IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-1538-2023
Date of decision : 18.02.2026

Nirmal Kanta .....Petitioner

V/S

State of Punjab and others ....Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Mr. Vikas Bali, Advocate for the petitioner.

Mr. Satnampreet Singh Chauhan, D.A.G., Punjab.

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NAMIT KUMAR, J. (ORAL)

1. The petitioner has filed the instant writ petition under Articles 226/227 of the Constitution of India, seeking issuance of a writ of mandamus, directing the respondents to pay interest @ 18% per annum on the delayed payment of retiral benefits of the petitioner.

2. Brief facts of the case, as have been pleaded in the petition, are that the petitioner joined as Pharmacist on 23.02.1981 and her last posting was at ESI Dispensary No.4, Jawaddi, Ludhiana as Senior Pharmacy Officer and she retired, on attaining the age of superannuation, on 30.09.2020. However, the respondent-department had released the retiral benefits of the petitioner after a considerable delay without any fault of the petitioner. The petitioner submitted representation dated 22.04.2022 (Annexure P-3) to respondent No.4 seeking interest on the delayed payment of her retiral benefits, but to no avail. Thereafter, she served a legal notice dated 24.08.2022 (Annexure

P-4) through her counsel upon the respondents claiming interest @ 18% on the delayed payment of retiral benefits but the respondents did not respond to the said notice. Hence, the instant petition.

3. Reply by way of an affidavit of Dr. Amita Arora, Senior Medical Officer Incharge, ESI Dispensary No.4, Ludhiana, on behalf of respondents No.1, 2 & 4, has been filed, wherein it has been stated as under :-

> *"xx xx xx xx xx*
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> *3. That, it is respectfully submitted that the pension case of the petitioner was forwarded to the office of the respondent No.5 on 06.07.2020 qua which approval pertaining to pension case of the petitioner was received on 29.12.2020 accordingly P.P.O. No.1120005181 was allocated to the petitioner. All the retrial benefits as per entitlement i.e. DCRG amounting to Rs.10,00,000/-, computed Pension amounting to Rs.5,50,879/- on 29.12.2020, Leave Encshment amounting to Rs.8,84,780/- were released and after receiving the approval from the office of Director Health vide letter No.967-969 dated 21.06.2021 pertaining to release of actual G.P.F. Funds amounting to Rs.24,61,705/- accordingly bill was submitted to the District Treasury Office on 10.08.2021 but, some objections were raised by the District Treasury Officer. Thereafter, after removal of the objections same was again submitted to the District Treasury office on 23.11.2021 qua which payment was released to the petitioner on 25.11.2021. As such all the pensionary benefits have already been paid to the petitioner thus, nothing is left to be paid to the petitioner by the respondent department.*

4. That it is admitted fact that the petitioner was superannuated on 30.09.2020 and it is also admitted fact that the retrial benefits of the petitioner could not be released to her well in time however, same were not intentionally withheld by the respondent department but, same were delayed due to outbreak of Novel Corona Virus, lockdown was imposed in the whole of the country from 23.03.2020 due to which the pension case of the petitioner could not be finalized in time. As the petitioner was retired on 30.09.2020 i.e. during the outbreak of the Covid-19 and the government offices were working with the strength of 50% officials staff which made it extremely difficult to cope up with the quantum of work as such due to the heavy pendency of the office work, the case of petitioner could not be finalized in time.

xx xx xx xx xx"

4. Learned counsel for the petitioner submits that since there is a considerable delay in releasing the retiral benefits of the petitioner, therefore, she is entitled for interest on the delayed payment of retiral benefits. He further submits that the retiral benefits of the petitioner were released in the following manner :-

Particulars	**Amount (in Rs.)**	**Date of Payment**	**Delay Period**
Leave encashment	8,84,780/-	22.01.2021	3 months 22 days
GPF	24,61,705/-	25.11.2021	13 months 25 days
Commuted Pension	5,50,879/-	02.06.2021	8 months
Gratuity	10,00,000/-	02.06.2021	8 months
Pension October 2020 to April 2021			
October, 2020	42,420/-	02.06.2021	8 months
November, 2020	42,420/-	02.06.2021	7 months
December, 2020	42,420/-	02.06.2021	6 months
January, 2021	42,420/-	02.06.2021	5 months
February, 2021	42,420/-	02.06.2021	4 months

March, 2021	42,420/-	02.06.2021	3 months
April, 2021	42,420/-	02.06.2021	2 months

5. Per contra, learned State counsel, while referring to the averments made in the reply filed on behalf of respondents No.1, 2 & 4, submits that in view of the outbreak of Novel Corona Virus, lockdown was imposed in the whole country w.e.f. 23.03.2020, due to which the case of the petitioner could not be finalized in time. The delay occurred in releasing the pensionary benefits of the petitioner was procedural and not intentional. Therefore, the petitioner is not entitled for any interest.

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

7. Admittedly, the petitioner retired from service on 30.09.2020, on attaining the age of superannuation and no departmental/criminal proceedings were pending against her before or after her retirement, therefore, she was entitled for the release of her retiral benefits immediately after her retirement and there was no legal impediment for denying the same. However, her retiral benefits have been released after a delay of 4 to 13 months.

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 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. 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 has 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. There is no dispute that due to the COVID-19 pandemic, a lockdown was imposed in the entire country for a certain period but

thereafter functioning had started. The petitioner retired from service on 30.09.2020 and by that time the government offices had already resumed their operations, and therefore, the respondent-department was in a position to process and release the petitioner's pensionary benefits within the stipulated time. Moreover, the retiral benefits cannot be withheld citing reasons like paucity of funds or Coivd-19 pandemic. Reference in this regard can be made from the judgment passed by a Coordinate Bench of this Court in ***CWP-21871-2020 titled as 'Prem Kumar Vs. State of Punjab and others' decided on 20.03.2023***. Since there is a considerable delay in releasing the retiral dues of the petitioner, therefore, the petitioner cannot be denied the benefit of interest on the delayed payment of retiral benefits.

11. In view of the above factual position and settled principles of law, the present petition is disposed of with a direction to the respondents to pay interest @ 6% per annum on the delayed payments of retiral benefits (payments in which delay exceeds three months), to the petitioner w.e.f. 01.01.2021 (i.e. after three months of the retirement of the petitioner) till the actual date of payment, within a period of 02 months from the date of receipt of certified copy of this order.

18.02.2026 **(NAMIT KUMAR)**
kothiyal **JUDGE**

Whether speaking/reasoned: Yes/No

Whether Reportable: Yes/No