (Annexure P-5) reveals that in cases where litigation arises due to administrative inaction, delay, or fault on the part of the department, and the Court awards interest and costs, the officer responsible for such delay shall be personally liable, and the amount is recoverable from him. Accordingly, costs of Rs.20,000/- is imposed on respondent No.3, to be paid to the petitioner within a period of four weeks. Respondent No.3 shall be at liberty to recover the said amount from the official found responsible for the delay, in terms of the Notification dated 07.08.2014 (Annexure P-5).

(HARPREET SINGH BRAR)
JUDGE

25.08.2025
yakub

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No